



**Listing of  
EUR 20,000,000 Fixed Rate Secured Notes due 2020  
The Notes are represented by units in denominations of EUR 20,000.**

On 1 April 2015, Orava Asuntorahasto Oyj (the ‘**Issuer**’ or the ‘**Company**’) issued senior, secured and unsubordinated fixed rate notes with an aggregate principal amount of EUR 20,000,000 (the ‘**Notes**’) mainly to certain institutional investors. The Notes are represented by units in denominations of EUR 20,000. The Notes carry a fixed interest rate of 4.25% per annum. The Notes are secured by certain assets, as described in more detail under sections “*Information about the Initial Pool subject to the Security*” and “*Terms and Conditions of the Notes*”. Pursuant to the Terms and Conditions of the Notes, the Issuer may issue additional Notes up to an aggregate amount of EUR 15,000,000 substantially on the same terms and conditions and with the same ISIN code.

This document (this document and the documents incorporated herein by reference jointly referred to as the ‘**Listing Prospectus**’) has been prepared in accordance with (i) the Finnish Securities Markets Act (746/2012, as amended, the ‘**Finnish Securities Markets Act**’), (ii) the Decree of the Finnish Ministry of Finance on prospectuses referred to in Chapters 3 to 5 of the Finnish Securities Markets Act (1019/2012, as amended), (iii) the Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended, in application of Annexes V, VI, XV and XXII thereof, implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (the ‘**Prospectus Directive**’) and (iv) the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the ‘**FIN-FSA**’) solely for the purpose of listing the Notes on NASDAQ OMX Helsinki Ltd (the ‘**Helsinki Stock Exchange**’) and does not constitute any offering of the Notes. The FIN-FSA, which is the competent authority for the purposes of the Prospectus Directive and relevant implementing measures in Finland, has approved this Listing Prospectus (journal number 14/02.05.04/2014), but assumes no responsibility for the accuracy or completeness of the information contained herein.

Application has been made for the Notes to be admitted to trading on the regulated market on the Helsinki Stock Exchange (the ‘**Listing**’), and the Listing is expected to take place on or about 2 April 2015.

Besides filing this Listing Prospectus with the FIN-FSA and the application to the Helsinki Stock Exchange, neither the Issuer nor the Lead Manager (defined hereafter) have taken any action, nor will they take any action to render the public offer of the Notes, or the distribution of this Listing Prospectus or any other documents relating to the Notes admissible in any jurisdiction other than Finland which would require measures to be taken for the purpose of making a public offer.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the ‘**Securities Act**’) nor with any securities regulatory authority of any state of the United States of America (the ‘**United States**’). The Notes may not be offered, sold, pledged or otherwise transferred directly or indirectly within or to the United States, or to the account of or for the benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (‘**Regulation S**’), except in an offshore transaction pursuant to Regulation S, to a person who is not a U.S. Person (as defined in Regulation S).

The Issuer and the Notes have not been assigned any credit ratings at the request of or with the co-operation of the Issuer in such rating process.

Investment in the Notes involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under ‘*Risk Factors*’ below.

**Lead Manager**



## CERTAIN INFORMATION WITH REGARD TO THE LISTING

In this Listing Prospectus, 'Orava Asuntorahasto Oyj', the 'Company' and the 'Issuer' refer to Orava Asuntorahasto Oyj and the 'Group' to Orava Asuntorahasto Oyj and its consolidated subsidiaries.

This Listing Prospectus should be read in conjunction with all documents which are deemed to be incorporated herein by reference and such documents form part of this Listing Prospectus. See '*Documents Incorporated by Reference*'.

The Company is a public limited liability company, which acts as a real estate investment trust as referred to in the Finnish Real Estate Investment Trust Act (1173/1997, the 'Real Estate Investment Trust Act'). The Company's assets are invested mainly in rental apartments in the manner described in the Company's rules for real estate investment operations. In this Listing Prospectus, the term 'Investment Property' refers to the Company's investments in real property mainly in permanent residential use, shares in housing companies or shares providing entitlement to the possession of an apartment in such other mutual real estate company which solely engages in the ownership and management of real estate and the buildings on it. The Company is subject to the Finnish Limited Liability Companies Act (624/2006, the 'Limited Liability Companies Act'), the Real Estate Investment Trust Act, the Act on the Tax Exemption of Certain Limited Liability Companies Engaging in Apartment Rental Operations (299/2009, the 'Tax Exemption Act') and the Company's rules for real estate investment operations.

Danske Bank Oyj (the 'Lead Manager') is acting for the Issuer as arranger and lead manager of the Listing and is not acting for anyone else in connection with the Listing and will not be responsible to anyone other than the Issuer for providing the protections afforded to its respective clients nor for providing any advice in relation to the Listing or the contents of this Listing Prospectus. Investors should rely only on the information contained in this Listing Prospectus. Neither the delivery of this Listing Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of this Listing Prospectus or that the information herein is correct as of any time subsequent to the date of this Listing Prospectus. However, if a fault or omission is discovered in the Listing Prospectus before the admission of the Notes for listing on the Helsinki Stock Exchange and such fault or omission may be of material importance to investors, the Listing Prospectus shall be supplemented in accordance with the Finnish Securities Markets Act.

In making an investment decision, each investor must rely on their examination, analysis and enquiry of the Issuer and the Terms and Conditions of the Notes, including the risks and potential benefits involved. Neither the Issuer nor the Lead Manager, nor any of their respective affiliated parties or representatives, is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Investors should make their own independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Listing Prospectus or any information supplied by the Company or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Company or the Lead Manager.

No representation or warranty is made by the Lead Manager as to the accuracy or completeness of the information contained in this Listing Prospectus. The Lead Manager accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract, or otherwise (save as referred to above) which it might otherwise have in respect of such document or any such statement.

Nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise or representation by the Issuer or the Lead Manager as to the future. Investors are advised to inform themselves of any stock exchange release published by the Company after the date of this Listing Prospectus.

This Listing Prospectus has been prepared in English only. However, the summary of this Listing Prospectus has been translated into Finnish.

The distribution of this Listing Prospectus may, in certain jurisdictions, be restricted by law, and this Listing Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Notes, or otherwise to permit a public offering of the Notes, in any jurisdiction outside of Finland. The Issuer and the Lead Manager expect persons into whose possession this Listing Prospectus comes to inform themselves of and to observe all such restrictions. Neither the Issuer nor the Lead Manager accept any responsibility for any violation of those restrictions by any person, regardless of whether or not a prospective purchaser of Notes is aware of such restrictions. In particular:

- the Notes may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States, Australia, Canada, Japan, Hong Kong, Singapore or any other jurisdiction in which it would not be permissible to offer the Notes; and
- this Listing Prospectus may not be sent to any person in the aforementioned jurisdictions.

The Notes are governed by Finnish law and any dispute arising in relation to the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

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## SUMMARY

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are listed in Sections A–E (A.1–E.7).

This summary contains all the Elements required to be included in a summary for the type of securities being listed in conjunction with this Listing Prospectus and for the type of issuer herein. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Although it may be required to include an Element in the summary because of the type of securities and the Issuer, it is possible that no relevant information can be given regarding that Element. In such case a short description of the Element is included in the summary with the mention of ‘not applicable’.

<b>A – Introduction and Warnings</b>		
<b>A.1</b>	<b>Warning</b>	The following summary is not intended to be exhaustive and should be read as an introduction to this Listing Prospectus, including the financial statements of the Company and other financial information contained in this Listing Prospectus. Any decision to invest in the Notes should be based on consideration of this Listing Prospectus as a whole. Certain terms used in this summary are defined elsewhere in this Listing Prospectus. Where a claim relating to the information contained in this Listing Prospectus is brought before a court in the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Listing Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Listing Prospectus or it does not provide, when read together with the other parts of the Listing Prospectus, key information in order to aid investors when considering whether to invest in the Notes.
<b>A.2</b>	<b>Consent for subsequent resale or final placement of securities / offer period / conditions of the consent</b>	Not applicable. This Listing Prospectus has been prepared solely for the purpose of listing of the Notes.
<b>B – Issuer</b>		
<b>B.1</b>	<b>Legal and commercial name of the Issuer</b>	The trade name of the Issuer is Orava Asuntorahasto Oyj (in Swedish Orava Bostadsfond Abp and in English Orava Residential REIT plc). The Company has the auxiliary trade names Orava REIT and Orava Residential REIT Finland.  The Issuer’s annual general meeting held on 19 March 2015 decided to amend the Issuer’s trade name as follows: the Issuer’s trade name is in Finnish Orava Asuntorahasto Oyj (in Swedish Orava Bostadsfond Abp and in English Orava Residential REIT plc). The new trade name was registered with the Trade Register on 31 March 2015.
<b>B.2</b>	<b>Domicile and legal form of the issuer, legislation under which the Issuer operates and country of incorporation of the Issuer</b>	Orava Asuntorahasto Oyj is a public limited company incorporated in Finland under the laws of Finland. The Company’s domicile is Helsinki and it is governed by the laws of Finland.
<b>B.4b</b>	<b>Known trends affecting the Issuer and the Issuer’s industries</b>	<u>National economy</u>  According to the Federation of Finnish Financial Services, Finland’s GDP growth is estimated to have settled in the range –0.4% – 0.0% in 2014, and it is forecasted to remain in the range +0.1% – +1.0% in the current year. The change in private consumption that has a key impact on

		<p>the housing market is estimated to have been approximately –0.4% – +0.2% in the ended year and to be –0.2% – +0.9% in 2015. The market interest rates in the euro area have continued to fall, and short-term rates are also expected to remain at less than one per cent for the next four to five years. The estimate is based on the most recent economic forecasts by 15 parties drawing up forecasts on the Finnish economy and the market interest rate expectations calculated on the basis of the euro interest rate curve published by the European Central Bank.</p> <p>The housing market is estimated to start strengthening slowly as a result of the picking up of overall economic activities in 2015.</p> <p><u>Demand in the housing market</u></p> <p>During October–December 2014, households drew down EUR 3.9 billion in new mortgages, or 6% more than a year previously according to statistics from the Bank of Finland. The eurodenominated mortgage base totalled EUR 89.8 billion at the end of December, and the annual growth in the mortgage base was 1.7%.</p> <p>The average selling period for old apartments in the country overall according to the Finnish Etuovi.com portal increased from 112 days in September to 135 days in December, while it was 109 days in December in the previous year.</p> <p>The demand for apartments has continued to be weak during the end of the autumn and beginning of the winter.</p> <p><u>Supply in the housing market</u></p> <p>According to Statistics Finland, building permits for apartment blocks were granted for 816 apartments in October 2014, which was 15% less than a year previously. Correspondingly, in January–October, a total of 14,840 building permits were granted for apartment block apartments, or 22 % more than a year previously. The annual change in the sliding annual sum of building permits granted for apartment blocks was +25 %.</p> <p>The three-month change in the housing construction volume index that describes the value of on-going new construction was +12% in August, and the change year-on-year was –17%.</p> <p>The supply in the housing market has continued at a low level, even though some signs of a potential turn are visible.</p> <p><u>Prices, rents and return in the housing market</u></p> <p>According to Statistics Finland, in the fourth quarter of 2014, the rents of non-subsidised apartments increased by 3.0% year-on-year. The change in the prices of apartments during the fourth quarter was –1.0% year-on-year. The ratio of housing prices to rents is slightly below the long-term average; the ratio calculated from the square metre prices and rents of the fourth quarter was 15.5. The 40-year average for the ratio of square metre prices to annual rents in Finland is 16.7.</p> <p>During 2015, the Company expects housing prices throughout the country to remain approximately the same or at the end of period start rising slightly and the growth rate in rents for non-subsidised apartments to remain approximately the same if the market interest rate expectations and economic forecasts prove to be accurate with regard to their essential components affecting the housing market.</p>
<b>B.5</b>	<b>Description of the group and the Issuer’s position within the group</b>	<p>Orava Asuntorahasto Oyj consists of the parent company Orava Asuntorahasto Oyj and housing companies fully or partially owned by it. The subsidiaries will be handled in the accounts as follows: the Company will consolidate fully owned housing companies in accordance with IFRS 10. Partially owned housing companies will be consolidated in accordance with IFRS 11 using the proportionate consolidation method, in which only the portion of each item of the subsidiaries’ income statement and balance sheet corresponding to the Group’s holding in the</p>

		subsidiary in question is consolidated. As result, no minority holdings are formed in group consolidation.																																							
<b>B.6</b>	<b>Major shareholders</b>	<p>The Company's major shareholders as at 9 March 2015 have been presented in the following table.</p> <table border="1"> <thead> <tr> <th>Shareholder</th> <th>Number of shares on 9 March 2015</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Royal House -konserni***</td> <td>547,925</td> <td>8.4</td> </tr> <tr> <td>Länsi-Suomen Vuokratalot Oy*</td> <td>258,823</td> <td>4.0</td> </tr> <tr> <td>Godoinvest Oy**</td> <td>229,360</td> <td>3.5</td> </tr> <tr> <td>Avaintalot Oy*</td> <td>100,194</td> <td>1.5</td> </tr> <tr> <td>Yli-Torkko Erkki</td> <td>100,000</td> <td>1.5</td> </tr> <tr> <td>Rannikko Reino</td> <td>90,700</td> <td>1.4</td> </tr> <tr> <td>Pakarinen Janne</td> <td>87,005</td> <td>1.3</td> </tr> <tr> <td>Livränteanstalten Hereditas</td> <td>81,000</td> <td>1.2</td> </tr> <tr> <td>Maakunnan Asunnot Oy</td> <td>69,422</td> <td>1.1</td> </tr> <tr> <td>Osuusasunnot Oy</td> <td>49,993</td> <td>0.8</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Ten largest, total</td> <td><b>1,614,422</b></td> <td><b>24.8</b></td> </tr> </tbody> </table> <p>*Companies in which board members Tapani Rautiainen and Timo Valjakka exercise control. **Company in which board member Timo Valjakka exercises control. ***Company in which board member Tapani Rautiainen exercises control. The aforementioned companies in which Tapani Rautiainen and Timo Valjakka exercise control operate in the same field of operation as the Company.</p>	Shareholder	Number of shares on 9 March 2015	%	Royal House -konserni***	547,925	8.4	Länsi-Suomen Vuokratalot Oy*	258,823	4.0	Godoinvest Oy**	229,360	3.5	Avaintalot Oy*	100,194	1.5	Yli-Torkko Erkki	100,000	1.5	Rannikko Reino	90,700	1.4	Pakarinen Janne	87,005	1.3	Livränteanstalten Hereditas	81,000	1.2	Maakunnan Asunnot Oy	69,422	1.1	Osuusasunnot Oy	49,993	0.8				Ten largest, total	<b>1,614,422</b>	<b>24.8</b>
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<b>B.7</b>	<b>Selected consolidated financial information and no material adverse change and no significant change statements</b>	<p>The following is a summary of the Company's audited consolidated financial statements as at and for the financial years ended 31 December 2014, 31 December 2013 and 31 December 2012. The Company's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union.</p> <p>The Company's IFRS financial statements for the 2014, 2013 and 2012 financial periods have been incorporated into this Listing Prospectus by reference.</p> <p>There has been no material adverse change in the future outlook of the Company since the publication of the Company's last audited financial statements. Further, there has been no significant change in the Company's financial or trading position since 31 December 2014.</p> <p>On 31 March 2015, the Company signed a binding agreement to acquire 53 apartments from Skanska Talonrakennus Oy for a debt-free purchase price of EUR 11.7 million. The acquired apartments are new and located in Tampere, Turku, Oulu, Vaasa, Rovaniemi, Kokkola and Savonlinna. On the same day, the Company signed a deal to acquire a total of 87 apartments in Kaarina and Raisio for a purchase price of EUR 3.4 million. This deal was partly financed through a directed share issue allocated to Osuusasunnot Oy, in which Osuusasunnot Oy subscribed for 244,193 new shares in the Company.</p> <p>The completed deal and the binding agreement will improve the</p>																																							

Company's result for the first quarter. The combined impact of the acquisitions and the change in the fair value of investments properties in January-February are estimated at approximately EUR +2 million.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1.000 EUR	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012
Income from ordinary operations	6,532	3,153	1,914
Gains from disposals and changes in the fair value of apartments	8,794	6,529	1,266
<b>Total revenue</b>	<b>15,327</b>	<b>9,682</b>	<b>3,180</b>
Maintenance expenses	-2,831	-1,452	-752
Expenses from rental operations	-350	-97	-47
Administrative expenses	-1,379	-696	-356
Other operating income and expenses	-862	2	-141
<b>Total expenses</b>	<b>-5,422</b>	<b>-2,243</b>	<b>-1,296</b>
<b>Operating Profit</b>	<b>9,905</b>	<b>7,439</b>	<b>1,884</b>
Finance expenses (net)	-1,361	-639	-452
<b>Profit before taxes</b>	<b>8,545</b>	<b>6,801</b>	<b>1,432</b>
Direct taxes	-94	-48	-11
<b>Profit/loss for the period</b>	<b>8,451</b>	<b>6,753</b>	<b>1,421</b>
<b>Profit/loss for the period attributable to the owners of the parent company</b>	<b>8,451</b>	<b>6,753</b>	<b>1,421</b>
<b>Earnings per share calculated from the profit attributable to the owners of the parent company</b>			
Earnings per share, EUR	1.83	3.19	1.14
<b>Other comprehensive income items</b>	<b>-270</b>	<b>183</b>	<b>-243</b>
<b>Comprehensive profit/loss for the period</b>	<b>8,181</b>	<b>6,936</b>	<b>1,178</b>
<b>Comprehensive profit/loss for the period attributable to the owners of the parent company</b>	<b>8,181</b>	<b>6,936</b>	<b>1,178</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1.000 EUR	31 Dec 2014	31 Dec 2013	31 Dec 2012
<b>ASSETS</b>			
<u>Non-current assets</u>			
Fair value of investment properties	130,668	79,190	31,992
<u>Current assets</u>			
Trade and other receivables	4,070	203	131
Cash and cash equivalents	<u>1,990</u>	<u>9,134</u>	<u>300</u>
	6,059	9,336	432
<b>TOTAL ASSETS</b>	<b>136,728</b>	<b>88,526</b>	<b>32,424</b>
Equity attributable to the owners of the parent			

company			
Share capital	50,337	43,144	13,666
Reserves	-493	-224	-126
Retained earnings	1,780	106	46
<u>Profit for the period</u>	<u>8,451</u>	<u>6,753</u>	<u>1,421</u>
Total equity	69,860	49,780	15,007
Liabilities			
Non-current liabilities	58,538	35,797	15,731
Current liabilities			
Interest-bearing liabilities, borrowings	1,931	1,730	524
Trade payables and other current liabilities	5,906	995	756
<u>Fair value of interest rate hedges</u>	<u>493</u>	<u>224</u>	<u>407</u>
Total liabilities	66,868	38,746	17,418
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>136,728</b>	<b>88,526</b>	<b>32,424</b>

### CONSOLIDATED CASH FLOW STATEMENT

1.000 EUR	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012
<b>Cash flows from operational activities</b>			
Cash flows from operational activities before financial items	3,251	811	660
Interest paid, net	-1,990	-656	-538
Taxes paid	-72	-11	0
Income from divestures of tangible fixed assets	4,381	3,172	1,663
<b>Net cash flows from operational activities</b>	<b>5,570</b>	<b>3,316</b>	<b>1,785</b>
<b>Cash flows from investment activities</b>			
Acquisition of subsidiaries less acquired cash	-13,126	-18,883	-4,040
Acquisition of residential apartment shares	-3,833	-2,564	-833
Investments in tangible fixed assets	-2,670	-178	-19
Investments in intangible assets	-490	-187	-120
<b>Net cash flows used in investments</b>	<b>-20,118</b>	<b>-21 812</b>	<b>-3,713</b>
<b>Cash flows from financing activities</b>			
Payments received from share issues	2,750	27,645	21
Loan withdrawals	11,334	7,111	4,280
Loan repayments	-2,079	-6,081	-413
Dividends paid	-4,600	-1,347	-398
<b>Net cash flows used in financing activities</b>	<b>7,405</b>	<b>27,329</b>	<b>3,489</b>
<b>Net decrease (-) / increase (+) in cash and cash equivalents</b>	<b>-7,143</b>	<b>8,833</b>	<b>-103</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>9,134</b>	<b>300</b>	<b>403</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,990</b>	<b>9,134</b>	<b>300</b>

### FINANCIAL INDICATORS FOR THE GROUP

	31 Dec 2014	31 Dec 2013	31 Dec 2012
Revenue, EUR 1,000	15,327	9,682	3,180
Operating profit, EUR 1,000	9,905	7,439	1,884
Financial result for the period, EUR 1,000	8,451	6,753	1,421
Comprehensive profit for the period, EUR 1,000	8,181	6,936	1,178
Earnings per share, EUR	1.83	3.19	1.14
Return on equity, %, p.a. (ROE)	14.7	33.4	10.2



Equity/assets ratio, %	51.1	56.3	46.3
Loan to value ratio, %	43.9	42.2	51.3
Net gearing, %	83.0	56.6	113.3
Net asset value per share, EUR, NAV	13.52	11.54	10.98
Economic occupancy rate, %, (EUR)	89.4	93.8	96.7
Operational occupancy rate, %, (m <sup>2</sup> )	88.7	92.5	96.5
Tenant turnover/month, %	2.1	2.3	3.0
Gross rental yield, % of fair value	6.7	8.0	8.0
Net rental yield, % of fair value	4.0	4.5	4.8
<b>B.8</b>	<b>Selected key pro forma financial information</b>	Not applicable. This Listing Prospectus does not contain pro forma financial information.	
<b>B.9</b>	<b>Profit forecast or estimate</b>	<p>In its financial statements for 1 January – 31 December 2014, the Company published the following information on its future outlook:</p> <p>“Orava Residential REIT estimates that it has reasonably good preconditions for maintaining good profitability in 2015 and achieving the targeted total return of 10 per cent on shareholders’ equity.</p> <p>The value of the apartments in the investment portfolio is expected to remain at the same level or at the end of period to start increasing moderately as a result of the predicted strengthening of the overall economy. The rental income is estimated to rise slightly, as we believe that we can increase the economic occupancy rate compared with the previous year. The result impact of the acquisition of properties is expected to remain at the level of the previous year. The ratio of maintenance and repair costs to the value of investment assets is also expected to remain approximately at the level of the previous year.”</p>	
<b>B.10</b>	<b>Qualifications in audit report on historical financial information</b>	Not applicable. The audit reports on historical financial information incorporated by reference into this Listing Prospectus do not contain any qualifications.	
<b>B.13</b>	<b>Recent events materially relevant to evaluation of the Issuer’s solvency</b>	There are no recent events materially relevant to evaluation of the Issuer’s solvency.	
<b>B.14</b>	<b>Dependency of the Issuer on other entities within the Group</b>	Orava Asuntorahasto Oyj comprises the parent company Orava Asuntorahasto Oyj and its subsidiaries. The subsidiaries will be handled in the accounts as follows: the Company will consolidate fully owned housing companies in accordance with IFRS 10. Partially owned housing companies will be consolidated in accordance with IFRS 11 using the proportionate consolidation method, in which only the portion of each item of the subsidiaries’ income statement and balance sheet corresponding to the Group’s holding in the subsidiary in question is consolidated. As result, no minority holdings are formed in group consolidation.	
<b>B.15</b>	<b>Description of the Issuer’s principal activities</b>	<p>Orava Asuntorahasto Oyj is a real estate investment trust (REIT) investing mainly in rental apartments. The Company’s renting and investment activities aim at generating profit for shareholders both as dividends distributed for the financial year and as an increase in the value of the Company’s share. The Company engages in real estate investment operations by owning, renting, developing, building and selling housing apartments, housing real estate or housing companies owned by the Company. The Company aims to invest primarily in rental apartments offering a good rental income in large and medium-large Finnish cities. Additionally, the Company intends to make effective use of the debt/equity ratio in purchasing Investment Properties.</p> <p>The Company’s profits consist of the rental income and increases in value of the Investment Properties. The result of the Company’s operations is a sum of net rental income of the apartments, realised and unrealised changes in value, debt capital expenses and administrative expenses. The Company aims to distribute dividends four times a year, based on the result for the previous financial year.</p>	

<b>B.16</b>	<b>Description of whether the Issuer is directly or indirectly owned or controlled and by whom and nature of such control</b>	To the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled by any person for the purposes of Chapter 2, section 4 of the Finnish Securities Markets Act, and the Issuer is not aware of any arrangement by the operation of which a change of control of the Issuer would result.																																																																																																																
<b>B.17</b>	<b>Issuer Ratings</b>	Not applicable. The Issuer is not currently rated by any rating agency.																																																																																																																
<b>B.18</b>	<b>A description of the nature and scope of the security</b>	<p>The payment of the Notes is secured by a security pool consisting of (i) shares in housing companies or mutual real estate companies fully or partially owned by the Issuer and (ii) all amounts standing to the credit of the Issuer's specified bank account.</p> <p>The following table contains information on the assets subject to the security as at 19 March 2015. The fair value is calculated by applying external property valuations per 31 December 2014 for 19 March 2015 ownership. However, the Issuer has undertaken to ensure that the fair value of the security pool shall not be less than 130 per cent of the total outstanding principal amount of the Notes in issue at any time. Therefore, the assets may vary during the term of the Notes subject to the minimum overcollateralisation ratio. The fair values are based on valuations by external valuers.</p> <p>The portion of debt of the entire security pool as at 31 December 2014 was EUR 15.2 million. The Company has sold eight apartments and one parking place belonging to the security pool between 1 January and 19 March 2015, which have been taken into account in share of ownership, number of apartments, and fair value.</p> <table border="1" data-bbox="587 1016 1433 2069"> <thead> <tr> <th>Housing company</th> <th>Holding, %</th> <th>Number of apartments (business premises)</th> <th>Fair value as at 31 December 2014</th> </tr> </thead> <tbody> <tr><td>Asunto Oy Järvenpään Terho</td><td>4.9</td><td>1</td><td>289,750</td></tr> <tr><td>Asunto Oy Järvenpään Tuohi</td><td>88.2</td><td>15</td><td>4,569,900</td></tr> <tr><td>Asunto Oy Kauniaisten Venevalkamantie</td><td>23.6</td><td>6</td><td>1,624,800</td></tr> <tr><td>Asunto Oy Kirkkonummen Pomada</td><td>32.5</td><td>6</td><td>1,839,000</td></tr> <tr><td>Asunto Oy Koirasaarentie 1</td><td>97.2</td><td>23</td><td>5,225,400</td></tr> <tr><td>Asunto Oy Nurmijärven Puurata 15–17</td><td>55</td><td>26</td><td>2,311,412</td></tr> <tr><td>Asunto Oy Nurmijärven Soittaja</td><td>58.9</td><td>15</td><td>4,140,300</td></tr> <tr><td>Asunto Oy Vantaan Maaunintie 14</td><td>100.0</td><td>74 (1)</td><td>7,685,000</td></tr> <tr><td>Asunto Oy Vantaan Rasinne 13</td><td>75.5</td><td>31</td><td>3,297,450</td></tr> <tr><td>Asunto Oy Vantaan Rusakko</td><td>75.0</td><td>7</td><td>1,067,400</td></tr> <tr><td>Bostads Ab Lindheast Asunto Oy (Sipoo)</td><td>64.9</td><td>14</td><td>1,783,995</td></tr> <tr><td>Asunto Oy Jyväskylän Kruununtorni</td><td>36.0</td><td>0 (5)</td><td>1,634,850</td></tr> <tr><td>Asunto Oy Jyväskylän Tukkipoika</td><td>12.3</td><td>3</td><td>661,200</td></tr> <tr><td>Asunto Oy Lahden Helkalanhovi</td><td>77.2</td><td>33</td><td>1,671,950</td></tr> <tr><td>Asunto Oy Lahden Leinikki</td><td>9.0</td><td>2</td><td>389,000</td></tr> <tr><td>Asunto Oy Lahden Poikkikatu 4</td><td>66.1</td><td>25</td><td>2,228,975</td></tr> <tr><td>Asunto Oy Lahden Pormestari</td><td>8.0</td><td>2</td><td>499,800</td></tr> <tr><td>Asunto Oy Lahden Vuoksenkatu</td><td>44.3</td><td>10</td><td>731,700</td></tr> <tr><td>Asunto Oy Oulun Eveliina</td><td>14.1</td><td>2</td><td>289,800</td></tr> <tr><td>Asunto Oy Oulun Jatulinmetsä</td><td>7.7</td><td>2</td><td>326,975</td></tr> <tr><td>Asunto Oy Oulun Merijalinväylä</td><td>4.6</td><td>2</td><td>487,200*</td></tr> <tr><td>Asunto Oy Oulunsalon Poutapilvi</td><td>4.1</td><td>1</td><td>181,350</td></tr> <tr><td>Asunto Oy Oulun Seilitie</td><td>85.3</td><td>17</td><td>2,241,100</td></tr> <tr><td>Asunto Oy Tampereen Professori</td><td>11.5</td><td>3</td><td>837,975*</td></tr> <tr><td>Asunto Oy Tampereen Vuorenpaikka</td><td>3.1</td><td>1</td><td>193,800</td></tr> <tr><td>Asunto Oy Turun Michailowinportti</td><td>21.8</td><td>5</td><td>1,586,550*</td></tr> <tr><td>Asunto Oy Haminan Tervaniemi</td><td>95.8</td><td>16</td><td>1,322,400</td></tr> </tbody> </table>	Housing company	Holding, %	Number of apartments (business premises)	Fair value as at 31 December 2014	Asunto Oy Järvenpään Terho	4.9	1	289,750	Asunto Oy Järvenpään Tuohi	88.2	15	4,569,900	Asunto Oy Kauniaisten Venevalkamantie	23.6	6	1,624,800	Asunto Oy Kirkkonummen Pomada	32.5	6	1,839,000	Asunto Oy Koirasaarentie 1	97.2	23	5,225,400	Asunto Oy Nurmijärven Puurata 15–17	55	26	2,311,412	Asunto Oy Nurmijärven Soittaja	58.9	15	4,140,300	Asunto Oy Vantaan Maaunintie 14	100.0	74 (1)	7,685,000	Asunto Oy Vantaan Rasinne 13	75.5	31	3,297,450	Asunto Oy Vantaan Rusakko	75.0	7	1,067,400	Bostads Ab Lindheast Asunto Oy (Sipoo)	64.9	14	1,783,995	Asunto Oy Jyväskylän Kruununtorni	36.0	0 (5)	1,634,850	Asunto Oy Jyväskylän Tukkipoika	12.3	3	661,200	Asunto Oy Lahden Helkalanhovi	77.2	33	1,671,950	Asunto Oy Lahden Leinikki	9.0	2	389,000	Asunto Oy Lahden Poikkikatu 4	66.1	25	2,228,975	Asunto Oy Lahden Pormestari	8.0	2	499,800	Asunto Oy Lahden Vuoksenkatu	44.3	10	731,700	Asunto Oy Oulun Eveliina	14.1	2	289,800	Asunto Oy Oulun Jatulinmetsä	7.7	2	326,975	Asunto Oy Oulun Merijalinväylä	4.6	2	487,200*	Asunto Oy Oulunsalon Poutapilvi	4.1	1	181,350	Asunto Oy Oulun Seilitie	85.3	17	2,241,100	Asunto Oy Tampereen Professori	11.5	3	837,975*	Asunto Oy Tampereen Vuorenpaikka	3.1	1	193,800	Asunto Oy Turun Michailowinportti	21.8	5	1,586,550*	Asunto Oy Haminan Tervaniemi	95.8	16	1,322,400
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		<p>Asunto Oy Heinolan Tamppilahdenkulma 100.0 20 821,585</p> <p>Asunto Oy Hämeenlinnan Aulangontie 39 48.5 11 984,800</p> <p>Asunto Oy Kotkan Alahovintie 7 100.0 35 (1) 1,462,300*</p> <p>Asunto Oy Kotkan Alahovintorni 96.5 29 1,109,950</p> <p>Asunto Oy Kotkan Matruusi 19.7 6 1,287,200*</p> <p>Asunto Oy Kotkan Vuorenrinne 19 95.8 71 2,393,760</p> <p>Asunto Oy Kokkolan Luotsi 21.9 4 902,800*</p> <p>Asunto Oy Lohjan Koulukuja 14 94.2 51 3,493,963</p> <p>Asunto Oy Lohjan Pinus 57.2 11 2,702,100</p> <p>Asunto Oy Porin Kommodori 8.7 4 1,381,425*</p> <p>Asunto Oy Porin Pihlavankangas 98.3 54 1,448,625</p> <p>Asunto Oy Porvoon Kaivopolku 100.0 25 (7) 5,572,683</p> <p>Asunto Oy Riihimäen Vuorelanmäki I 100.0 16 882,210</p> <p>Asunto Oy Savonlinnan Välimäentie 5-7 100.0 51 2,293,500</p> <p>Asunto Oy Tornion Aarnintie 7 39.0 19 987,100</p> <p>Asunto Oy Tornion Kuparimarkka 88.1 45 2,283,200</p> <p>Asunto Oy Varkauden Onnela 100.0 9 414,720</p> <p>Asunto Oy Varkauden Ahlströminkatu 100.0 27 (2) 990,990</p> <p>Kiinteistö Oy Liikepuisto 100.0 6 (4) 1,151,219</p> <p><b>Total 836 (20) 81,730,162</b></p> <p>*The fair value of the Investment Property includes parking spaces held as separate shares.</p>
<b>B.19</b>	<b>Information about the issuer of the security as if it were the Issuer</b>	Not applicable. The Issuer provides the security for the Notes.
<b>B.34</b>	<b>A description of the investment objective and policy of the Company, including any investment restrictions, as well as a description of the instruments used</b>	<p>The Company aims to invest primarily in rental apartments offering a good rental income in large and medium-large Finnish cities. Even though the majority of the Company's Investment Properties are housing apartments let for rent, it may also own office premises. Additionally, the Company intends to make effective use of the debt/equity ratio in the portfolio management.</p> <p>The Company's profits consist of the rental income and increases in value of the Investment Properties. The result of the Company's operations is a sum of net rental income of the apartments, realised and unrealised changes in value, debt capital expenses and administrative expenses.</p> <p>As at 30 March 2015, the Company had 1,331 apartments and business premises with an aggregate floor area of approximately 83,280 square metres, including 22 apartments acquired in February 2015 (Mikkelin Neptun and Porin Huvitus) and excluding apartments sold in January-March 2015 and 140 apartments acquired on 31 March 2015. As at 31 December 2014, the aggregate fair value of the whole portfolio (excluding Mikkelin Neptun and Porin Huvitus) was EUR 130.7 million.</p>
<b>B.35</b>	<b>The Company's borrowing and leverage limits. If there are no such limits, a statement to that effect must be included.</b>	In accordance with the rules for the Company's real estate investment operations, the amount of debt capital according to the Company's consolidated financial statements may not exceed 80% of total assets.
<b>B.36</b>	<b>A description of the regulatory status of the Company together with the name of any regulator in its country of</b>	The Company is a real estate investment trust (REIT) incorporated as a limited liability company, supervised by the Finnish Financial Supervisory Authority.

	<b>incorporation</b>	
<b>B.37</b>	<b>A brief profile of a typical investor for whom the Company is designed</b>	The Company is a real estate investment trust (REIT), which is open to all investors.
<b>B.38</b>	<b>Where more than 20% of the Company's gross assets may be invested in a single underlying asset, the identity and exposure of the asset</b>	Not applicable. The Company diversifies its investments in accordance with the Company's rules on real estate investment operations.
<b>B.39</b>	<b>Where more than 40% of the Company's gross assets may be invested in a single underlying asset, the identity and exposure of the asset</b>	Not applicable. The Company diversifies its investments in accordance with the Company's rules on real estate investment operations.
<b>B.40</b>	<b>A description of the applicant's service providers including the maximum fees payable</b>	<p>The management company for the Company is Orava Rahastot Oyj (Orava Funds plc). The main field of operation of the management company is the management of residential real estate investment trusts. The management company is specialised in investment products and services related to indirect real estate investment. As at the date of this Listing Prospectus, the management company employed four persons.</p> <p>Fixed and performance-based fees have been paid to the management company in 2011–2014 as follows: in 2011 approximately EUR 85 thousand was paid to the management company as fixed fee, and EUR 0 as performance-based fee. The same figures for 2012 were approximately EUR 184 thousand and approximately EUR 128 thousand. Half of the performance-based fee was paid in shares as part of the March 2013 offering. Corresponding fees in 2013 were EUR 262 thousand and EUR 0. The fixed fee for 2014 totalled EUR 613.5 thousand and the performance-based fee EUR 847 thousand, of which half was paid in shares.</p> <p>The annual general meeting of the Company held on 19 March 2015 decided to amend the Company's rules for real estate investment operations so that the stock exchange price of the share shall be used in the calculation of the performance-based management fee, if the stock exchange price of the share is lower than net assets per share.</p> <p>Newsec Asset Management Oy and Ovenia Oy are responsible for the Company's housing management services. The duties include, e.g., real estate management, rental operations and rent management. The fees of Newsec Asset Management Oy and Ovenia Oy for 1 January–31 December 2014 were EUR 402 thousand and EUR 78 thousand, respectively. The contractual fees are partly fixed and partly service-specific.</p> <p>An external expert and real estate valuer audits the Management Company's valuation process, calculation methods and reporting once per year. Additionally, the Company obtains every six months an assessment by an external authorised real estate valuer concerning the value of the Company's real estate assets. The external expert and authorised real estate valuers in 2014 were Realia Management Oy, Newsec Valuation Oy, Turun Seudun OP-Kiinteistökeskus Oy and Päijät-Hämeen OP-Kiinteistökeskus Oy. Realia Management Oy's fees for 1 January–31 December 2014 were EUR 54</p>

		thousand and Newsec Valuation Oy's fees EUR 2 thousand. The contractual fees are fixed.
<b>B.41</b>	<b>The identity and regulatory status of the investment manager</b>	<p>The management company for the Company is Orava Rahastot Oyj (Orava Funds plc). The management company is a Finnish public limited liability company.</p> <p>Orava Funds plc has applied for a licence to act as a manager in accordance with the Act on Alternative Investment Fund Managers (the 'AIFM Act'). As at the date of this Listing Prospectus, the FIN-FSA has not made a decision on the licence.</p>
<b>B.42</b>	<b>A description of how often the net asset value of the Company will be determined and how such net asset value will be communicated to investors</b>	The values of the properties and real estate securities not subject to public trading or multilateral trading owned by the Company are assessed at least on a monthly basis and published at least on a quarterly basis, as well as at all times when a change in the financial condition of the Company or changes in the condition of the real estate properties have a material effect on the value of the real estate properties and real estate securities owned by the Company. Real estate properties and real estate securities not subject to public trading or multilateral trading are valued when the Company purchases or sells them. Similarly, assets assigned to the Company are valued when receiving said assets as contribution in kind in connection with subscription.
<b>B.43</b>	<b>In the case of an umbrella collective investment undertaking, a statement of any cross liability</b>	Not applicable.
<b>B.44</b>	<b>Key financial information</b>	The key financial information of the Company has been presented above in section B.7.
<b>B.45</b>	<b>A description of the Company's portfolio</b>	<p>The Investment Properties owned wholly or in part by the Company as at 31 December 2014 are specified in the table below.</p> <p>The Company has sold nine apartments and one parking place between 1 January and 30 March 2015. The fair value (31 December 2015) of these sold assets was EUR 839,878. These fair values are based on valuations by external valuers.</p> <p>Between 1 January and 30 March 2015, the Company has completed or agreed on sales of single apartments or parking places, so that as at 30 March 2015, the surface area owned by the Company is 83,280. The asset value of the sold apartments as at 31 December 2014 in accordance with the Company's fair values is EUR 841,544. The difference in valuations of sold apartments between the external valuers' value and fair value estimated by the Company is 0,2%.</p> <p>The interest-bearing debt of the Company's entire portfolio as at 31 December 2014 amounted to EUR 59.990 thousand.</p> <p>The Company assesses that there have been no significant changes in the fair values of the Investment Properties during the period between 31 December 2014 and the date of this Listing Prospectus. The fair value is based on the Company's own assessments. The valuation includes financial assets totalling EUR 1.1 million for the sale of two plots.</p> <p>Between 1 January and 31 March 2015, the Company has acquired total of 162 apartments. On 20 February 2015, 22 apartments from Mikkeli and Pori were acquired from Skanska Talonrakennus Oy and subsequent 53 apartments from Tampere, Turku, Oulu, Vaasa, Rovaniemi, Kokkola and Savonlinna were acquired on 31 March 2015. Apartments in Mikkeli and Pori are part of the total area in the table below. On 31 March 2015, 87 apartments in Kaarina and Raisio were acquired from Osuusasunnot Oy. This deal was partly financed through a directed share issue allocated to Osuusasunnot Oy, in which Osuusasunnot Oy subscribed for 244,193 new shares in the Company.</p>

Housing company	Holding, %	Size, m <sup>2</sup> ***	Fair value as at 31 December 2014, EUR 1,000
Asunto Oy Espoon Albert	13.0	275	1,393
Asunto Oy Järvenpään Saundi	17.6	688	2,847
Asunto Oy Järvenpään Terho	4.9	95	295
Asunto Oy Järvenpään Tuohi	88.2	1,203	4,768
Asunto Oy Kauniaisten Venevalkamantie	24.7	428	1,934
Asunto Oy Keravan Ritariperho	99.9	2,071	6,421*
Asunto Oy Kirkkonummen Kummikallio	100.0	5,241	7,383
Asunto Oy Kirkkonummen Pomada	32.5	650	1,951
Asunto Oy Kirkkonummen Tammi	30.5	1,082	4,501
Asunto Oy Koirasaarentie 1	100.0	1,436	5,204
Asunto Oy Nurmijärven Puurata 15-17	58.1	1,768	2,432
Asunto Oy Nurmijärven Soittaja	58.9	1,326	4,198
Asunto Oy Vantaan Maauintie 14	100.0	5,065	7,283
Asunto Oy Vantaan Rasinne 13	75.5	1,669	3,142
Asunto Oy Vantaan Rusakko	75.0	384	1,077
Bostads Ab Lindheast Asunto Oy (Sipoo)	64.9	1,140	1,848
Asunto Oy Härmälänrannan Nalle (Tampere)	7.0	249	807
Asunto Oy Jyväskylän Ahjotar	35.2	394	1,338
Asunto Oy Jyväskylän Kruununtorni	36.0	1,232	1,652
Asunto Oy Jyväskylän Kyläseppä	21.0	277	803*
Asunto Oy Jyväskylän Tukkipoika	12.3	228	654
Asunto Oy Lahden Helkalanhovi	77.2	1,970	1,709
Asunto Oy Lahden Leinikki	9.0	160	434**
Asunto Oy Lahden Poikkikatu 4	66.1	1,469	2,123
Asunto Oy Lahden Pormestari	8.0	121	580
Asunto Oy Lahden Vuoksenkatu	44.3	428	697
Asunto Oy Lempäälän Tikanhovi	51.7	1,044	3,296
Asunto Oy Oulun Eveliina	14.1	161	339
Asunto Oy Oulun Jatulinmäki	7.7	160	359
Asunto Oy Oulun Merijalinväylä	4.6	138	513*
Asunto Oy Oulun Seilitie	89.1	987	2,435*
Asunto Oy Oulunsalon Poutapilvi	4.1	93	196
Asunto Oy Raision Valonsäde	49.0	870	2,868
Asunto Oy Tampereen Professori	11.5	257	799*
Asunto Oy Tampereen Ruuti	59.5	945	3,053*
Asunto Oy Tampereen Vuorenpolku	3.1	68	197
Asunto Oy Turun Michailowinportti	21.8	417	1,529*
Asunto Oy Vuoreksen Emilia (Tampere)	30.5	1,047	3,007*
Asunto Oy Haminan Tervaniemi	95.8	1,040	1,329
Asunto Oy Heinolan Tammilahdenkulma	100.0	1,164	738
Asunto Oy Hämeenlinnan Aulangontie 39	48.5	527	1,009
Asunto Oy Kokkolan Luotsi	21.9	321	949 *
Asunto Oy Kotkan Alahovintie 7	100.0	2,141	1,601
Asunto Oy Kotkan Alahovintorni	96.5	1,569	1,006
Asunto Oy Kotkan Matruusi	19.7	409	1,250 *
Asunto Oy Kotkan Mällinkatu 6	100.0	2,875	1,809
Asunto Oy Kotkan Vuorenrinne 19	96.7	3,896	2,435
Asunto Oy Lohjan Koulukuja 14	94.2	2,835	3,028
Asunto Oy Lohjan Pinus	57.2	1,057	2,691
Asunto Oy Mikkelin Neptun	45.0	776	**
Asunto Oy Porin Huvitus	38.1	736	**
Asunto Oy Porin Kommodori	8.7	372	1,376*

		Asunto Oy Porin Pihlavankangas	98.3	2,812	1,378
		Asunto Oy Porvoon Kaivopolku	100.0	2,055	6,194*
		Asunto Oy Riihimäen Vuorelanmäki I	100.0	773	745
		Asunto Oy Rovaniemen Rekimatka 16-18	100.0	1,456	2,206
		Asunto Oy Rovaniemen Rekimatka 29	100.0	3,131	3,155
		Asunto Oy Salon Ristinkedonkatu 33	100.0	4,518	3,240
		Asunto Oy Savonlinnan Välimäentie 5-7	100.0	2,723	2,297
		Asunto Oy Tornion Aarnintie 7	39.0	1,138	837
		Asunto Oy Tornion Kuparimarkka	89.1	2,599	2,084
		Asunto Oy Varkauden Ahlströminkatu	100.0	1,762	1,013
		Asunto Oy Varkauden Onnela	100.0	864	331
		Asunto Oy Varkauden Parsius	100.0	1,986	760
		Kiinteistö Oy Liikepuisto	100.0	607	1,141
		<b>Total</b>		<b>83,670 ***</b>	<b>130,668*</b>
		*The fair value of the Investment Properties includes parking spaces held as separate shares. ** Mikkelin Neptun and Porin Huvitus were acquired in February 2015. The fair value is to be published in the Company's interim report for the period 1 January–31 March 2015.			
		*** Total sum includes both Mikkelin Neptun and Porin Huvitus (total of 1,512 sqm) acquired in February 2015. Nine apartments sold during January-March 2015 (total 391 sqm) are not excluded.			
<b>B.46</b>	<b>An indication of the most recent net asset value per share</b>	On 31 December 2014, the Company's net asset value per share was EUR 13.52. Correspondingly, the net asset value per share adjusted by share issues was EUR 12.02.			
<b>C – Securities</b>					
<b>C.1</b>	<b>Type and class of securities being offered</b>	Senior, secured and unsubordinated fixed rate notes with an aggregate nominal amount of EUR 20,000,000. Denomination of a book-entry unit: EUR 20,000. Minimum subscription amount: EUR 100,000. The ISIN code of the Notes is FI4000148838.			
<b>C.2</b>	<b>Currency</b>	Euro ('EUR').			
<b>C.3</b>	<b>Company shares and share capital</b>	As at the date of this Listing Prospectus, the Company's share capital amounted to EUR 60,335,570, divided into 6,510,045 shares. Each share carries one vote at the general meeting of the Company. The shares in the Company have no nominal value. As at the date of this Listing Prospectus, the Company held 411,336 treasury shares. The Company has obtained these shares by directing charge-free share issues to itself. Under the Tax Exemption Act, the Company may not acquire its own shares.			
<b>C.5</b>	<b>Description of restrictions on free transferability of the Securities</b>	Each Note will be freely transferable after it has been registered into the respective book-entry account.			
<b>C.7</b>	<b>Dividend distribution</b>	The Company's policy has been that the general meeting of shareholders has decided on dividends to be paid quarterly and dividend payment dates and issued the board of directors an authorisation to decide on the record dates of the dividend payment and supervise the Company's solvency prior to each payment of dividends. The Company's goal is to distribute 7–10% dividend income as calculated based on the net asset value of the share. The Company distributes a minimum of 90% of its profits for the financial period, less the unrealised change in value and comprehensive income items			

		<p>(IFRS), as dividends, unless required otherwise by the provisions of the Limited Liability Companies Act restricting the distribution of profits based on the amount of the Company's unrestricted equity or solvency.</p> <p>The annual general meeting held on 19 March 2015 authorised the board of directors to decide on distribution of profit for 2014 before 31 December 2015 as follows: No more than EUR 1.20 per share will be paid in dividends for shares (ISIN code FI4000068614) not in the Company's possession and issued in the book-entry system no later than on 19 March 2015 according to the following table.</p> <table border="1"> <thead> <tr> <th>ISIN code of the share</th> <th>Dividend right</th> <th>Shares</th> <th>Dividend</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FI4000068614</td> <td>100%</td> <td>5,984,262</td> <td>1.20</td> <td>7,181,114.40</td> </tr> </tbody> </table> <p>In addition, according to the authorisation granted by the annual general meeting on 19 March 2015, the Company may also issue shares through directed issues that entitle to dividend as of the beginning of April 2015.</p> <table border="1"> <thead> <tr> <th>ISIN code of the share</th> <th>Dividend right</th> <th>Shares</th> <th>Dividend</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FI4000068614</td> <td>100% as of April 2015</td> <td>1,500,000</td> <td>0.90</td> <td>1,350,000.00</td> </tr> </tbody> </table> <p>A total of EUR 8,531,114.40, at maximum, can be paid as dividends. For each instalment, the dividend to be paid quarterly is no more than EUR 0.30 per share.</p> <p>The payment dates of the dividends are 31 March 2015, 30 June 2015, 30 September 2015 and 30 December 2015. The Board of Directors was authorised to decide on the amount and payment of dividends quarterly within the above limits, provided that the Company's solvency is not endangered due to the distribution of dividends.</p> <p>Based on the authorisation granted by the annual general meeting, the board of directors decided to pay dividends of EUR 0.30 per share for a total of 5,984,262 shares. The record date of the dividend payment was 23 March 2015. Of this dividend, EUR 1.5 million was paid on 31 March 2015, and the withholding tax of the dividend of EUR 0.3 million will be paid on 13 April 2015.</p>	ISIN code of the share	Dividend right	Shares	Dividend	Total	FI4000068614	100%	5,984,262	1.20	7,181,114.40	ISIN code of the share	Dividend right	Shares	Dividend	Total	FI4000068614	100% as of April 2015	1,500,000	0.90	1,350,000.00
ISIN code of the share	Dividend right	Shares	Dividend	Total																		
FI4000068614	100%	5,984,262	1.20	7,181,114.40																		
ISIN code of the share	Dividend right	Shares	Dividend	Total																		
FI4000068614	100% as of April 2015	1,500,000	0.90	1,350,000.00																		
<b>C.8</b>	<b>Ranking of Securities</b>	The Notes constitute direct, secured and unguaranteed obligations of the Issuer ranking <i>pari passu</i> among each other and with all other secured and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.																				
<b>C.9</b>	<b>Interest and yield; name of representative of debt security holders</b>	<p>The Notes bear fixed interest at the rate of 4.25 per cent, per annum. The interest on the Notes will be paid annually in arrears commencing on 1 April 2016 and thereafter on each 1 April (the '<b>Interest Payment Date</b>') until 1 April 2020 (the '<b>Notes Redemption Date</b>'). The Issuer may also redeem the Notes on a date earlier than the Redemption Date upon Change of Control or Event of Default, in which case interest shall be payable until such earlier date. The Issuer also has a Call Option.</p> <p>Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the relevant Redemption Date.</p> <p>Interest shall be calculated on the "actual/actual ICMA" basis as specified by the International Capital Market Association.</p> <p>The effective yield of the Notes on the Issue Date was 4.25%.</p>																				



		Nordic Trustee Oy will act as the representative of the Noteholders.
<b>C.10</b>	<b>Explanation of how the interest amount is affected by value of the underlying instrument(s)</b>	Not applicable. The Notes have no derivative component in the interest payment.
<b>C.11</b>	<b>Listing</b>	Application has been made for the Notes to be admitted to trading on the regulated market on the Helsinki Stock Exchange, and the listing is expected to take place on or about 2 April 2015.
<b>D – Risks</b>		
<b>D.2</b>	<b>Risks relating to the Issuer</b>	<p><i>Risks Relating to Current Macroeconomic Conditions</i></p> <ul style="list-style-type: none"> <li>• Uncertain global economic and financial market conditions could adversely affect the Issuer’s business, results of operations, financial condition, liquidity and capital resources</li> <li>• Negative economic development and the general economic conditions in Finland could have an adverse effect on the Company’s business operations and market value</li> </ul> <p><i>Risks Relating to the Company’s Business Operations</i></p> <ul style="list-style-type: none"> <li>• The Company may not necessarily be able to find suitable Investment Properties</li> <li>• The Company may not necessarily be able to find Investment Properties in the envisaged regions</li> <li>• Locations where the Company’s Investment Properties are situated may become less attractive</li> <li>• The Company does not have an operating history sufficient for comparison, and there can be no assurance that the Company’s business strategy will be realised</li> <li>• Fluctuations in supply and demand on the housing market could have an effect on the costs of living and levels of rent</li> <li>• Poor liquidity on the housing market could hinder the Company’s ability to sell its Investment Properties</li> <li>• Investment Properties may not be in the envisaged condition</li> <li>• A reduction of the occupancy rate of Investment Properties and increased tenant turnover could weaken the Company’s results</li> <li>• Rental agreements in force until further notice could be terminated within a short time period</li> <li>• There are risks relating to rental and other agreements</li> <li>• Changes to the fair value of the Investment Properties have an effect on the Company’s results and the terms and conditions of its financing</li> <li>• Increased renovation and maintenance costs could reduce profits or increase rents, which could result in weaker demand for rental housing</li> <li>• The valuation of Investment Properties could differ from real fair values</li> <li>• The management agreement entered into by the Company involves risks</li> <li>• The loss of key persons could have an adverse effect on the Company’s success</li> <li>• There are risks related to the service providers used by the Company</li> </ul>

		<ul style="list-style-type: none"> <li>• The Investment Properties are exposed to possible environmental risks and risks relating to health and safety</li> <li>• The Company's insurance coverage may not necessarily be sufficient</li> <li>• System errors in the Company's operations could reduce efficiency and/or the profitability of the Company's operations</li> <li>• The Company could fail in the management of its reputation</li> <li>• The Company's business operations could involve unidentified or unexpected risks</li> </ul> <p><i>Risks Relating to Legislation</i></p> <ul style="list-style-type: none"> <li>• Amendments to legislation may adversely affect the value of the Company's Investment Properties or the Company's result, increase costs and/or slow or stop the development of investments</li> <li>• The Real Estate Investment Trust Act sets requirements and restrictions on the Company's operations, and there may be uncertainties relating to its application</li> <li>• There are risks relating to the Tax Exemption Act and its application</li> <li>• The AIFM legislation applicable to the Management Company sets out requirements for the Management Company, and there is uncertainty related to its application</li> </ul> <p><i>Financial Risks</i></p> <ul style="list-style-type: none"> <li>• Fluctuations in interest rates may adversely affect the Company's operations</li> <li>• The Company's cash flow may not be sufficient to repay loans as they fall due</li> <li>• The covenants contained in the Company's credit agreements may be breached</li> <li>• The Company's level of debt may adversely affect its operations</li> <li>• Uncertainty on the financial markets and the tightened regulation of banks may adversely affect the Company's financing</li> <li>• The current global economic downturn and serious dislocation of the financial markets expose the Company to counterparty risks</li> </ul>
<b>D.3</b>	<b>Risks relating to the Securities</b>	<p><i>Risks Relating to the Notes</i></p> <ul style="list-style-type: none"> <li>• The Notes may not be a suitable investment for all investors</li> <li>• There is a possibility to lose interest and principal amount invested</li> <li>• Neither the Notes nor the Issuer have been rated</li> <li>• Since the Notes bear a fixed interest rate, their price may fall as a result of changes in the interest rates</li> <li>• The Issuer using its right or being obligated to redeem and purchase the Notes prior to maturity may have an adverse effect on the Issuer and on any Notes outstanding</li> <li>• The Issuer is not obliged to compensate for withholding tax or similar on the Notes</li> <li>• The completion of transactions relating to the Notes is dependent on Euroclear Finland Ltd.'s operations and systems</li> <li>• No assurance is made as to the impact of changes of laws or practices</li> <li>• The Terms and Conditions of the Notes contain only limited restrictions on the Issuer's ability to enter into a merger, distribute funds or enter into</li> </ul>

		<p>other significant transactions that could materially alter its existence, jurisdiction of organisation or regulatory regime and/or its composition and business</p> <ul style="list-style-type: none"> <li>• Amendments to the Terms and Conditions of the Notes bind all Noteholders</li> <li>• Legal investment considerations may restrict certain investments</li> <li>• The right to payment under the Notes may become void due to prescription</li> <li>• The Notes do not include any voting rights in the shareholders' meetings of the Issuer</li> <li>• The Issuer may incur additional debt</li> <li>• The rights of the Noteholders depend on the Agent's actions and financial standing</li> </ul> <p><i>Risks Relating to the Security</i></p> <ul style="list-style-type: none"> <li>• The security may be insufficient</li> <li>• The enforcement of the security may be delayed or the security may not be enforceable at all</li> </ul>
<b>E – Offer</b>		
<b>E.2b</b>	<b>Reasons for offer and use of proceeds when different from making profit and/or hedging certain risks</b>	Use of proceeds: repayment of bank loans of the parent company to the extent of EUR 17.4 million and general corporate purposes of the Group.
<b>E.3</b>	<b>Terms and conditions of offer</b>	<p>Issue date: 1 April 2015.</p> <p>Redemption date: 1 April 2020, or earlier upon Change of Control, Event of Default or Call Option.</p> <p>Aggregate nominal amount of the Issue: EUR 20,000,000.</p> <p>Interest payment dates: Annually in arrears commencing on 1 April 2016 and thereafter on each 1 April.</p> <p>Interest: 4.25%.</p> <p>Effective yield: 4.25% per annum.</p> <p>Redemption: At par, at maturity.</p> <p>Minimum subscription amount: EUR 100,000.</p> <p>Denomination of a book-entry unit: EUR 20,000.</p> <p>Covenants: Restricted payments, Mergers and De-mergers, Negative Pledge, Financial covenants.</p> <p>Clearing: The Notes are issued in dematerialised form in the OM book-entry securities system of Euroclear Finland Ltd.</p> <p>Applicable law: Finnish Law.</p>
<b>E.4</b>	<b>Interest material to issue including conflicting interests</b>	<p>Realia Management Oy and OP-Kiinteistökeskus Oy are paid a separate fee for acting as valuers under the Terms and Conditions of the Notes.</p> <p>Interests of the Lead Manager: Business interests normal in the financial markets and the repayment of loans of EUR 17 million.</p> <p>Interests of the Agent: Business interests normal in the financial markets.</p>
<b>E.7</b>	<b>Estimated expenses charged to investor</b>	No expenses will be charged to the investor by the Issuer in respect of the Notes issue.

## TIIVISTELMÄ

Tiivistelmät koostuvat sääntelyn edellyttämistä tiedoista, joita kutsutaan nimellä 'osatekijät'. Nämä osatekijät on numeroitu jaksoittain A–E (A.1–E.7).

Tämä tiivistelmä sisältää kaikki ne osatekijät, jotka kyseessä olevasta arvopaperista ja sen liikkeeseenlaskijasta tulee esittää. Osatekijöiden numerointi ei välttämättä ole juokseva, koska kaikkia osatekijöitä ei arvopaperin tai liikkeeseenlaskijan luonteen vuoksi ole esitettävä tässä tiivistelmässä.

Vaikka arvopaperin tai liikkeeseenlaskijan luonne edellyttäisi jonkin osatekijän sisällyttämistä tiivistelmään, on mahdollista, ettei kyseistä osatekijää koskevaa merkityksellistä tietoa ole lainkaan. Tällöin osatekijä kuvataan lyhyesti ja sen yhteydessä mainitaan 'ei sovellu'.

<b>Jakso A – Johdanto ja varoitukset</b>		
<b>A.1</b>	<b>Varoitus</b>	Seuraavaa tiivistelmää ei ole tarkoitettu kattavaksi esitykseksi, vaan se on johdanto tässä englannin kielellä laaditussa Listalleottoesitteessä esitettäviin yksityiskohtaisiin tietoihin, mukaan luettuna Yhtiön tilinpäätöstiedot ja tähän Listalleottoesitteeseen sisältyvät taloudelliset tiedot. Sijoittajien tulee perustaa Velkakirjoja koskeva sijoituspäätöksensä Listalleottoesitteessä esitettyihin tietoihin kokonaisuutena. Tietyn tässä tiivistelmässä käytetyt termit on määritelty muualla tässä Listalleottoesitteessä. Mikäli Euroopan talousalueella nostetaan tähän Listalleottoesitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja voi joutua ennen oikeudenkäynnin vireillepanoa vastaamaan esitteen käännskustannuksista sen jäsenvaltion lainsäädännön mukaisesti, jossa kanne nostetaan. Siviilioikeudellista vastuuta sovelletaan henkilöihin, jotka ovat laatineet tiivistelmän, sen käänös mukaan luettuna, mutta vain, jos tiivistelmä on harhaanjohtava, epätarkka tai epäjohdonmukainen suhteessa Listalleottoesitteen muihin osiin tai jos siinä ei anneta yhdessä Listalleottoesitteen muiden osien kanssa keskeisiä tietoja sijoittajien auttamiseksi, kun he harkitsevat sijoittamista Velkakirjoihin.
<b>A.2</b>	<b>Suostumus arvopaperien edelleenmyyntiin ja lopulliseen sijoittamiseen / tarjousaika / suostumuksen ehdot</b>	Ei sovellu. Tämä Listalleottoesite on laadittu yksinomaan Velkakirjojen listaamista varten.
<b>Jakso B – Liikkeeseenlaskija</b>		
<b>B.1</b>	<b>Liikkeeseenlaskijan virallinen nimi ja muu liiketoiminnassa käytetty toiminimi</b>	Liikkeeseenlaskijan toiminimi on Orava Asuntorahasto Oyj (ruotsiksi Orava Bostadsfond Abp ja englanniksi Orava Residential REIT plc). Yhtiöllä on aputoiminimet Orava REIT ja Orava Residential REIT Finland.  Yhtiön 19.3.2015 pidetty yhtiökokous päätti Yhtiön toiminimen muuttamisesta seuraavasti: Yhtiön toiminimi on Orava Asuntorahasto Oyj (ruotsiksi Orava Bostadsfond Abp ja englanniksi Orava Residential REIT plc). Uusi toiminimi rekisteröitiin kaupparekisteriin 31.3.2015.
<b>B.2</b>	<b>Liikkeeseenlaskijan asuinpaikka ja oikeudellinen muoto, Liikkeeseenlaskijaan sovellettava laki ja Liikkeeseenlaskijan perustamismaa</b>	Orava Asuntorahasto Oyj on Suomessa Suomen lakien mukaisesti perustettu julkinen osakeyhtiö. Yhtiön kotipaikka on Helsinki, ja siihen sovelletaan Suomen lakia.
<b>B.4b</b>	<b>Kuvaus mahdollisista tiedossa olevista suuntauksista, jotka vaikuttavat liikkeeseenlaskijaan ja sen toimialaan</b>	<u>Kansantalous</u>  Finanssialan Keskusliiton mukaan Suomen bruttokansantuotteen kasvun arvioidaan vuonna 2014 asettuneen välille -0,4 % - 0,0 % ja sen ennustetaan kuluvana vuonna jäävän välille +0,1 % - +1,0 %. Asuntomarkkinoihin keskeisesti vaikuttavan yksityisen kulutuksen muutokseksi arvioidaan päättyneelle vuodelle noin -0,4 % - +0,2 % ja vuodelle 2015 -0,2 % - +0,9 %. Euroalueen markkinakorot ovat yhä jatkaneet alentumistaan ja lyhyiden markkinakorkojen myös odotetaan pysyvän alle 1 prosentissa seuraavien 4-5 vuoden ajan. Arvion perusteena edellä on käytetty 15 Suomen talouskehityksestä ennusteita tekevän tahon tuoreimpia julkaistuja suhdanne-

		<p>ennusteita ja Euroopan Keskuspankin julkaiseman eurokorkokäyrän perusteella laskettuja markkinoiden korko-odotuksia.</p> <p>Asuntomarkkinoiden arvioidaan alkavan hitaasti vahvistua yleisen taloudellisen toimeliaisuuden piristymisen seurauksena vuonna 2015.</p> <p><u>Asuntomarkkinoiden kysyntä</u></p> <p>Kotitaloudet nostivat loka-joulukuussa 2014 uusia asuntolainoja Suomen Pankin tilastojen mukaan 3,9 miljardilla eurolla eli 6 % enemmän kuin vastaavana ajankohtana vuosi sitten. Euromääräisten asuntolainojen kanta oli joulukuun lopussa 89,8 miljardia euroa ja asuntolainakannan vuosikasvu 1,7 %.</p> <p>Vanhojen asuntojen keskimääräinen myyntiaika koko maassa Etuovi.comin mukaan nousi syyskuun 112 päivästä joulukuussa 135 päivään, kun se vuosi sitten joulukuussa oli 109 päivää.</p> <p>Asuntojen kysyntä on jatkunut loppusyksyn ja alkutalven ajan vaimeana.</p> <p><u>Asuntomarkkinoiden tarjonta</u></p> <p>Asuinkerrostalojen rakennuslupia myönnettiin lokakuussa 2014 Tilastokeskuksen mukaan 816 asunnolle, joka oli 15 % vähemmän kuin vuosi sitten. Vastaavasti tammi-lokakuussa rakennuslupia kerrostaloasunnoille myönnettiin yhteensä 14 840 kappaletta eli 22 % enemmän kuin vuotta aiemmin. Asuinkerrostaloille myönnettyjen rakennuslupien liukuvan vuosisumman vuosimuutos puolestaan oli +25 %.</p> <p>Käynnissä olevan uudisrakentamisen arvoa kuvaavan asuntorakentamisen volyymiindeksin 3 kuukauden muutos elokuussa oli +12 % ja muutos vuodentakaiseen -17 %.</p> <p>Tarjonta asuntomarkkinoilla on jatkunut alhaisella tasolla vaikka joitain merkkejä mahdollisesta käännteestä onkin nähtävissä.</p> <p><u>Asuntomarkkinoiden hinnat, vuokrat ja tuotot</u></p> <p>Tilastokeskuksen mukaan vuoden 2014 neljännellä neljänneksellä vapaarahoitteisten asuntojen vuokrat nousivat edellisestä vuodesta 3,0 %. Asuntojen hintojen muutos neljännellä vuosineljänneksellä oli -1,0 % vuodentakaisesta. Asuntohintojen suhde vuokriin on jonkin verran pitkän aikavälin keskiarvon alapuolella; neljännen vuosineljänneksen neliöhinnosta ja vuokrasta laskettuna suhde oli 15,5. Neliöhintojen ja vuosivuokrien suhteen 40 vuoden keskiarvo Suomessa on 16,7.</p> <p>Yhtiö odottaa vuoden 2015 aikana koko maan asuntohintojen pysyvän ennallaan tai alkavan jakson loppupuolella hieman nousta ja vapaarahoitteisten asuntojen vuokrien nousuvauhdin pysyvän likimain ennallaan, jos markkinoiden korko-odotukset ja talousennusteet toteutuvat keskeisiltä asuntomarkkinoihin vaikuttavilta osiltaan.</p>															
<b>B.5</b>	<b>Kuvaus konsernista, johon Liikkeeseenlaskija kuuluu, ja Liikkeeseenlaskijan asemasta siinä</b>	<p>Yhtiö muodostuu emoyhtiö Orava Asuntorahasto Oyj:stä ja sen kokonaan tai osittain omistamista asunto-osakeyhtiöstä. Kirjanpidossa tytäryhtiöitä käsitellään seuraavasti: Yhtiö yhdistelee kokonaan omistetut asunto-osakeyhtiöt IFRS 10:n mukaisesti. Osittain omistetut asunto-osakeyhtiöt yhdistellään IFRS 11:n mukaan suhteellisella menetelmällä, jolloin tytäryhtiöiden tuloslaskelman ja taseen jokaisesta erästä yhdistellään vain konsernin omistusosuutta vastaava määrä. Tämän johdosta konserniyhdistelyssä ei synny vähemmistöosuutta.</p>															
<b>B.6</b>	<b>Suurimmat osakkeenomistajat</b>	<p>Yhtiön suurimmat osakkeenomistajat 9.3.2015 on esitetty seuraavassa taulukossa:</p> <table border="1" data-bbox="603 1727 1193 2063"> <thead> <tr> <th>Osakkeenomistaja</th> <th>Osakkeiden lukumäärä 9.3.2015</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Royal House -konserni***</td> <td>547 925</td> <td>8,4</td> </tr> <tr> <td>Länsi-Suomen Vuokratalot Oy*</td> <td>258 823</td> <td>4,0</td> </tr> <tr> <td>Godoinvest Oy**</td> <td>229 360</td> <td>3,5</td> </tr> <tr> <td>Avaintalot Oy*</td> <td>100 194</td> <td>1,5</td> </tr> </tbody> </table>	Osakkeenomistaja	Osakkeiden lukumäärä 9.3.2015	%	Royal House -konserni***	547 925	8,4	Länsi-Suomen Vuokratalot Oy*	258 823	4,0	Godoinvest Oy**	229 360	3,5	Avaintalot Oy*	100 194	1,5
Osakkeenomistaja	Osakkeiden lukumäärä 9.3.2015	%															
Royal House -konserni***	547 925	8,4															
Länsi-Suomen Vuokratalot Oy*	258 823	4,0															
Godoinvest Oy**	229 360	3,5															
Avaintalot Oy*	100 194	1,5															

		Yli-Torkko Erkki	100 000	1,5
		Rannikko Reino	90 700	1,4
		Pakarinen Janne	87 005	1,3
		Livränteanstalten Hereditas	81 000	1,2
		Maakunnan Asunnot Oy	69 422	1,1
		Osuusasunnot Oy	49 993	0,8
		Kymmenen suurinta yhteensä	<b>1 614 422</b>	<b>24,8</b>
		* Hallituksen jäsenen Tapani Rautiaisen ja Timo Valjakan yhteisiä määräysvaltayhteisöjä, ** hallituksen jäsenen Timo Valjakan määräysvaltayhteisö, *** hallituksen jäsenen Tapani Rautiaisen määräysvaltayhteisö. Rautiaisen ja Valjakan edellä mainitut määräysvaltayhteisöt toimivat samalla toimialalla Yhtiön kanssa.		
<b>B.7</b>	<b>Valikoidut historialliset keskeiset taloudelliset tiedot, ei merkittäviä kielteisiä muutoksia eikä merkittäviä muutoksia</b>	<p>Seuraavassa taulukossa on esitetty tiivistelmä Orava Asuntorahasto Oyj:n tilintarkastetuista konsernitilinpäätöksistä 31.12.2014, 31.12.2013 ja 31.12.2012 päättyneiltä tilikausilta. Orava Asuntorahasto Oyj:n konsernitilinpäätökset on laadittu Euroopan unionin käyttöön ottamien kansainvälisten tilinpäätösstandardien (IFRS) mukaisesti.</p> <p>Yhtiön IFRS-tilinpäätökset tilikausilta 2014, 2013 ja 2012 on sisällytetty tähän Listalleottoesitteeseen viittaamalla.</p> <p>Yhtiön tulevaisuudennäkymissä ei ole tapahtunut merkittäviä kielteisiä muutoksia Yhtiön viimeksi julkistetun tilintarkastetun tilinpäätöksen jälkeen. Yhtiön taloudellisessa tai liiketoiminnallisessa asemassa ei ole tapahtunut merkittäviä muutoksia 31.12.2014 jälkeen.</p> <p>Yhtiö hankki 31.3.2015 sitovalla sopimuksella 53 huoneistoa Skanska Talonrakennus Oy:ltä 11,7 miljoonan euron velattomalla kauppahinnalla. Hankitut huoneistot ovat uusia ja sijaitsevat Tampereella, Turussa, Oulussa, Vaasassa, Rovaniemellä, Kokkolassa ja Savonlinnassa. Yhtiö hankki samana päivänä yhteensä 87 huoneistoa Kaarinasta ja Raisiosta 3,4 miljoonan euron kauppahinnalla. Tämä kauppa rahoitettiin osin Osuusasunnot Oy:lle suunnatulla annilla, jossa Osuusasunnot Oy merkitsi 244 193 Yhtiön liikkeeseen laskemaa uutta osaketta.</p> <p>Tehty kauppa ja sitova sopimus parantavat Yhtiön ensimmäisen vuosineljänneksen tulosta. Hankintojen ja tammi-helmikuun sijoitussalkun arvonmuutoksen yhteisvaikutuksen arvioidaan olevan noin +2 miljoonaa euroa.</p>		

## KONSERNIN LAAJA TULOSLASKELMA

1.000 EUR	1.1.-31.12.2014	1.1.-31.12.2013	1.1.-31.12.2012
Varsinaiset tuotot	6 532	3 153	1 914
Voitot luovutuksista ja huoneistojen käyvän arvon muutoksista	8 794	6 529	1 266
<b>Liikevaihto yhteensä</b>	<b>15 327</b>	<b>9 682</b>	<b>3 180</b>
Hoitokulut	-2 831	-1 452	-752
Vuokraustoiminnan kulut	-350	-97	-47
Hallinnon kulut	-1 379	-696	-356
Liiketoiminnan muut tuotot ja kulut	-862	2	-141
<b>Kulut yhteensä</b>	<b>-5 422</b>	<b>-2 243</b>	<b>-1 296</b>
<b>Liikevoitto</b>	<b>9 905</b>	<b>7 439</b>	<b>1 884</b>
Rahoituskulut (netto)	-1 361	-639	-452

<b>Voitto ennen veroja</b>	<b>8 545</b>	<b>6 801</b>	<b>1 432</b>
Välittömät verot	-94	-48	-11
<b>Tilikauden voitto/tappio</b>	<b>8 451</b>	<b>6 753</b>	<b>1 421</b>
<b>Tilikauden voiton/tappion jakautuminen</b>			
Emoyhtiön omistajille	8 451	6 753	1 421
<b>Emoyhtiön omistajille kuuluvasta voitosta laskettu osakekohtainen tulos</b>			
Tulos/osake, euroa	1,83	3,19	1,14
<b>Muut laajan tuloksen erät</b>	<b>-270</b>	<b>183</b>	<b>-243</b>
<b>Katsauskauden laaja voitto/tappio</b>	<b>8 181</b>	<b>6 936</b>	<b>1 178</b>
<b>Katsauskauden laajan voiton/tappion jakautuminen</b>			
Emoyhtiön omistajille	<b>8 181</b>	<b>6 936</b>	<b>1 178</b>

#### KONSERNITASE

1.000 EUR	31.12.2014	31.12.2013	31.12.2012
<b>VARAT</b>			
<u>Pitkäaikaiset varat</u>			
Sijoituskiinteistöjen käypä arvo	130 668	79 190	31 992
<u>Lyhytaikaiset varat</u>			
Myynti- ja muut saamiset	4 070	203	131
Rahavarat	<u>1 990</u>	<u>9 134</u>	<u>300</u>
	6 059	9 336	432
<b>VARAT YHTEENSÄ</b>	<b>136 728</b>	<b>88 526</b>	<b>32 424</b>
Emoyrityksen omistajille kuuluva oma pääoma			
Osakepääoma	50 337	43 144	13 666
Rahastot	-493	-224	-126
Kertyneet voittovarot	1 780	106	46
<u>Tilikauden voitto</u>	<u>8 451</u>	<u>6 753</u>	<u>1 421</u>
Oma pääoma yhteensä	69 860	49 780	15 007
Velat			
Pitkäaikaiset velat	58 538	35 797	15 731
Lyhytaikaiset velat			
Korolliset velat, lainat	1 931	1 730	524
Ostovelat ja muut lyhytaikaiset velat	5 906	995	756
<u>Korkosuojauksen käypä arvo</u>	<u>498</u>	<u>224</u>	<u>407</u>
Velat yhteensä	66 868	38 746	17 418
<b>OMA PÄÄOMA JA VELAT YHTEENSÄ</b>	<b>136 728</b>	<b>88 526</b>	<b>32 424</b>

#### KONSERNIN RAHAVIRTALASKELMA

1.000 EUR	1.1.–31.12.2014	1.1.–31.12.2013	1.1.–31.12.2012
<b>Liiketoiminnan rahavirrat</b>			
Liiketoiminnan rahavirta ennen rahoituseriä	3 251	811	660
Maksetut korot netto	-1 990	-656	-538

Maksetut verot	-72	-11	0
Aineellisten käyttöomaisuushyödykkeiden myyntitulot	4 381	3 172	1 663
<b>Liiketoiminnasta kertyneet nettorahavirrat</b>	<b>5 570</b>	<b>3 316</b>	<b>1 785</b>
<b>Investointien rahavirrat</b>			
Tytäryritysten hankinta vähennettynä hankituilla rahavaroilla	-13 126	-18 883	-4 040
Asuinhuoneistojen osakkeiden hankinta	-3 833	-2 564	-833
Investoinnit aineellisiin käyttöomaisuushyödykkeisiin	-2 670	-178	-19
Investoinnit aineettomiin hyödykkeisiin	-490	-187	-120
<b>Investointeihin käytetyt nettorahavirrat</b>	<b>-20 118</b>	<b>-21 812</b>	<b>-3 713</b>
<b>Rahoituksen rahavirrat</b>			
Osakeannista saadut maksut	2 750	27 645	21
Lainojen nostot	11 334	7 111	4 280
Lainojen takaisinmaksut	-2 079	-6 081	-413
Maksetut osingot	-4 600	-1 347	-398
<b>Rahoitukseen käytetyt nettorahavirrat</b>	<b>7 405</b>	<b>27 329</b>	<b>3 489</b>
<b>Rahavarojen nettovähennys (-) / -lisäys (+)</b>	<b>-7 143</b>	<b>8 833</b>	<b>-103</b>
<b>Rahavarat tilikauden alussa</b>	<b>9 134</b>	<b>300</b>	<b>403</b>
<b>Rahavarat tilikauden lopussa</b>	<b>1 990</b>	<b>9 134</b>	<b>300</b>

#### KONSERNIN TUNNUSLUVUT

	31.12.2014	31.12.2013	31.12.2012
Liikevaihto, 1 000 €	15 327	9 682	3 180
Liikevoitto, 1 000 €	9 905	7 439	1 884
Tilikauden tulos, 1 000 €	8 451	6 753	1 421
Katsauskauden laaja voitto, 1 000 €	8 181	6 936	1 178
Tulos/osake, €	1,83	3,19	1,14
Oman pääoman tuotto, %, p.a. (ROE)	14,7	33,4	10,2
Omavaraisuusaste, %	51,1	56,3	46,3
Velkaantumisaste, %, Loan to Value	43,9	42,2	51,3
Nettovelkaantumisaste, %	83,0	56,6	113,3
Nettovarallisuus/osake, €NAV	13,52	11,54	10,98
Taloudellinen käyttöaste, %, (€)	89,4	93,8	96,7
Toiminnallinen käyttöaste, %, (m <sup>2</sup> )	88,7	92,5	96,5
Vuokralaisvaihtuvuus/kk, %	2,1	2,3	3,0
Bruttovuokratuotto-% käyväälle arvolle	6,7	8,0	8,0
Nettovuokratuotto-% käyväälle arvolle	4,0	4,5	4,8

<b>B.8</b>	<b>Valikoidut <i>pro forma</i> taloudelliset tiedot</b>	<b><i>pro</i> -muotoiset</b>	Ei sovellu. Tämä Esite ei sisällä <i>pro forma</i> -muotoisia taloudellisia tietoja.
<b>B.9</b>	<b>Tulosennuste tai -arvio</b>		<p>Yhtiö on antanut tilinpäätöksessään tilikaudelta 2014 seuraavan tulosennusteen:</p> <p>”Orava Asuntorahasto arvioi, että vuonna 2015 sillä on kohtuullisen hyvät edellytykset ylläpitää hyvää kannattavuutta ja saavuttaa 10 prosentin oman pääoman kokonaistuottotavoite.</p> <p>Sijoitussalkun asuntojen arvon odotetaan pysyvän ennallaan tai alkavan jakson loppupuolella maltillisesti nousta ennustetun yleisen talouskehityksen vahvistumisen seurauksena. Vuokratuoton arvioidaan hieman nousevan, kun taloudellista käyttöastetta uskotaan pystyttävän nostamaan viime vuoteen verrattuna. Kohteiden hankintojen tulosvaikutuksen odotetaan pysyvän suuruusluokaltaan viime vuoden tasolla. Hoito- ja korjauskustannusten suhde sijoitusomaisuuden arvoon säilynee niin</p>



		ikään likimain edellisvuoden tasolla.”
<b>B.10</b>	<b>Historiallisia taloudellisia tietoja koskevassa tilintarkastuskertomuksessa esitetyt muistutukset</b>	Historiallisia taloudellisia tietoja koskevat tilintarkastuskertomukset eivät sisällä muistutuksia.
<b>B.13</b>	<b>Viimeaikaiset tapahtumat, jotka ovat ratkaisevia arvioitaessa Liikkeeseenlaskijan maksukykyä</b>	Sellaisia viimeaikaisia tapahtumia ei ole, joilla olisi ratkaiseva merkitys arvioitaessa Liikkeeseenlaskijan maksukykyä.
<b>B.14</b>	<b>Liikkeeseenlaskijan riippuvuus muista konserniin kuuluvista yksiköistä</b>	Yhtiö muodostuu emoyhtiö Orava Asuntorahasto Oyj:stä ja sen kokonaan tai osittain omistamista asunto-osakeyhtiöstä. Kirjanpidossa tytäryhtiöitä käsitellään seuraavasti: Yhtiö yhdistelee kokonaan omistetut asunto-osakeyhtiöt IFRS 10:n mukaisesti. Osittain omistetut asunto-osakeyhtiöt yhdistellään IFRS 11:n mukaan suhteellisella menetelmällä, jolloin tytäryhtiöiden tuloslaskelman ja taseen jokaisesta erästä yhdistellään vain konsernin omistusosuutta vastaava määrä. Tämän johdosta konserniyhdistelyssä ei synny vähemmistöosuutta.
<b>B.15</b>	<b>Kuvaus Liikkeeseenlaskijan päätoimialoista</b>	Orava Asuntorahasto Oyj on pääasiassa vuokra-asuntoihin sijoittava REIT-muotoinen kiinteistörahasto. Yhtiön vuokraustoiminnan ja sijoitustoiminnan tavoitteena on tuoton tuottaminen osakkeenomistajille sekä tilikaudelta jaettavan osingon että Yhtiön osakkeen arvonnousun muodossa. Yhtiö harjoittaa kiinteistösijoitustoimintaa omistamalla, vuokraamalla, kehittämällä, rakennuttamalla ja myymällä omistamiaan asuinhuoneistoja, asuinkiinteistöjä tai asunto-osakeyhtiöitä. Yhtiö pyrkii sijoittamaan pääasiassa hyvän vuokratuoton tarjoaviin vuokra-asuntoihin suurissa ja keskisuurissa suomalaisissa kaupungeissa. Tämän lisäksi Yhtiö pyrkii hyödyntämään tehokkaasti vieraan pääoman ja oman pääoman välistä suhdetta Sijoituskohteiden hankinnassa.  Yhtiön tuotot koostuvat Sijoituskohteiden vuokratuotoista ja arvonmuutoksista. Yhtiön tulos muodostuu asuntojen nettovuokratuotoista, realisoituneista ja realisoitumattomista arvonmuutoksista, vieraan pääoman kustannuksista sekä hallinnon kuluista. Osinkoa pyritään jakamaan neljä kertaa vuodessa edellisen tilikauden tuloksen perusteella.
<b>B.16</b>	<b>Kuvaus siitä, onko Liikkeeseenlaskija suoraan tai välillisesti jonkun omistuksessa tai määräysvallassa ja mikä tämä taho on sekä määräysvallan luonteesta</b>	Liikkeeseenlaskijan tietojen mukaan Liikkeeseenlaskija ei ole suoraan tai välillisesti minkään tahon määräysvallassa arvopaperimarkkinalain 2 luvun 4 pykälän tarkoittamalla tavalla, ja Liikkeeseenlaskijan tiedossa ei ole järjestelyjä, jotka saattaisivat toteutuessaan johtaa määräysvallan vaihtumiseen Liikkeeseenlaskijassa.
<b>B.17</b>	<b>Liikkeeseenlaskijan luokitukset</b>	Ei sovellu. Yhtiöllä ei ole tällä hetkellä luottoluokituslaitoksen antamaa luottoluokitusta.
<b>B.18</b>	<b>Kuvaus vakuuden luonteesta ja soveltamisalasta</b>	Velkakirjojen maksun vakuutena on vakuusmassa, joka koostuu (i) Liikkeeseenlaskijan kokonaan tai osittain omistamien asunto-osakeyhtiöiden tai keskinäisten kiinteistöosakeyhtiöiden osakkeista ja (ii) tietyllä Liikkeeseenlaskijan pankkitilillä olevista varoista.  Seuraavassa taulukossa esitetään tietoja vakuutena olevista varoista per 19.3.2015. Käyvät arvot on laskettu soveltamalla ulkopuolisten kiinteistöarvioitsijoiden arvostuksia per 31.12.2014 omistuksiin 19.3.2015. Liikkeeseenlaskija on sitoutunut varmistamaan, että vakuusmassan käypä arvo on vähintään 130 prosenttia kulloinkin liikkeessä olevien Velkakirjojen maksamatta olevasta pääomasta. Tämän johdosta varat saattavat vaihdella Velkakirjojen voimassaoloaikana, ellei vähimmäisvakuussuhteesta muuta johdu. Käyvät arvot perustuvat ulkopuolisten arvioitsijoiden arvoihin.  Koko vakuuspoolia koskeva velkaosuus 31.12.2014 oli 15,2 miljoonaa euroa. Yhtiö on myynyt kahdeksan vakuuspooliin kuuluvaa asuntoa ja yhden parkkipaikan 1.1.–

19.3.2015, jotka on otettu huomioon omistussuudessa, asuntojen määrässä ja käyvässä arvossa.

Asunto-osakeyhtiö	Omistus- osuus, %	Asuntojen (liiketilöiden) lukumäärä	Käypä arvo 31.12.2014, euroa
Asunto Oy Järvenpään Terho	4,9	1	289 750
Asunto Oy Järvenpään Tuohi	88,2	15	4 569 900
Asunto Oy Kauniaisten Venevalkamantie	23,6	6	1 624 800
Asunto Oy Kirkkonummen Pomada	32,5	6	1 839 000
Asunto Oy Koirasaarentie 1	97,2	23	5 225 400
Asunto Oy Nurmijärven Puurata 15-17	55	26	2 311 412
Asunto Oy Nurmijärven Soittaja	58,9	15	4 140 300
Asunto Oy Vantaan Maaunintie 14	100,0	74 (1)	7 685 000
Asunto Oy Vantaan Rasinne 13	75,5	31	3 297 450
Asunto Oy Vantaan Rusakko	75,0	7	1 067 400
Bostads Ab Lindhearst Asunto Oy (Sipoo)	64,9	14	1 783 995
Asunto Oy Jyväskylän Kruununtorni	36,0	0 (5)	1 634 850
Asunto Oy Jyväskylän Tukkipoika	12,3	3	661 200
Asunto Oy Lahden Helkalanhovi	77,2	33	1 671 950
Asunto Oy Lahden Leinikki	9,0	2	389 000
Asunto Oy Lahden Poikkikatu 4	66,1	25	2 228 975
Asunto Oy Lahden Pormestari	8,0	2	499 800
Asunto Oy Lahden Vuoksenkatu	44,3	10	731 700
Asunto Oy Oulun Eveliina	14,1	2	289 800
Asunto Oy Oulun Jatulinmäki	7,7	2	326 975
Asunto Oy Oulun Merijalinväylä	4,6	2	487 200*
Asunto Oy Oulunsalon Poutapilvi	4,1	1	181 350
Asunto Oy Oulun Seilitie	85,3	17	2 241 100
Asunto Oy Tampereen Professori	11,5	3	837 975*
Asunto Oy Tampereen Vuorenpolku	3,1	1	193 800
Asunto Oy Turun Michailowinportti	21,8	5	1 586 550*
Asunto Oy Haminan Tervaniemi	95,8	16	1 322 400
Asunto Oy Heinolan Tamppilahdenkulma	100,0	20	821 585
Asunto Oy Hämeenlinnan Aulangontie 39	48,5	11	984 800
Asunto Oy Kotkan Alahovintie 7	100,0	35 (1)	1 462 300*
Asunto Oy Kotkan Alahovintorni	96,5	29	1 109 950
Asunto Oy Kotkan Matruusi	19,7	6	1 287 200*
Asunto Oy Kotkan Vuorenrinne 19	95,8	71	2 393 760
Asunto Oy Kokkolan Luotsi	21,9	4	902 800*
Asunto Oy Lohjan Koulukuja 14	94,2	51	3 493 963
Asunto Oy Lohjan Pinus	57,2	11	2 702 100
Asunto Oy Porin Kommodori	8,7	4	1 381 425*
Asunto Oy Porin Pihlavankangas	98,3	54	1 448 625
Asunto Oy Porvoon Kaivopolku	100,0	25 (7)	5 572 683
Asunto Oy Riihimäen Vuorelanmäki I	100,0	16	882 210
Asunto Oy Savonlinnan Välimäentie 5-7	100,0	51	2 293 500
Asunto Oy Tornion Aarnintie 7	39,0	19	987 100
Asunto Oy Tornion Kuparimarkka	88,1	45	2 283 200
Asunto Oy Varkauden Onnela	100,0	9	414 720
Asunto Oy Varkauden Ahlströminkatu	100,0	27 (2)	990 990
Kiinteistö Oy Liikepuisto	100,0	6 (4)	1 151 219
<b>Yhteensä</b>		<b>836 (20)</b>	<b>81 730 162</b>

\*Sijoituskohteiden käypään arvoon sisältyy erillisinä osakkeina olevia autopaikkoja.

<b>B.19</b>	<b>Samat tiedot vakuuden antajasta kuin liikkeeseenlaskijasta</b>	Ei sovellu. Vakuuden antaa Liikkeeseenlaskija.
<b>B.34</b>	<b>Kuvaus Yhtiön noudattamista sijoitustavoitteista ja -politiikasta, mukaan lukien sijoituksiin mahdollisesti sovellettavat rajoitukset, sekä kuvaus käytetyistä välineistä</b>	<p>Yhtiö pyrkii sijoittamaan pääasiassa hyvän vuokratuoton tarjoaviin vuokra-asuntoihin suurissa ja keskisuurissa suomalaisissa kaupungeissa. Vaikka pääosa Yhtiön Sijoituskohteista on vuokrattavia asuinhuoneistoja, se voi omistaa myös toimitiloja. Tämän lisäksi Yhtiö pyrkii hyödyntämään tehokkaasti vieraan pääoman ja oman pääoman välistä suhdetta salkunhoidossa.</p> <p>Yhtiön tuotot koostuvat Sijoituskohteiden vuokratuotoista ja arvonmuutoksista. Yhtiön tulos muodostuu asuntojen nettovuokratuotoista, realisoituneista ja realisoitumattomista arvonmuutoksista, vieraan pääoman kustannuksista sekä hallinnon kuluista.</p> <p>Yhtiöllä oli 30.3.2015 1 331 huoneistoa ja liiketilaa, joiden yhteenlaskettu pinta-ala oli noin 83 280 neliötä, sisältäen helmikuussa 2015 hankitut 22 huoneistoa (Mikkelin Neptun ja Porin Huvitus) ja pois lukien tammi-maaliskuussa 2015 myydyt huoneistot sekä 31.3.2015 hankitut 140 huoneistoa. Koko sijoitussalkun käypä arvo (pois lukien Mikkelin Neptun ja Porin Huvitus) 31.12.2014 oli yhteensä 130,7 miljoonaa euroa.</p>
<b>B.35</b>	<b>Yhtiön lainanoton ja velkaantuneisuuden enimmäismäärät. Jos enimmäismääriä ei ole, tästä on mainittava.</b>	Yhtiön kiinteistösjoitustoiminnan sääntöjen mukaisesti Yhtiön konsernitilinpäätöksen mukaisen vieraan pääoman määrä ei saa ylittää 80:tä prosenttia taseen loppusummasta.
<b>B.36</b>	<b>Kuvaus Yhtiön lainsäädännöllisestä asemasta sekä sen perustamiseen sääntelyviranomaisen nimi</b>	Yhtiö on julkinen osakeyhtiömuotoinen kiinteistörahasto (REIT), jonka toimintaa valvoo Finanssivalvonta.
<b>B.37</b>	<b>Pääpiirteittäinen kuvaus tyypillisestä sijoittajasta, jolle Yhtiön palvelut on suunnattu</b>	Yhtiö on REIT-muotoinen kiinteistörahasto, joka on avoin kaikille sijoittajille.
<b>B.38</b>	<b>Sijoituskohteena olevan yhteisön tunnistetiedot ja riskit, jos Yhtiön bruttovaroista yli 20 prosenttia voidaan sijoittaa yhteen kohteeseen</b>	Ei sovellu. Yhtiön sijoitukset hajautetaan Yhtiön kiinteistösjoitustoiminnan sääntöjen mukaisesti.
<b>B.39</b>	<b>Sijoituskohteena olevan yhteisön tunnistetiedot ja riskit, jos Yhtiön bruttovaroista yli 40 prosenttia voidaan sijoittaa yhteen kohteeseen</b>	Ei sovellu. Yhtiön sijoitukset hajautetaan Yhtiön kiinteistösjoitustoiminnan sääntöjen mukaisesti.
<b>B.40</b>	<b>Kuvaus hakijan palveluntarjoajista, mukaan lukien palkkioiden enimmäismäärät</b>	<p>Yhtiön hallinnointiyhtiönä toimii Orava Rahastot Oyj. Hallinnointiyhtiön päätoimiala on asuinkiinteistörahastojen hallinnointi. Hallinnointiyhtiö on erikoistunut epäsuoraan kiinteistösjoitamiseen liittyviin sijoitustuotteisiin ja palveluihin. Hallinnointiyhtiön palveluksessa työskenteli Esitteen päivämääränä neljä henkilöä.</p> <p>Hallinnointiyhtiölle on maksettu vuosina 2011–2014 kiinteää ja tulossidonnaista palkkiota seuraavasti: vuonna 2011 kiinteää palkkiota maksettiin noin 85 tuhatta euroa ja tulossidonnaista palkkiota 0 euroa. Vuonna 2012 vastaavat summat olivat noin 184 tuhatta euroa ja noin 128 tuhatta euroa. Tulossidonnaisesta palkkiosta puolet maksettiin osakkeilla maaliskuun 2013 annissa. Vuonna 2013 vastaavat summat olivat 262 tuhatta euroa ja 0 euroa. Vuoden 2014 kiinteä palkkio oli yhteensä 613,5 tuhatta euroa ja tulossidonnainen palkkio 847 tuhatta euroa, josta puolet maksettiin osakkeina.</p> <p>Yhtiön 19.3.2015 pidetty yhtiökokous päätti muuttaa Yhtiön kiinteistösjoitustoiminnan sääntöjä siten, että tulossidonnaisen hallinnointipalkkion laskennassa käytetään osakkeen pörssikurssia, jos se on alhaisempi kuin</p>

		<p>osakekohtainen nettovarallisuus.</p> <p>Yhtiön asunotomanaagement-palveluista vastaavat Newsec Asset Management Oy ja Ovenia Oy. Tehtäviin kuuluvat muun muassa kiinteistöhallinto, vuokraustoiminta ja vuokrahallinto. Newsec Asset Management Oy:n ja Ovenia Oy:n palkkiot 1.1.–31.12.2014 ovat olleet 402 tuhatta euroa ja 78 tuhatta euroa. Sopimuksenmukaiset palkkiot ovat osin kiinteitä ja osin palvelukohtaisia.</p> <p>Ulkopuolinen asiantuntija ja kiinteistönarvioitsija auditoi Hallinnointiyhtiön arviointiprosessin, laskentamenetelmät ja raportoinnin kerran vuodessa. Asunorahaston kiinteistövarallisuuden arvosta hankitaan lisäksi puolivuositain ulkopuolisen auktorisoidun kiinteistöarvioitsijan arvio. Ulkopuolisena asiantuntijana ja auktorisoiduna kiinteistöarvioitsijana ovat toimineet vuonna 2014 Realia Management Oy, Newsec Valuation Oy, Turun Seudun OP-Kiinteistökeskus Oy ja Päijät-Hämeen OP-Kiinteistökeskus Oy. Realia Management Oy:n palkkiot 1.1.–31.12.2014 ovat olleet 54 tuhatta euroa ja Newsec Valuation Oy:n palkkiot 2 tuhatta euroa. Sopimuksenmukaiset palkkiot ovat kiinteitä.</p>
<b>B.41</b>	<b>Sijoitusten hoitajan henkilöllisyys ja oikeudellinen asema</b>	<p>Yhtiön hallinnointiyhtiönä toimii Orava Rahastot Oyj. Hallinnointiyhtiö on suomalainen julkinen osakeyhtiö.</p> <p>Orava Rahastot Oyj on hakenut vaihtoehtoisten sijoitusrahastojen hoitajista annetun lain (AIFM-laki) mukaista toimilupaa. Finanssivalvonta ei ole vielä tämän Esitteen päivämääränä tehnyt päätöstä toimiluvan myöntämisestä.</p>
<b>B.42</b>	<b>Kuvaus siitä, kuinka usein Yhtiön nettovarojen arvo määritetään, ja ilmoitus siitä, miten kyseinen nettoarvo ilmoitetaan sijoittajille</b>	<p>Yhtiön omistamien kiinteistöjen ja muiden kuin julkisen kaupankäynnin tai monenkeskisen kaupankäynnin kohteena olevien kiinteistöarvopapereiden arvot arvioidaan vähintään kuukausittain ja julkistetaan vähintään neljännesvuositain sekä aina, kun Yhtiön taloudellisen tilanteen muutos tai muutokset kiinteistöjen kunnossa vaikuttavat olennaisesti Yhtiön omistamien kiinteistöjen ja kiinteistöarvopapereiden arvoon. Kiinteistöt ja muut kuin julkisen kaupankäynnin tai monenkeskisen kaupankäynnin kohteena olevat kiinteistöarvopaperit arvostetaan, kun Yhtiö ostaa ja myy niitä. Niin ikään Yhtiöön tuleva omaisuus arvostetaan vastaanotettaessa omaisuus apporttina merkinnän yhteydessä.</p>
<b>B.43</b>	<b>Sateenvarjomuotoisen yhteissijoitusyrityksen osalta lausunto mahdollisista ristikkäisistä vastuista</b>	Ei sovellu.
<b>B.44</b>	<b>Keskeiset taloudelliset tiedot</b>	Yhtiön keskeiset taloudelliset tiedot on esitetty edellä kohdassa B.7.
<b>B.45</b>	<b>Kuvaus Yhtiön sijoitussalkusta</b>	<p>Yhtiön tämän Esitteen päivämääränä kokonaan ja osittain omistamat Sijoituskohteet sekä valitut tiedot niistä on esitetty alla olevassa taulukossa.</p> <p>Tammi-maaliskuussa 2015 Yhtiö on myynyt yhdeksän asuinhuoneistoa ja yhden autokatospaikan. Näiden 31.12.2014 mukainen käypä arvo oli 839 878 euroa. Nämä käyvät arvot perustuvat ulkopuolisten arvioitsijoiden arvioihin.</p> <p>Yhtiö on 1.1.–30.3. välisenä aikana toteuttanut tai sopinut yksittäisten huoneistojen ja autopaikkojen myynnistä siten, että 30.3.2015 Yhtiön omistama huoneistojen pinta-ala on 83 280 neliometriä. Myytyjen huoneistojen tasearvo 31.12.2014 käypien arvojen mukaisesti on 841 544 euroa. Ero myytyjen huoneistojen arvostuksessa ulkopuolisen arvioitsijan ja Yhtiön välillä oli 0,2 %.</p> <p>Yhtiön koko sijoitussalkun korollinen velka 31.12.2014 oli 59 990 tuhatta euroa.</p> <p>Yhtiön arvion mukaan Sijoituskohteiden käyvissä arvoissa ei ole tapahtunut merkittäviä muutoksia 31.12.2014 ja tämän Listalleottoesitteen päivämäärän välisenä aikana. Käyvät arvot perustuvat Yhtiön omiin arvostuksiin. Arvostuksessa on mukana yhteensä 1,1 miljoonan euron rahoitusomaisuus kahden tontin myynnistä.</p> <p>Yhtiö on 1.1.–31.3.2015 välisenä aikana hankkinut yhteensä 162 asuinhuoneistoa. Skanska Talonrakennus Oy:ltä hankittiin 20.2.2015 22 huoneistoa Mikkelistä ja Porista, sekä 31.3.2015 53 huoneistoa Tampereelta, Turusta, Oulusta, Vaasasta, Rovaniemeltä, Kokkolasta ja Savonlinnasta. Mikkelistä ja Porista hankitut huoneistot</p>

on huomioitu alla olevassa taulukossa pinta-alojen osalta. Osuusasunnot Oy:ltä hankittiin 31.3.2015 87 huoneistoa Kaarinasta ja Raisiosta. Tämä kauppa rahoitettiin osin Osuusasunnot Oy:lle suunnatulla annilla, jossa Osuusasunnot Oy merkitsi 244 193 Yhtiön liikkeeseen laskemaa uutta osaketta.

Asunto-osakeyhtiö	Omistusosuus	Koko, m <sup>2</sup>	Käypä arvo 31.12.2014, 1 000 euroa
Asunto Oy Espoon Albert	13,0	275	1 393
Asunto Oy Järvenpään Saundi	17,6	688	2 847
Asunto Oy Järvenpään Terho	4,9	95	295
Asunto Oy Järvenpään Tuohi	88,2	1 203	4 768
Asunto Oy Kauniaisten Venevalkamantie	24,7	428	1 934
Asunto Oy Keravan Ritariperho	99,9	2 071	6 421*
Asunto Oy Kirkkonummen Kummikallio	100,0	5 241	7 383
Asunto Oy Kirkkonummen Pomada	32,5	650	1 951
Asunto Oy Kirkkonummen Tammi	30,5	1 082	4 501
Asunto Oy Koirasaarentie 1	100,0	1 436	5 204
Asunto Oy Nurmijärven Puurata 15-17	58,1	1 768	2 432
Asunto Oy Nurmijärven Soittaja	58,9	1 326	4 198
Asunto Oy Vantaan Maaunintie 14	100,0	5 065	7 283
Asunto Oy Vantaan Rasinne 13	75,5	1 669	3 142
Asunto Oy Vantaan Rusakko	75,0	384	1 077
Bostads Ab Lindheast Asunto Oy (Sipoo)	64,9	1 140	1 848
Asunto Oy Härmälänrannan Nalle (Tampere)	7,0	249	807
Asunto Oy Jyväskylän Ahjotar	35,2	394	1 338
Asunto Oy Jyväskylän Kruununtorni	36,0	1 232	1 652
Asunto Oy Jyväskylän Kyläseppä	21,0	277	803*
Asunto Oy Jyväskylän Tukkipoika	12,3	228	654
Asunto Oy Lahden Helkalanhovi	77,2	1 970	1 709
Asunto Oy Lahden Leinikki	9,0	160	434**
Asunto Oy Lahden Poikkikatu 4	66,1	1 469	2 123
Asunto Oy Lahden Pormestari	8,0	121	580
Asunto Oy Lahden Vuoksenkatu	44,3	428	697
Asunto Oy Lempäälän Tikanhovi	51,7	1 044	3 296
Asunto Oy Oulun Eveliina	14,1	161	339
Asunto Oy Oulun Jatulinmäki	7,7	160	359
Asunto Oy Oulun Merijalinväylä	4,6	138	513*
Asunto Oy Oulun Seilitie	89,1	987	2 435 *
Asunto Oy Oulunsalon Poutapilvi	4,1	93	196
Asunto Oy Raision Valonsäde	49,0	870	2 868
Asunto Oy Tampereen Professori	11,5	257	799*
Asunto Oy Tampereen Ruuti	59,5	945	3 053*
Asunto Oy Tampereen Vuorenpeikko	3,1	68	197
Asunto Oy Turun Michailowinportti	21,8	417	1 529*
Asunto Oy Vuoreksen Emilia (Tampere)	30,5	1 047	3 007*
Asunto Oy Haminan Tervaniemi	95,8	1 040	1 329
Asunto Oy Heinolan Tamppilahdenkulma	100,0	1 164	738
Asunto Oy Hämeenlinnan Aulangontie 39	48,5	527	1 009
Asunto Oy Kokkolan Luotsi	21,9	321	949 *
Asunto Oy Kotkan Alahovintie 7	100,0	2 141	1 601
Asunto Oy Kotkan Alahovintorni	96,5	1 569	1 006
Asunto Oy Kotkan Matruusi	19,7	409	1 250 *
Asunto Oy Kotkan Mällinkatu 6	100,0	2 875	1 809

		Asunto Oy Kotkan Vuorenrinne 19	96,7	3 896	2 435
		Asunto Oy Lohjan Koulukuja 14	94,2	2 835	3 028
		Asunto Oy Lohjan Pinus	57,2	1 057	2 691
		Asunto Oy Mikkelin Neptun	45,0	776	**
		Asunto Oy Porin Huvitus	38,1	736	**
		Asunto Oy Porin Kommodori	8,7	372	1 376*
		Asunto Oy Porin Pihlavankangas	98,3	2 812	1 378
		Asunto Oy Porvoon Kaivopolku	100,0	2 055	6,194*
		Asunto Oy Riihimäen Vuorelanmäki I	100,0	773	745
		Asunto Oy Rovaniemen Rekimatka 16-18	100,0	1 456	2 206
		Asunto Oy Rovaniemen Rekimatka 29	100,0	3 131	3 155
		Asunto Oy Salon Ristinkedonkatu 33	100,0	4 518	3 240
		Asunto Oy Savonlinnan Välimäentie 5-7	100,0	2 723	2 297
		Asunto Oy Tornion Aarnintie 7	39,0	1 138	837
		Asunto Oy Tornion Kuparimarkka	89,1	2 599	2 084
		Asunto Oy Varkauden Ahlströminkatu	100,0	1 762	1 013
		Asunto Oy Varkauden Onnela	100,0	864	331
		Asunto Oy Varkauden Parsius	100,0	1 986	760
		Kiinteistö Oy Liikepuisto	100,0	607	1,141
		<b>Yhteensä</b>		<b>83 670 ***</b>	<b>130 668*</b>
		*Sijoituskohteen käypään arvoon sisältyy erillisinä osakkeina olevia autopaikkoja. **Mikkelin Neptun ja Porin Huvitus hankittiin helmikuussa 2015. Näiden käypä arvo julkaistaan vuoden 2015 ensimmäisen vuosineljänneksen osavuositarkastuksessa. ***Kokonaispinta-ala sisältää helmikuussa hankittujen Mikkelin Neptunin ja Porin Huvituksen huoneistojen pinta-alat (yhteensä 1 512 neliötä). Tammi-maaliskuussa 2015 myytyjen yhdeksän huoneiston pinta-alaa (391 neliötä) ei ole poistettu.			
<b>B.46</b>	<b>Tieto tuoreimmasta nettovarallisuudesta per osake</b>	Yhtiön osakkeiden nettovarallisuus 31.12.2014 per osake oli 13,52 euroa. Osakeanneilla oikaistu nettovarallisuus per osake oli vastaavasti 12,02 euroa.			
<b>Jakso C – Arvopaperit</b>					
<b>C.1</b>	<b>Tarjottavien arvopapereiden tyyppi ja laji</b>	Senior-statuksinen vakuudellinen joukkovelkakirjalaina, jonka kokonaisnimellismäärä on 20 000 000 euroa. Arvo-osuuden yksikkökoko: 20 000 euroa. Minimimerkintä: 100 000 euroa. Velkakirjojen ISIN-koodi on FI4000148838.			
<b>C.2</b>	<b>Valuutta</b>	Euro.			
<b>C.3</b>	<b>Yhtiön osakkeet ja osakepääoma</b>	Yhtiön osakepääoma oli tämän Listalleottoesitteen päivämääränä 60 335 570 euroa, ja se jakaantui 6 510 045 osakkeeseen. Kukin osake oikeuttaa yhteen ääneen Yhtiön yhtiökokouksessa. Yhtiön osakkeilla ei ole nimellisarvoa. Yhtiöllä oli tämän Listalleottoesitteen päivämääränä hallussaan 411 336 omaa osaketta. Yhtiö on hankkinut nämä osakkeet suuntaamalla maksuttomia osakeanteja itselleen. Veronhuojennuslain mukaan Yhtiö ei saa hankkia omia osakkeitaan.			
<b>C.5</b>	<b>Kuvaus arvopapereiden vapaata luovutettavuutta koskevista rajoituksista</b>	Kukin Velkakirja on vapaasti luovutettavissa sen jälkeen, kun se on kirjattu asianomaiselle arvo-osuustilille.			
<b>C.7</b>	<b>Osingonjako</b>	Yhtiön käytäntönä on ollut, että yhtiökokous päättänyt vuosineljänneksittäin maksettavasta osingosta ja osingonmaksupäivistä ja antanut hallitukselle valtuutuksen päättää osingonmaksun täsmäytyspäivistä sekä valvoa Yhtiön maksukykyisyyttä ennen kunkin osingonjaon maksua. Yhtiön tavoitteena on jakaa 7–10 prosentin osinkotuotto laskettuna osakkeen nettovarallisuudesta. Yhtiö jakaa osinkona vähintään 90 prosenttia tilikauden tuloksesta ilman realisoitumattomia arvonmuutoksia ja laajan tuloksen eriä (IFRS), jollei			

		<p>osakeyhtiölain säännöksistä, jotka rajoittavat voitonjakoa Yhtiön vapaan oman pääoman määrän tai maksukyvyyn perusteella, muuta johdu.</p> <p>Yhtiön 19.3.2015 pidetty yhtiökokous päätti valtuuttaa hallituksen päättämään vuoden 2014 voitonjaosta 31.12.2015 mennessä seuraavasti. Osinkona jaetaan enintään 1,20 euroa per osake niille osakkeille (ISIN-koodi FI4000068614), jotka eivät ole Yhtiön hallussa ja jotka on laskettu liikkeeseen arvo-osuusjärjestelmässä viimeistään 19.3.2015 seuraavan taulukon mukaisesti.</p> <table border="1"> <thead> <tr> <th>ISIN-koodi</th> <th>Osinko-oikeus</th> <th>Osakkeita kpl</th> <th>Osinko, euroa</th> <th>Yhteensä</th> </tr> </thead> <tbody> <tr> <td>FI4000068614</td> <td>100 %</td> <td>5 984 262</td> <td>1,20</td> <td>7 181 114,40</td> </tr> </tbody> </table> <p>Lisäksi yhtiökokouksen 19.3.2015 antaman valtuutuksen nojalla Yhtiö voi laskea liikkeeseen suunnatuilla osakeanneilla myös osakkeita, jotka oikeuttavat osinkoon 1.4.2015 alkaen enintään seuraavasti.</p> <table border="1"> <thead> <tr> <th>ISIN-koodi</th> <th>Osinko-oikeus</th> <th>Osakkeet</th> <th>Osinko, euroa</th> <th>Yhteensä</th> </tr> </thead> <tbody> <tr> <td>FI4000068614</td> <td>100 % 1.4.2015 alkaen</td> <td>1 500 000</td> <td>0,90</td> <td>1 350 000,00</td> </tr> </tbody> </table> <p>Osinkoa voidaan jakaa yhteensä enintään 8.531.114,40 euroa. Vuosineljänneksittäin maksettava osinko on jokaisessa erässä enintään 0,30 euroa osakkeelle.</p> <p>Osinkojen maksupäivät ovat 31.3.2015, 30.6.2015, 30.9.2015 ja 30.12.2015. Hallitus valtuutettiin päättämään osingon määrästä ja maksusta vuosineljänneksittäin edellä mainittujen rajoitusten puitteissa edellyttäen, että Yhtiön maksukykyisyys ei osingonmaksun seurauksena vaarannu.</p> <p>Hallitus päätti yhtiökokouksen antaman valtuutuksen nojalla maksaa osinkoa 0,30 euroa osakkeelta yhteensä 5.984.262 osakkeelle. Osingonmaksun täsmäytyspäivä oli 23.3.2015. Tästä osingosta 1,5 miljoonaa euroa maksettiin 31.3.2015. Osinkojen ennakonpidätys 0,3 miljoonaa euroa maksetaan 13.4.2015.</p>	ISIN-koodi	Osinko-oikeus	Osakkeita kpl	Osinko, euroa	Yhteensä	FI4000068614	100 %	5 984 262	1,20	7 181 114,40	ISIN-koodi	Osinko-oikeus	Osakkeet	Osinko, euroa	Yhteensä	FI4000068614	100 % 1.4.2015 alkaen	1 500 000	0,90	1 350 000,00
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FI4000068614	100 % 1.4.2015 alkaen	1 500 000	0,90	1 350 000,00																		
<b>C.8</b>	<b>Arvopapereiden etuoikeusjärjestys</b>	<p>Velkakirjat ovat Liikkeeseenlaskijan suorina, vakuudellisia ja takaamattomia velvoitteita, jotka ovat samanarvoisia keskenään ja Liikkeeseenlaskijan kaikkien muiden vakuudellisten ja etuoikeudettomien velvoitteiden kanssa lukuun ottamatta niitä velvoitteita, joilla on etuoikeus pakottavan lain nojalla.</p>																				
<b>C.9</b>	<b>Korko ja tuotto; velkapapereiden haltijoiden edustajan nimi</b>	<p>Velkakirjoille maksetaan kiinteää vuotuista korkoa, joka on 4,25 prosenttia. Velkakirjoille kertyvä korko maksetaan vuosittain takautuvasti alkaen 1.4.2016 ja tämän jälkeen 1.4. kunakin vuonna ('<b>Koronmaksupäivä</b>') 1.4.2020 saakka ('<b>Takaisinmaksupäivä</b>'). Liikkeeseenlaskija voi lunastaa Velkakirjat myös Takaisinmaksupäivää aikaisempaan ajankohtana määräsvallan vaihtumisen tai eräännyttämisperusteen johdosta, jolloin Velkakirjoille kertyvää korkoa maksetaan tällaiseen aikaisempaan ajankohtaan saakka. Lisäksi Liikkeeseenlaskija voi lunastaa Velkakirjat vapaaehtoisesti (<i>call option</i>).</p> <p>Velkakirjojen kulloinkin maksamatta olevalle pääomalle kertyy korkoa kultakin korkokaudelta korkokauden ensimmäinen päivä mukaan lukien ja korkokauden viimeinen päivä pois lukien. Ensimmäinen korkokausi alkaa Liikkeeseenlaskupäivänä ja päättyy ensimmäisenä Koronmaksupäivänä. Kukin seuraava korkokausi alkaa edeltävänä Koronmaksupäivänä ja päättyy seuraavana Koronmaksupäivänä. Viimeinen korkokausi päättyy asianomaisena Takaisinmaksupäivänä.</p> <p>Velkakirjoihin sovellettava koronlaskuperuste on International Capital Market Associationin määritelmän mukainen "actual/actual ICMA".</p> <p>Velkakirjojen efektiivinen tuotto oli Liikkeeseenlaskupäivänä 4,25 prosenttia.</p> <p>Velkakirjanhaltijoiden edustajana toimii Nordic Trustee Oy.</p>																				
<b>C.10</b>	<b>Tiedot siitä, kuinka kohde-etuuden arvo vaikuttaa</b>	<p>Ei sovellu. Velkakirjoille maksettava korko ei ole yhteydessä johdannaiseen.</p>																				

	<b>koron määrään</b>	
<b>C.11</b>	<b>Listalleotto</b>	Liikkeeseenlaskija on tehnyt hakemuksen Velkakirjojen ottamiseksi kaupankäynnin kohteeksi säännellylle markkinalle Helsingin Pörssissä, ja Velkakirjat listataan Helsingin Pörssiin arviolta 2.4.2015.
<b>Jakso D – Riskit</b>		
<b>D.2</b>	<b>Liikkeeseenlaskijaan liittyvät riskit</b>	<p><i>Vallitsevaan makrotaloudelliseen tilanteeseen liittyviä riskejä</i></p> <ul style="list-style-type: none"> <li>• Epävarmat maailmanlaajuiset taloudelliset ja rahoitusmarkkinaolosuhteet saattavat vaikuttaa epäedullisesti Yhtiön liiketoimintaan, liiketoiminnan tulokseen, taloudelliseen asemaan, maksukykyyn ja pääoman lähteisiin</li> <li>• Negatiivinen taloudellinen kehitys ja yleinen talouden tilanne Suomessa saattavat vaikuttaa haitallisesti Yhtiön liiketoimintaan ja markkina-arvoon</li> </ul> <p><i>Yhtiön liiketoimintaan liittyviä riskejä</i></p> <ul style="list-style-type: none"> <li>• Yhtiö ei välttämättä löydä sopivia Sijoituskohteita</li> <li>• Yhtiö ei välttämättä löydä Sijoituskohteita suunnitelluilta alueilta</li> <li>• Alueet, joissa Yhtiön Sijoituskohteet sijaitsevat, voivat muuttua vähemmän houkutteleviksi</li> <li>• Yhtiöltä puuttuu vertailukelpoinen toimintahistoria, eikä Yhtiön liiketoiminnan strategian toteutumisesta ole varmuutta</li> <li>• Kysynnän ja tarjonnan vaihtelut asuntomarkkinoilla saattavat vaikuttaa asumisen kustannuksiin ja vuokratasoihin</li> <li>• Asuntomarkkinoiden heikko likviditeetti voi vaikeuttaa Yhtiön mahdollisuuksia myydä Sijoituskohteitaan</li> <li>• Sijoituskohteiden kunto ei välttämättä vastaa ennakoitua</li> <li>• Sijoituskohteiden vuokrausasteen lasku sekä vuokralaisten vaihtuvuuden lisääntyminen saattavat heikentää Yhtiön tulosta</li> <li>• Toistaiseksi voimassa olevat vuokrasopimukset saatetaan irtisanoa lyhyen ajan sisällä</li> <li>• Vuokrasopimuksiin ja muihin sopimuksiin liittyviä riskejä</li> <li>• Sijoituskohteiden käypien arvojen muutokset vaikuttavat Yhtiön tulokseen ja rahoituksen ehtoihin</li> <li>• Lisääntyneet kunnostus- ja ylläpitokulut saattavat alentaa tuottoja tai nostaa vuokria, ja tämän seurauksena vuokralla asumisen kysyntä saattaa heikentyä</li> <li>• Sijoituskohteiden arvostukset voivat poiketa todellisista käyvistä arvoista</li> <li>• Yhtiön tekemään hallinnointisopimukseen liittyviä riskejä</li> <li>• Avainhenkilöiden menettäminen saattaa heikentää Yhtiön menestystä</li> <li>• Yhtiön käyttämiin palveluntarjoajiin liittyviä riskejä</li> <li>• Sijoituskohteet altistuvat mahdollisille ympäristöriskeille sekä terveyden ja turvallisuuden liittyville riskeille</li> <li>• Yhtiön vakuutusturva ei ole välttämättä riittävä</li> <li>• Järjestelmävirheet Yhtiön toiminnoissa saattavat vähentää tehokkuutta ja/tai Yhtiön toiminnan tuottavuutta</li> <li>• Yhtiö saattaa epäonnistua maineensa hallinnassa</li> <li>• Yhtiön liiketoimintaan voi liittyä tunnistamattomia tai odottamattomia riskejä</li> </ul> <p><i>Lainsäädäntöön liittyviä riskejä</i></p> <ul style="list-style-type: none"> <li>• Lainsäädäntömuutokset saattavat vaikuttaa kielteisesti Yhtiön Sijoituskohteiden arvoon tai Yhtiön tulokseen, lisätä kuluja ja/tai hidastaa tai pysäyttää</li> </ul>



		<p>sijoituskehityksen</p> <ul style="list-style-type: none"> <li>• Kiinteistörahastolaki asettaa vaatimuksia ja rajoituksia Yhtiön liiketoiminnalle, ja sen soveltamiseen saattaa liittyä epävarmuutta</li> <li>• Veronhuojennuslakiin ja sen soveltamiseen liittyä riskejä</li> <li>• Hallinnointiyhtiöön sovellettava AIFM-lainsäädäntö asettaa vaatimuksia Hallinnointiyhtiölle, ja lainsäädännön soveltamiseen liittyä epävarmuutta</li> </ul> <p><i>Rahoitusriskejä</i></p> <ul style="list-style-type: none"> <li>• Korkotason vaihtelut saattavat vaikuttaa kielteisesti Yhtiön liiketoimintaan</li> <li>• Yhtiön kassavirta ei välttämättä riitä lainojen takaisinmaksuun niiden erääntyessä</li> <li>• Yhtiön luottosopimuksiin sisältyvät kovenantit saattavat rikkoutua</li> <li>• Yhtiön velkaantuneisuus saattaa vaikuttaa epädullisesti sen liiketoimintaan</li> <li>• Rahoitusmarkkinoiden epävarmuus ja pankkien tiukentunut sääntely saattavat vaikuttaa epädullisesti Yhtiön rahoitukseen</li> <li>• Kansainvälinen talouden taantuma ja rahoitusmarkkinoiden vakavat häiriöt altistavat Yhtiön vastapuoliriskeille</li> </ul>
<b>D.3</b>	<b>Arvopapereihin liittyvät riskit</b>	<p><i>Velkakirjoihin liittyviä riskejä</i></p> <ul style="list-style-type: none"> <li>• Velkakirjat eivät välttämättä sovellu sijoituskohteeksi kaikille sijoittajille</li> <li>• Korko ja sijoitettu pääoma saatetaan menettää</li> <li>• Velkakirjoilla ja Liikkeeseenlaskijalla ei ole luottoluokitusta</li> <li>• Velkakirjoille ei välttämättä synny aktiivisia jälkimarkkinoita</li> <li>• Koska Velkakirjoille kertyvä korko on kiinteä, niiden hinta saattaa laskea markkinakorkojen muuttuessa</li> <li>• Mikäli Liikkeeseenlaskija käyttää oikeuttaan taikka on velvollinen lunastamaan ja ostamaan Velkakirjat ennen niiden erääntymistä, tällä saattaa olla epädullinen vaikutus Liikkeeseenlaskijaan ja mahdollisiin lunastamattomiin Velkakirjoihin</li> <li>• Liikkeeseenlaskijalla ei ole velvollisuutta korvata Velkakirjoista perittävää lähdeveroa tai vastaavia maksuja</li> <li>• Velkakirjoihin liittyvien transaktioiden toteutuminen riippuu Euroclear Finland Oy:n toiminnasta ja järjestelmästä</li> <li>• Velkakirjoihin liittyvien lakien tai käytäntöjen mahdollisten muutosten vaikutuksista ei ole varmuutta</li> <li>• Velkakirjojen Ehdot rajoittavat ainoastaan rajallisesti Liikkeeseenlaskijan oikeutta sulautua, jakaa varoja tai toteuttaa muita merkittäviä transaktioita, jotka saattaisivat olennaisesti muuttaa sen olemassaoloa, lainkäyttöaluetta tai sääntelyjärjestelmää ja/tai sen rakennetta tai liiketoimintaa</li> <li>• Velkakirjojen Ehtoihin tehtävät muutokset sitovat kaikkia Velkakirjanhaltijoita</li> <li>• Lainsäädännöstä saattaa aiheutua rajoituksia tiettyjen sijoitusten tekemiselle</li> <li>• Oikeus maksuun Velkakirjojen perusteella voi vanhentua</li> <li>• Velkakirjat eivät tuota äänioikeutta Liikkeeseenlaskijan yhtiökokouksissa</li> <li>• Liikkeeseenlaskija saattaa lisävelkaantua</li> <li>• Velkakirjanhaltijoiden oikeudet riippuvat Agentin toiminnasta ja rahoitusasemasta</li> </ul> <p><i>Vakuuteen liittyviä riskejä</i></p>

		<ul style="list-style-type: none"> <li>• Vakuus ei välttämättä ole riittävä</li> <li>• Vakuuden täytäntöönpano saattaa viivästyä tai vakuutta ei välttämättä voida panna täytäntöön lainkaan</li> </ul>
<b>Jakso E – Tarjous</b>		
<b>E.2b</b>	<b>Syyt tarjoamiseen ja varojen käyttö, jos muu kuin voiton tavoittelu ja/tai tietyiltä riskeiltä suojautuminen</b>	Hankittavien varojen käyttö: emoyhtiön pankkilainojen takaisinmaksu 17,4 miljoonan euron osalta ja konsernin yleiset rahoitustarpeet.
<b>E.3</b>	<b>Tarjousehdot</b>	<p>Liikkeeseenlaskupäivä: 1.4.2015.</p> <p>Takaisinmaksupäivä: 1.4.2020, tai aikaisemmin määräysvallan vaihtumisen, eräännyttämisperusteen tai vapaaehtoisen lunastuksen (<i>Call Option</i>) johdosta.</p> <p>Liikkeeseenlaskun kokonaismäärä: 20 000 000 euroa.</p> <p>Koronmaksupäivät: vuosittain jälkikäteisesti 1.4.2016 alkaen ja tämän jälkeen 1.4. kunakin vuonna.</p> <p>Korko: 4,25 %.</p> <p>Efektiivinen tuotto: 4,25 % vuodessa.</p> <p>Takaisinmaksu: Nimellisarvoisesti, eräpäivänä.</p> <p>Minimimerkintä: 100 000 euroa.</p> <p>Arvo-osuuden yksikkökoko: 20 000 euroa.</p> <p>Kovenantit: varojenjakoa, sulautuminen ja jakautuminen, vakuudenantamiskielto, finanssikovenantit.</p> <p>Selvitys: Velkakirjat lasketaan liikkeeseen arvo-osuuksina Euroclear Finland Oy:n OM-arvo-osuusjärjestelmässä.</p> <p>Sovellettava laki: Suomen laki.</p>
<b>E.4</b>	<b>Liikkeeseenlaskuun liittyvät olennaiset intressit, mukaan lukien eturistiriidat</b>	<p>Realia Management Oy:lle ja Turun Seudun OP-Kiinteistökeskus Oy:lle maksetaan erillinen palkkio toimimisesta Velkakirjojen Ehtojen mukaisina arvioitsijoina.</p> <p>Pääjärjestäjän intressit: rahoitusmarkkinoilla tavanomaiset liiketoimintaintressit ja 17 miljoonan euron lainojen takaisinmaksu.</p> <p>Agentin intressit: rahoitusmarkkinoilla tavanomaiset liiketoimintaintressit.</p>
<b>E.7</b>	<b>Arvioidut sijoittajalta veloittavat kustannukset</b>	Yhtiö ei veloita sijoittajalta Velkakirjojen liikkeeseenlaskuun liittyviä maksuja.

## RISK FACTORS

*Investors considering investment in the Notes should carefully review the information contained in this Listing Prospectus and, in particular, the risk factors described below and in the stock exchange releases published by the Issuer. Factors possibly affecting an investment decision are also discussed elsewhere in this Listing Prospectus. Should one or more of the risk factors described herein materialise, it may have an adverse effect on the Issuer's business, financial condition, results of operations and prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes, the market price and value of the Notes as well as, as applicable, the sufficiency of the security the Issuer has granted under the Terms and Conditions of the Notes. As a result, investors may lose part or all of their investments despite the security granted by the Issuer. The following description is a summary of certain risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes or that are material in order to assess the market risk associated with the Notes. This description is based on information known and assessed at the time of preparing this Listing Prospectus, and, therefore, the description of the risk factors is not necessarily exhaustive. The risks involved in an investment in the Notes are not limited to the factors identified below and the sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. All investors should make their own evaluations of the risks associated with an investment in the Notes and consult with their own professional advisers, if they consider it necessary.*

### **Risks Relating to the Issuer**

#### **Risks Relating to Macroeconomic Conditions**

***Uncertain global economic and financial market conditions could adversely affect the Issuer's business, results of operations, financial condition, liquidity and capital resources***

During the last few years the uncertain global economic and financial market conditions have had an adverse effect on general business conditions, increased unemployment and lowered business and consumer confidence. Despite the aggressive measures taken by various governmental and regulatory authorities as well as central banks around the world, the economic situation remains unstable. Austerity measures, which aim to balance the public finances in the euro area are causing a general decline of economic activity in Europe, which is dampening growth prospects in the area. The general economic and financial market conditions in Europe and other parts of the world have repeatedly undergone significant turmoil due to, among other factors, the on-going sovereign debt crisis in certain European countries. In addition, the recent crisis in Ukraine and related events such as the sanctions imposed, e.g. by the United States and European Union against Russia and on the other hand export limitations imposed by Russia towards the European Union, may have an adverse effect on the economic climate.

It is difficult to make predictions as to how the market conditions will develop, as they are impacted by macro movements of the financial markets and many other factors, including the stock, bond and derivatives markets as well as measures taken by various governmental and regulatory authorities and central banks, over which the Company has no control. Uncertainty remains in the global market and it cannot be ruled out that the global economy could fall back into a recession, or even a depression, that could be deeper and longer lasting than the recession experienced in the past years. Moreover, as a result of the financial turmoil of recent years, banks face more stringent regulation, which is prone to affect the availability of financing and/or increase the cost of financing.

The current uncertainty and lack of visibility in the financial markets and macroeconomic conditions have in general adversely affected access to financing and increased the cost of capital for both the Company and its customers. The Company could be adversely affected by either a decrease in the availability of financing or by an increase in the price of financing obtained by its customers, which in turn could affect the demand for residential housing negatively. A decrease in the demand for residential units could have an adverse effect on the Company's business, financial condition, results of operations and prospects.

Although the Company's management continuously evaluates and monitors its funding position and has taken measures to minimise the uncertainty which the changes in financial markets cause to its financial performance, there can be no assurance that the Company's liquidity and access to financing will not be affected by changes in the financial markets or international sanctions or that its capital resources will, at all times, be sufficient to satisfy its business and liquidity needs. Materialisation of any of the above risks could adversely affect the Issuer's asset values, future cost of debt and access to bank and capital market financing, which could, in turn, have an adverse effect on its business, financial condition, results of operations and prospects as well as the security of the Notes.

***Negative economic development and the general economic conditions in Finland could have an adverse effect on the Company's business operations and market value***

Uncertain global economic and financial market conditions have had an adverse effect on Finland's economy. A slowdown or downturn in the economy, regardless of its depth, or any other economic development in Finland may have diverse effects on the Company's business, e.g. on its revenue, assets, liquidity, business and/or the financial position of the Company and its tenants or potential investors.

The value of apartments usually follows cyclical fluctuations. The value of apartments depends on several factors, such as interest rates, inflation, economic growth, business environment, availability of financing, taxation and building activity. If the general economic situation weakens or the prices of apartments decline for some reason, the value and yield of the Investment Properties as well as the value of the Company may also decline. In addition, there is still considerable uncertainty of the future development of the economy. The Company may not be able to utilise the opportunities brought about by economic fluctuations or to adapt to a long-lasting economic downturn or recession. Furthermore, even though economic slowdowns and downturns have historically increased the demand for rental apartments in Finland, it may nevertheless be possible that the demand for rental apartments decreases with a slowdown or a recession in the economy. Any of the risks detailed above, if realised, could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

**Risks Relating to the Company's Business Operations**

***The Company may not necessarily be able to find suitable Investment Properties***

The Company may encounter challenges and difficulties in acquiring Investment Properties that meet its objectives. Furthermore, there can be no assurance that the investments made by the Company would be successful in all situations. The opportunities for acquiring Investment Properties that meet the objectives may weaken materially, among other things, as a result of increased competition in the housing market, in which case the targeted return may not be reached. Furthermore, there can be no certainty that Investment Properties can be acquired in the envisaged timetable, at a sufficient discount or at all. This could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***The Company may not necessarily be able to find Investment Properties in the envisaged regions***

It is possible that the Company is not able to acquire apartments in the envisaged regions. As a result, the acquisition area may turn out to be considerably smaller than envisaged, in which case the residential portfolio cannot be diversified to the extent envisaged. Hence, location risk may increase, and yield may decrease. This could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the price of the Notes.

***Locations where the Company's Investment Properties are situated may become less attractive***

The attractiveness of an Investment Property from the perspective of potential tenants depends on, among other things, its location. Locations where the Company's Investment Properties are situated may become less attractive. The attractiveness of individual locations may change significantly over time, which may have an adverse effect on the yield of the Investment Properties and their rentability. As the Company's current Investment Properties are mostly in Helsinki and in certain large and medium-sized Finnish cities, the Company's business depends on the development of these regions as well as the general development of Finland's economy. If unemployment rate in the target city increases due to change in its economic structure or other reason, the rentability and sellability of the Investment Properties could decrease. If the economy and the housing market develop unfavourably in these regions, this could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***The Company does not have an operating history sufficient for comparison, and there can be no assurance that the Company's business strategy will be realised***

The Company's growth in accordance with its strategy and its future financial position depend on several factors that are not under the Company's complete control. In addition, the Company's operations only began on 30 December 2010. Hence, due to the limited operating history and the lack of historical benchmark figures, it is challenging for the Company management to estimate to what extent the strategy will be implemented in the future. If the strategy is not implemented as expected, this may have an adverse effect on the security of the Notes. If costs are significantly larger or revenues significantly smaller than expected, this may weaken the Company's financial performance and have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***Fluctuations in supply and demand on the housing market could have an effect on the costs of living and levels of rent***

The housing market is sensitive to fluctuations in supply and demand. In Finland, apartment prices have historically followed the macroeconomic development. The level of housing and renting costs depends on various different factors, such as regulation, interest rates, economic growth, availability of debt financing and taxation. Changes in supply and demand induced by new construction, investor supply and demand or other factors may also have a material impact on the cost of housing and renting. A reduction in housing costs will likely have a direct impact on the fair value of the Company's residential portfolio. Any of the risks detailed above, if realised, could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***Poor liquidity on the housing market could hinder the Company's ability to sell its Investment Properties***

It is possible that the liquidity of the Investment Properties acquired by the Company is reduced, which means fewer of them can be sold or that they cannot be sold at all at the prices and in the timetable envisaged.

The sale of the Company's Investment Properties depends on various factors not under the Company's control, such as the availability of bank financing to potential buyers, interest rates and supply and demand of equivalent targets. The attractiveness of Investment Properties depends on their qualities, such as their condition or location, and such factors may further decrease the demand on the market for such Investment Properties. Possible lack of liquidity in the housing market may limit the Company's opportunities to sell its Investment Properties or to modify its portfolio at the right time due to economic or other circumstances. If the market does not function sufficiently well or if it is illiquid, there can be no certainty that the Company is able to complete sales as expected or at all. This, if realised, could in turn have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***Investment Properties may not be in the envisaged condition***

In the acquisition of Investment Properties, the Company's assessment of the condition of each Investment Property is based on a sample that covers the condition of certain apartments only. Therefore, there can be no certainty that the condition of all apartments corresponds to the advance assessments, which may result in additional costs to the Company. After each acquisition of Investment Properties, Newsec Asset Management Oy verifies the condition of every apartment, and, if the condition of the Investment Property deviates significantly from the assessment, this may have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***A reduction of the occupancy rate of Investment Properties and increased tenant turnover could weaken the Company's results***

A significant part of the Company's administrative work consists of achieving a level of rental yield on the acquired residential portfolio in accordance with the objectives as regards the rentable apartment base. There is uncertainty related to the forecasting of market rents, and actual market rents may be lower than expected, which would reduce the Company's income. There is also uncertainty related to the demand of rental housing. The occupancy rate and tenant turnover of the Company's apartments depend on general economic circumstances, and as at 31 December 2014, the Company's occupancy rate was 89.4 per cent and the tenant turnover was 2.1 per cent. The occupancy rate has a significant impact on the Company's business operations. Tenant turnover results in costs to the Company arising from, among other things, the signing of rental agreements or minor renovations that are usually carried out when tenants move out. However, the Company aims at maintaining a high occupancy rate for the rentable Investment Properties, e.g. by carrying out repairs in the Investment Properties. In addition, the Company may incur losses from unpaid rent receivables. At the date of this Listing Prospectus, no additional credit losses had been recorded after 31 December 2014. As at 31 December 2014, rents that had fallen due totalled EUR 138 thousand, of which approximately EUR 37 thousand dated back over two months. If unpaid rents cannot be collected, the Company will have to record them as credit losses, and this and the other factors mentioned above may have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***Rental agreements in force until further notice could be terminated within a short time period***

The Company's rental agreements with its tenants are mostly valid until further notice. Tenants may terminate the rental agreement with a month's notice. Therefore, the rental agreements valid until further notice entail the risk that a significant number of rental agreements may be terminated within a short time period. In such cases, the Company may encounter difficulties in making a sufficient number of replacement rental agreements in a short time. This, if realised, could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***There are risks relating to rental and other agreements***

The Company always strives to comply with its obligations under its rental and other agreements. However, it is possible that the Company fails to fulfil its obligations in a way that will lead to possible claims for damages by the tenants or other contractual partners. This, if realised, could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***Changes to the fair value of the Investment Properties have an effect on the Company's results and the terms and conditions of its financing***

Under the Real Estate Investment Trust Act, the Company must value the apartments and properties not in its own use at fair value in its balance sheet. In addition, changes in the fair value of the Company's apartments and properties will be recognised as valuation gains or losses for the period in which the change occurred. As a result, the Company may make significant profits or incur significant losses from changes in the fair value of apartments and properties regardless of whether they are sold. Valuation losses on existing apartments and properties could be harmful for the Company even if its business operations showed a profit. This may lead to the breach of certain covenants. If the covenants of the debt undertakings cannot be modified or the Company cannot be released from them, this may have an adverse effect on the conditions of the Company's financing. Loans from banks and other debt financing add to the variation in the Company's financial result and extend the impact of possible changes in the valuation of the Company's assets on its financial position, results of operations, prospects and the security of the Notes.

***Increased renovation and maintenance costs could reduce profits or increase rents, which could result in weaker demand for rental housing***

The Company carries out regular renovation and maintenance repairs in the apartments and properties. It may also occur that large repair needs become evident simultaneously in several apartments and properties acquired by the Company.

Renovation and maintenance repair costs are considerable and mainly relate to replumbing projects, facades, roofs, windows and balconies. Typically, plumbing in blocks of apartments must be renovated approximately every 40 to 50 years, usually including the renovation of both water and sewage pipes. Facades, roofs and balconies must be renovated approximately every 25 to 35 years. The Company expects the current renovation and maintenance costs of its properties to remain at approximately the same level relative to the size of the Company's residential portfolio in the future. In any case, the renovation and maintenance costs may increase (for example, due to energy efficiency requirements imposed on apartments), and thus there can be no assurance that the amount invested by the Company in renovation and maintenance costs would not considerably increase from the Company's current estimate. As at 31 December 2014, a total of 42% of the Company's Investment Properties were completed in or before 1989.

It may also occur that tenants cause considerable damage to apartments. In the event insurance companies or tenants fail to compensate the damage caused, the Company may become liable for possible compensation costs. Large unexpected repairs and repair expenses could lead to a weakening of liquidity and a reduction of the occupancy rate, loss of rental income and lower profitability. The Company may also become liable for the damage caused or become a party to judicial proceedings, which may harm the public image of the Company and its business partners. Corresponding issues, if realised, could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***The valuation of Investment Properties could differ from real fair values***

The monthly fair value of the Company's residential portfolio is measured with a sales comparison method based on multiple regression analysis, using asking price data available in the Oikotie online service ([www.oikotie.fi](http://www.oikotie.fi)) and certain other sales price data. Although the Company consults third party valuers in order to ensure the correctness of its valuation methods, the valuation model applied by the Company is not necessarily suitable for all Investment Properties, there may be errors in the initial data or a human error may occur in the valuation. In particular, if the housing market declines, the available observation data may reflect the price development with a delay. Thus, there can be no assurance that the valuations conducted by the Company accurately reflect the value of the Company's Investment Properties and the related assets at another point of time or at all. As a rule, no general conclusions can be drawn from the results of the model regarding apartments that deviate from the data used in the measurement in terms of their age, surface area or any other relevant characteristics. It may also occur that the common functional form used in the modelling for all cities is not optimal for each estimated submarket. In the selection of the estimation approach, transparency has been favoured over higher calculatory complexity. Finally, it may also occur that the software used for the estimation contains a programming error; to avoid this, the most recent versions of the software are used. False assumptions or erroneous measurement of the Investment Properties being valued or any of the risks detailed

above, if realised, could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***The management agreement entered into by the Company involves risks***

According to general market practice prevailing in the real estate funds business, a separate management company is responsible for certain services needed by the Company. As a result, the Company has entered into a management agreement with Orava Funds plc (the 'Management Company').

In accordance with the management agreement, the Company is solely responsible for the risks resulting from the investment operation as well as for the risks associated with the apartments and other assets of the Company, and the Management Company's liability is limited under the management agreement. Consequently, the Management Company's operations may cause damage to the Company that the Management Company is not liable to compensate.

The management agreement is in force until further notice with a twelve months' notice period for both parties. The services provided by the Management Company are material for the continuity of the Company's operations. Therefore, the Company is dependent on the services of the Management Company to a certain degree. In the event the management agreement is terminated, the Company must quickly find a new service provider. There can also be no assurance that a corresponding service provider can be found or that an agreement with similar terms and conditions can be concluded with it. Furthermore, the Company's main financing bank has the right to terminate the credits given to the bank for premature repayment if the Management Company or its direct or indirect owners change. In such a case, the Company is liable to compensate any resulting costs incurred by the lending bank. Consequently, possible termination of the management agreement or change of the Management Company could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***The loss of key persons could have an adverse effect on the Company's success***

With the exception of the CEO, the Company does not have own personnel, and therefore, the key persons employed by the Management Company, which acts as the representative of the Company, have an increased significance for the Company's success. It is possible that persons employed by the Management Company change, the expertise of those involved in the operations becomes outdated or their ability to attend to their duties deteriorates or that the agreement entered into with the Management Company expires and the Company fails to replace it with a corresponding agreement. Because the key persons have special expertise of the Company, its business and its field of operation, losing them could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***There are risks related to the service providers used by the Company***

In its operations, the Company uses service providers it deems reliable. The Company has entered into an agreement with Newsec Asset Management Oy and Ovenia Oy on apartment management services, financial administration and apartment rental and an assignment agreement with Realia Management Oy, Newsec Asset Management Oy, Turun Seudun OP-Kiinteistökeskus Oy and Päijät-Hämeen OP-Kiinteistökeskus Oy on the valuation of the real estate securities held by the Company on a semi-annual basis. The Company has also primarily consulted Raksystems Anticimex Oy for condition assessments.

Within the framework of its agreement, Newsec Asset Management Oy may also assign the technical and administrative building management of partially held Investment Properties to local operators or, for example, to Realia housing managing agency. The service providers' ability to attend to their duties may deteriorate or they may end their operations. The Company may not necessarily be able to conclude agreements with its service providers with acceptable terms, or the quality provided by them may not be sufficient. Any of these matters may affect the Company's ability to carry out its projects in time and within the agreed budget and cause additional costs for the Company. This could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***The Investment Properties are exposed to possible environmental risks and risks relating to health and safety***

The Investment Properties acquired by the Company must comply with the provisions of the Finnish legislation with respect to the environment, health and safety as well as other related regulation. The Investment Properties may violate applicable statutory provisions; for example, they may contain building materials that are harmful to health. Any such occurrence, or a considerable decline in the value of the Investment Properties that is not known or identifiable at the time the Investment Properties are being acquired or becomes evident later, may have an adverse effect on the Company. To ensure compliance with statutory provisions, it may be necessary to make special investments in order to remove, improve or change building materials or structures. Correspondingly, expenses from the removal, repair or

cleaning of contamination, damage, stress or harmful effect may be higher than expected. In addition, a failure to comply with provisions or a need to adhere to new and tighter provisions may result in higher expenses or weaken the development of the Company's operations. Although the Company has not yet been made liable for actions relating to the environment, health or safety, full assurance cannot be given that the Company would not be made liable for such actions in the future. Any of the risks detailed above, if realised, could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***The Company's insurance coverage may not necessarily be sufficient***

The Company's understanding is that its insurance coverage corresponds to the level that is customary in the field. For example, all Investment Properties owned by the Company have a valid full value real estate insurance. This full value coverage for real estate comprises property insurance coverage, real estate owner's liability coverage, and liability insurance and legal expenses insurance for the CEO and the board of directors. The Company and the Management Company also have a joint management liability insurance. However, the insurances include releases and limitations of liability as regards both the amount and the insured event. The Company has no insurance coverage against damage that is not insurable or against which there is no insurance available at financially reasonable terms. Moreover, there can be no certainty that the Company's current insurance coverage will not be terminated or that it will be available at financially reasonable terms in the future. If any of the Company's properties not insured by the Company suffers damage or the damage suffered exceeds the maximum amount of compensation, the Company may have to acquire additional financing in order to repair or rebuild the damaged property or may lose the value of the damaged property in part or in full. Any of the risks detailed above, if realised, could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***System errors in the Company's operations could reduce efficiency and/or the profitability of the Company's operations***

Certain activities of the Company depend upon information systems developed by third parties. In this connection, the Company is also dependent upon the willingness and ability of these third parties to continue developing and maintaining the software and upon the Company's own ability to use the information systems efficiently and to utilise new technology and systems as well as security and verification systems. These information systems include telecommunications systems and software applications, which are used by the Company to control its business operations, manage its residential portfolio and risks, prepare operative and financial reports and perform cash operations. In case of operative disruptions in the information systems, the Company may incur considerable financial losses and customer liabilities, the Company's reputation may be damaged, and the Company may become subject to authority proceedings. Hence, risks related to information systems, if realised, could have an adverse effect on the Company's business operations, results of operations, financial position, prospects and the security of the Notes.

***The Company could fail in the management of its reputation***

The Company's ability to attract investors and tenants and to complete sales may weaken if the Company's reputation is damaged. If the Company is unable to solve problems that may lead to a reputational risk or if it appears unable to do so, the preconditions for the Company's business may weaken materially. Reputational risk may arise as a consequence of, among other things, conflicts of interest, requirements imposed by law and authorities, legal risks related to the Company's business operations, credit risks, liquidity risks and market risks, disputes with tenants and other contractual partners, and similar factors. This could in turn have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***The Company's business operations could involve unidentified or unexpected risks***

Although the Company complies with documented instructions and procedures in managing, monitoring and controlling risks, all risks may not be identified in these instructions and procedures, and risks may be significantly larger than predicted. A failure in identifying, monitoring and controlling these risks could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

**Risks Relating to Legislation**

***Amendments to legislation may adversely affect the value of the Company's Investment Properties or the Company's result, increase costs and/or slow down or stop the development of investments***

The Company operates in a regulated and controlled field. The Company has no control over possible changes in regulation that is material to the Company (such as regulation related to health, safety, environment, corporate law, audit or taxation), changes in authority measures and authority requirements and changes in the manner in which these laws, provisions and measures are enforced or interpreted as well as the application and enforcement of new laws and



regulations. These possible changes may have an adverse effect on the Company's business operations, results of operations and/or financial position. The changes may require that the Company adjust its business operations, assets or strategy. In addition to requirements that directly affect the Company's business operations, the Company's business operations, results of operations and/or financial position may be indirectly affected by additional requirements or tightened requirements that concern the renting of the Company's Investment Properties or the Company's operating environment. One example of this are possible amendments of the Tax Exemption Act. Any of the risks mentioned above, if realised, could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***The Real Estate Investment Trust Act sets requirements and restrictions on the Company's operations, and there may be uncertainties relating to its application***

In its operations, the Company strives to comply with the Real Estate Investment Trust Act and its rules for real estate investment operations that are a precondition to the tax exemptions granted to the Company. However, there can be no certainty that the Company is able to comply with the Real Estate Investment Trust Act and the requirements set out in the rules for real estate investment operations in all market situations. In addition, a breach of the Act may lead to statutory sanctions and liability for damages. Under the Real Estate Investment Trust Act, the Company must carry out real estate investment trust operations in a careful and expert manner to the common benefit of shareholders and treat the shareholders equitably. Pursuant to the Act, the Company may only engage in real estate investment trust activities and in activities materially related to them if such activities are likely to be in the interest of all shareholders. The Company may only engage in construction and real estate development subject to the restrictions set forth in the Real Estate Investment Trust Act.

In addition, real estate investment trusts must have sufficient cash assets to ensure the liquidity of the real estate investment trust activities. Further, as prescribed in the rules for real estate investment operations, the Company must diversify the risks arising from its business operations and its other permitted activities when investing the assets of the real estate investment trust.

Under the Real Estate Investment Trust Act, the Company must value the properties not in its own use at fair value in its balance sheet. In addition, changes in the fair value of the properties will be recognised as valuation gains or losses for the period in which the change occurred. The Act also sets forth detailed provisions on the valuation and measurement of the Company's property, to be carried out by an independent third-party property valuer. The Act also provides for the Company's disclosure obligation.

To date, there is no established practice as to the application of the Real Estate Investment Trust Act in the Company's field. Therefore, the application of the Act may entail risks that, if realised, could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***There are risks relating to the Tax Exemption Act and its application***

The Company is a limited liability company engaging in the rental of apartments and a tax resident in Finland. It has been granted an exemption from income tax by a decision of the Tax Office for Major Corporations as set out in the Tax Exemption Act. The tax-exempt status applies from the beginning of the Company's first tax year. The Tax Exemption Act includes detailed provisions on the preconditions for granting the tax-exempt status and for its validity.

The Company pays dividends to its shareholders four times a year. In order to maintain its tax treatment, the Company must, under the Tax Exemption Act, distribute at least 90% of its profits for the financial period, less the unrealised decrease in value of the Investment Properties (and comprehensive income items of IFRS), as dividends to its shareholders. On the other hand, the Tax Exemption Act limits the distribution of assets to only the distribution of profit.

As a rule, a failure to comply with the obligations and restrictions leads to the threat of being removed from the scheme, which would mean that the Company becomes subject to normal income taxation. Removal from the scheme would cause additional tax consequences on the Company, as the undistributed profits and the amounts transferred from profits under other equity items during tax exemption less the dividends paid for the tax year in question would be added to the Company's taxable revenue. In addition to the threat of being removed from the scheme, the Act also includes tax sanctions. The Company may become partly liable to tax, among other things, i) if the rental revenue accrued to the Company on all of its Investment Properties in the tax year falls below 80% of the Company's total revenue (excluding the assignment prices of assets in residential use); ii) if the shareholder's share of the Company's share capital is at least 10% on the record date of dividends, and iii) if the Company transfers assets in residential use that have been held by the Company for less than five years. The Company cannot control the ownership of its shares as they are being traded in a regulated market and the Company has no information on the holdings of nominee-registered

shareholders. For this reason, it is possible that the holdings of a shareholder exceed the 10% threshold, which could lead to an adverse tax treatment.

The risks mentioned above, if realised, could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***The AIFM legislation applicable to the Management Company sets out requirements for the Management Company, and there is uncertainty related to its application***

The AIFM Directive, or the Directive on Alternative Investment Fund Managers (2011/61/EU) was implemented in Finland through the Act on Alternative Investment Fund Managers (the 'AIFM Act'), which entered into force on 15 March 2014. The AIFM Act provides for, among other things, the license, operating requirements and reporting obligations of alternative investment fund managers. The Company's Management Company has applied in July 2014 for a license from the FIN-FSA for operating as an alternative investment fund manager referred to in the AIFM Act. As at the date of this Listing Prospectus, the FIN-FSA has not made a decision on the licence.

The license process and the application of the new regulation involve uncertainty factors which, if realised, could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes. In addition, the AIFM Act also lays down certain requirements concerning the organisation of operations referred to in the Act, the marketing of alternative investment funds and the safe-keeping of assets, which may increase the costs of the Management Company.

**Financial Risks**

***Fluctuations in interest rates may adversely affect the Company's operations***

Even though the Company has strived to hedge its loans from financial institutions using interest rate swap agreements in accordance with its hedging strategy, changes in market interest rates and margins may have an adverse effect on the Company's business operations. In addition, company loans taken out by the housing companies are not hedged, which means they are exposed to changes in interest rates. Even though the Company strives to carefully monitor the development of interest rates and to manage its interest rate risk, the possibility of failure in the management of the Company's interest rate risk cannot be ruled out. This, if realised, could in turn have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***The Company's cash flow may not be sufficient to repay loans as they fall due***

The Company's business operations and the maintenance of the Company's ability to repay its debts require sufficient cash flow, which will accrue from the rental operations and the sale of Investment Properties. Even though, at the moment, the cash flow from business operations together with the sale of Investment Properties generates sufficient cash assets for the Company to meet its debt service obligations, and the Company has sufficient ability to acquire new financing, there can be no certainty that the Company is able to maintain such cash flow and a sufficient financing structure in the future.

The Company's working capital financing has been ensured through a EUR 200,000 overdraft facility agreement related to its bank account. The Company's current loans from banks are typically five-year bullet loans, and the first of them will fall due on 29 March 2016. In accordance with standard financing practice, the Company will negotiate with its financiers on the refinancing of its loans. However, the terms and conditions achieved in the refinancing negotiations may not be better than the current ones or even of a corresponding level. In addition, the Company's opportunities for acquiring new Investment Properties depend on the availability of new debt. This risk, if realised, could in turn have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

***The covenants contained in the Company's credit agreements may be breached***

The Company's credit agreements contain financial covenants, such as a loan to value covenant, an interest cover ratio covenant, a loan servicing margin covenant and a minimum collateralisation covenant. A breach of these covenants or the inability to meet the required levels of key financial figures could lead to the Company being in breach of its debt obligations. Even though the management estimates that the Company has a solid financial position, a breach of these covenants could lead to the acceleration of the Company's liabilities under the credit agreements and/or the Company being required to renegotiate its financing, which may lead to less favourable terms and conditions for financing or a reduced availability of financing. This, in turn, could lead to additional costs for the Company. This risk, if realised, could in turn have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

### ***The Company's level of debt may adversely affect its operations***

The Company expects that it will continue to need sufficient liquidity, funding to ensure liquidity and capital to be able to engage in its business operations also in the future. The maximum level of debt under the Real Estate Investment Trust Act is 80%. Based on the Company's financial statements published on 26 February 2015, the Company's consolidated interest-bearing loans totalled EUR 60.0 million and net gearing was 80.0%. In addition, as part of preparations of a financing arrangement disclosed on 23 January 2015, on 4 March 2015 the Company signed a EUR 15 million revolving credit facility agreement with Danske Bank Oyj. The issuance of the Notes in a minimum aggregate principal amount of EUR 25,000,000 was a condition precedent for the drawdown of a loan under the revolving credit facility agreement, which requirement was waived by the lenders provided that the aggregate principal amount of the Notes will be EUR 20,000,000. The facility will be used to finance the acquisition of shares in mutual real estate companies and housing companies comprising residential housing, and the target shares will be subject to a security created to secure the repayment of the Company's liabilities under the credit agreement. In addition, a second-priority security over the shares initially pledged in first priority to secure the Notes will secure the credit agreement.

Gearing may have a significant effect on the operations of the Company, such as (i) limiting the Company's ability to raise additional financing on corresponding or more favourable financial and other terms than currently in force in order to finance its future working capital needs, investments or other general operative needs; (ii) restricting the opportunities for refinancing, which in turn may limit the Company's ability to respond to market conditions and downturns in the economy; (iii) requiring that a considerable part of the cash flow from operating activities of the Company be used for payments of the principle and interests of the debts, which would reduce the assets and cash flows available for business operations and business development; (iv) making the Company more exposed to unfavourable financial conditions than its competitors, which could weaken the Company's competitiveness; (v) exposing the Company to increases in interest rate levels; and (vi) restricting the Company's ability to distribute dividends.

In the event of a default, the Company's lenders may declare all unpaid debts of the Company due and immediately payable, including accrued interest and fees. Under these circumstances, the lenders of the Company's credit agreements will also have the right to terminate the undertakings concerning additional financing. If the Company is unable to pay its debts when they fall due, the credit agreements grant the lenders the right to realise the security given to them in order to pay the debt. If the Company's debt under the credit agreements is declared due and payable, there cannot be certainty that this security would be sufficient to repay the Company's debt. This risk, if realised, could in turn have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

### ***Uncertainty on the financial markets and the tightened regulation of banks may adversely affect the Company's financing***

Uncertainty on the financial markets and the tightened regulation of banks may mean that the financing required to carry out the Company's business will increase and that it will be less readily available. This risk, if realised, could in turn have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

### ***The current global economic downturn and serious dislocation of the financial markets expose the Company to counterparty risks***

Possible difficulties in the economy could inhibit the capability of a counterparty of the Company to honour its existing agreements. If the Company is unable to access cash on deposit with financial institutions or if it is unable to access the financing available under its existing credit facilities, it may be unable to meet its financial obligations when they become due or to raise new funding needed to finance its operations. As a result of materialisation of the counterparty risk, the Company may incur costs due to re-arranging the credit transaction or due to less favourable terms and conditions of credit, such as an incremental change in its financing costs. Actions by counterparties who fail to fulfil their obligations to the Company may impact the Company's cash flow and liquidity. Any of the risks detailed above, if realised, could have an adverse effect on the Company's business operations, financial position, results of operations, prospects and the security of the Notes.

### **Risks Relating to the Notes**

The following risk factors are, among other things, material in order to assess the risks associated with the Notes. Words and expressions in this section shall have the meaning defined in sections '*Terms and Conditions of the Notes*' and '*Additional Information on the Security*'.

***The Notes may not be a suitable investment for all investors***

The Notes may not be a suitable investment for all investors. Thus, each potential investor in the Notes must assess the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or referred to in this Listing Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; and
- (iv) be able to evaluate either alone or with the help of a financial adviser possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

***There is a possibility to lose interest and principal amount invested***

Should the Issuer become insolvent during the term of the Notes, an investor may forfeit interest payable on, and the principal amount of, the Notes in whole or in part. An investor is always solely responsible for the economic consequences of his/her investment decisions.

***Neither the Notes nor the Issuer have been rated***

Neither the Issuer nor the Notes are currently rated by any rating agency.

***Active trading market for the Notes may not develop***

The Notes constitute a new issue of securities by the Issuer. Prior to the Listing, there is no public market for the Notes. Although application has been made to list the Notes on the Helsinki Stock Exchange, no assurance can be given that such application will be approved. In addition, listing of the Notes will not guarantee that a liquid public market for the Notes will develop and even if such a market were to develop neither the Issuer nor the Lead Manager are under any obligation to maintain such market. The liquidity and the market prices of the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer as well as many other factors that generally influence the market prices of securities. Such factors may significantly affect the liquidity and the market prices of the Notes, which may trade at a discount to the price at which the Noteholders purchased the Notes.

There can be no assurance that an active trading market for the Notes will develop, or, if one does, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, it may result in a material decline in the market price of the Notes, and the liquidity of the Notes may be adversely affected. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Further, if additional and competing products are introduced in the markets, this may also result in a material decline in the market price and value of the Notes.

***Since the Notes bear a fixed interest rate, their price may fall as a result of changes in the interest rates***

The Notes bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security could fall as a result of changes in the market interest rate. Market interest rates follow the changes in general economic conditions, and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, central banks' benchmark rates, implied future rates, and changes and expectations related thereto.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the term of such security or during a certain period of time, current interest rates on capital markets (market interest rates) typically change continuously. In case market interest rates increase, the market price of such a security typically falls, until the yield of such security is approximately equal to the market interest rates. If market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such a security is approximately equal to market interest rates. Consequently, the Noteholders should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can lead to losses for the Noteholders if they sell the Notes. Further, the past performance of the Notes is not an indication of their future performance.

***The Issuer using its right or being obligated to redeem and purchase the Notes prior to maturity may have an adverse effect on the Issuer and on any Notes outstanding***

As specified in the Terms and Conditions of the Notes, the Agent and/or the Noteholders are entitled to demand premature repayment of the Notes in the case of an event of default or a change of control. Such premature repayment may have an adverse effect on the Issuer's business, financial condition, results of operations and prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes towards such Noteholders who elect not to exercise their right to have their Notes prematurely repaid as well as the market price and value of such Notes. In the case of an event of default, only the Agent is entitled to accelerate the Notes, and such acceleration must be made in respect of all outstanding Notes. Furthermore, in case more than 75 per cent of the aggregate volume of the Notes has been repaid pursuant to a demand by the holders of the Notes based on a change of control of the Issuer, the Issuer is entitled to prepay also the remaining outstanding Notes by notifying the holders of the Notes of such prepayment. Such early repayment initiated by the Issuer may incur financial losses or damage, among other things, to such holders of the Notes who had prepared themselves to have the amount of the Notes invested until the contractual final maturity of the Notes.

In addition, as specified in the Terms and Conditions of the Notes, the Notes contain an optional redemption feature, which is likely to limit their market value. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***The Issuer is not obliged to compensate for withholding tax or similar on the Notes***

In the event any withholding tax, public levy or similar is being imposed in respect of payments to Noteholders on amounts due pursuant to the Notes, the Issuer is not obliged to gross-up or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of the impositions of withholding tax or similar. Furthermore, the Noteholders do not have any right to premature redemption of the Notes based on the same.

***The completion of transactions relating to the Notes is dependent on Euroclear Finland Ltd.'s operations and systems***

The Notes are issued in the book-entry securities system of Euroclear Finland Ltd ("Euroclear Finland"). Pursuant to the Act on the Book-Entry System and Clearing and Settlement (749/2012, as amended), the Notes will not be evidenced by any physical note or document of title other than statements of account made by Euroclear Finland or its account operator. The Notes are dematerialised securities and title to the Notes is recorded and transfers of the Notes are effected only through the relevant entries in the book-entry system and registers maintained by Euroclear Finland and its account operators. Therefore, timely and successful completion of transactions relating to the Notes, including but not limited to transfers of, and payments made under, the Notes, depend on the book-entry securities system being operational and that the relevant parties, including but not limited to the payment transfer bank and the account operators of the Noteholders, are functioning when transactions are executed. During the term-to-maturity of the Notes, Euroclear Finland's systems to process the Notes are likely to be changed materially due to the introduction of new system platforms. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving the Notes not taking place as expected or being delayed, which may cause financial losses or damage to the Noteholders whose rights depended on the timely and successful completion of the transaction.

The Issuer or any other third party will not assume any responsibility for the timely and full functionality of the book-entry securities system. Payments under the Notes will be made in accordance with the laws governing the book-entry securities system, the rules of Euroclear Finland and the Terms and Conditions of the Notes. For purposes of payments under the Notes, it is the responsibility of each Noteholder to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

***No assurance is made as to the impact of changes of laws or practices***

The Notes and the assets subject to the security are governed by the laws of Finland, as in force from time to time. Finnish laws (including but not limited to tax laws or regulations) and regulations governing the Notes and the assets subject to the security may change during the validity of the Notes, and new judicial decisions can be given and

administrative practices take place. No assurance can be given as to the impact of any such possible change of laws or regulations, or new judicial decision or administrative practice taking place after the date of this Listing Prospectus. Hence, if materialised, such event may have an adverse effect on the Issuer's business, financial condition, results of operations and prospects and the security of the Notes. Such event may thus cause material financial losses or damage to the Noteholders.

***The Terms and Conditions of the Notes contain only limited restrictions on the Issuer's ability to enter into a merger, distribute funds or enter into other significant transactions that could materially alter its existence, jurisdiction of organisation or regulatory regime and/or its composition and business***

The Terms and Conditions of the Notes do not, except for the conditions relating to Change of Control, Merger, Demerger, Negative Pledge (see Condition 11 of the Terms and Conditions of the Notes), which grant the Noteholders the right of repayment of the Notes in certain limited circumstances, restrict the Issuer's ability to enter into a merger, asset sale or other significant transaction that could materially alter its existence, jurisdiction of organisation or regulatory regime and/or its composition and business. Furthermore, the condition relating to Restricted Payments limits the Issuer's ability to distribute dividends or other assets if an Event of Default exists or the Loan to Value ratio exceeds 55 per cent. In the event the Issuer was to enter into such a transaction, Noteholders could be materially and adversely affected. Furthermore, the Change of Control condition does not restrict any of the current shareholders of the Issuer from disposing any or all of their shareholdings.

***Amendments to the Terms and Conditions of the Notes bind all Noteholders***

The Terms and Conditions of the Notes and the agreements relating to the security and the Agent may be amended in certain circumstances with the required consent of a defined majority of the Noteholders. The Terms and Conditions of the Notes contain provisions for the Noteholders to call and attend meetings to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings may bind all Noteholders, including those who did not attend and vote at the relevant meeting and those who voted in a manner contrary to the majority. This may incur financial losses, among other things, to all Noteholders, including those who did not attend and vote at the relevant meeting and those who voted in a manner contrary to the majority.

***Legal investment considerations may restrict certain investments***

The investment activities of the Noteholders may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Noteholder should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***The right to payment under the Notes may become void due to prescription***

In the case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall become void. Such prescription may incur financial losses to such Noteholders who have not claimed payment under the Notes within the prescription time of three (3) years.

***The Notes do not include any voting rights in the shareholders' meetings of the Issuer***

The Notes carry no voting rights with respect to shareholders' meetings of the Issuer. Consequently, the Noteholders cannot influence any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer.

***The Issuer may incur additional debt***

Even though certain covenants, such as loan to value, negative pledge and interest cover ratio, to a certain extent indirectly restrict the amount of debt which the Issuer may raise or issue after the issuing of the Notes, such further debt may reduce the amount recoverable by the Noteholders upon winding-up or insolvency of the Issuer, or may worsen the position and priority of the Noteholders in such winding-up or insolvency procedure.

***The rights of the Noteholders depend on the Agent's actions and financial standing***

By subscribing for, or accepting the assignment of, any Note, each Noteholder has appointed an Agent to act on its behalf and to perform custodial and administrative functions relating to the Notes and the security thereof. The Agent must, among other things, hold the security as agent, act as pledgee under all security, receive and distribute any

proceeds of enforcement of the security for the benefit of the Noteholders and make further distribution of such proceeds. The Agent has, among other things, the right to represent the Noteholders in all court and administrative proceedings in respect of the Notes and the security. However, in addition to the provisions of the Terms and Conditions of the Notes and the agreements relating to the Agent, there is no specific legislation or market practice in Finland which would govern the Agent's performance of its duties and obligations under the Notes. A failure by the Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Noteholders due to, for example, inability to realise the security and/or receive any or all amounts payable from the security in a timely and efficient manner. Under the terms of the agreements relating to the Agent, the funds collected by the Agent as the representative of the Noteholders must be held separately from the funds of the Agent and be treated as escrow funds to ensure that in the event of the Agent's bankruptcy, such funds can be separated for the benefit of the Noteholders. In the event the Agent would fail to separate the funds in an appropriate manner, the funds could be included in the Agent's bankruptcy estate.

The Noteholders are under certain circumstances entitled to replace the Agent by a successor agent. Also in certain circumstances, the Issuer may or is obligated to do so. Generally, the successor agent has the same rights and obligations as the retired agent. Any successor agent must be a reputable Nordic entity equivalent to the original agent or a reputable Finnish or Nordic financial institution subject to supervision by a Finnish and/or Nordic financial supervisory authority. However, a successor agent satisfying the above requirements may be difficult to identify with commercially acceptable terms or at all. Further, it cannot be excluded that the successor agent could not breach its obligations under the above documents or that insolvency proceedings could not be initiated against it.

Materialisation of any of the above risks may have an adverse effect on the Issuer's ability to fulfil its obligations under the Notes and the sufficiency of the security of the Notes.

## **Risks Relating to the Security**

### ***The security may be insufficient***

The payment of the Notes is secured by a security pool consisting of (i) shares in housing companies or mutual real estate companies fully or partially owned by the Issuer and (ii) all amounts standing to the credit of the Issuer's specified bank account. The Issuer has undertaken to ensure that the fair value of the security pool shall not be less than 130 per cent of the total outstanding principal amount of the Notes in issue at any time. However, the security may prove to be insufficient to cover the Issuer's payment obligations under the Notes, and thus an investor may forfeit interest payable on, and the principal amount of, the Notes in whole or in part. Furthermore, the portion of a debt related to the shares in the housing company or mutual real estate companies may increase this risk.

The security may prove to be insufficient, for example, in the event that the valuation on the basis of which the security pool value is determined, is inaccurate and does not properly reflect the actual market value of the Issuer's shares in housing companies or mutual real estate companies from time to time. The nominated valuer calculates the fair values of the Issuer's assets subject to the security semi-annually by using market values. The market value is calculated primarily on the basis of the historical sales prices of housings on the market. As the valuation is based on historical Finnish housing price data, there is a risk that the valuation does not accurately reflect the actual fair market value from time to time. The valuation is also subject to various uncertainties, such as the lack of sales of housings used as reference prices, price volatility and the reliability of information sources used for the valuation. Further, the assumptions and the underlying assessments used as the basis for valuation may prove to be inaccurate or erroneous.

Further, it cannot be excluded that the fair value of the security pool could temporarily fall below the above minimum overcollateralisation ratio of 130 per cent due to, for example, an adverse change in the market values of the assets subject to the security since the date of valuation. Although the Issuer must, in accordance with the Terms and Conditions of the Notes, ensure that sufficient additional security is provided, there is no assurance that properties fulfilling the security criteria are available or that such properties are granted as security.

### ***The enforcement of the security may be delayed or the security may not be enforceable at all***

The enforceability of the security granted to secure the payments under the Notes may be subject to a certain degree of uncertainty. As the security consists of a pool of assets where the assets may vary during the term of the Notes, it cannot be excluded that the quality of the security pool deteriorates during the term of the Notes. Assets which could be more attractive to the Noteholders, for example, due to their efficient realisation in an enforcement situation may be replaced by the Issuer with other assets which are more difficult to realise. For instance, realisation of cash collateral can typically be implemented more rapidly than realisation of shares in housing companies or mutual real estate companies. Further, realisation of shares in housing companies or mutual real estate companies the articles of association of which contain a right for other shareholders to redeem the shares sold to a third party may, to a certain extent, delay a realisation process compared to the realisation of shares in such companies in which the articles of association do not

contain such a redemption right. In addition, if the assets subject to the security must be realised, this may result in an excess supply of properties in certain locations which in turn may delay the realisation process and/or adversely affect the price for which the properties are realised. For these reasons, or for other reasons, the realisation process may take more time than expected and the Noteholders may not receive the invested principal and the accrued interest when due under the Terms and Conditions of the Notes.

Under certain circumstances, the mandatory Finnish bankruptcy laws may require that the security granted under the Terms and Conditions of the Notes be recovered to the bankruptcy estate of the Issuer. In such case, there can be no assurance that any remaining security is sufficient to cover the Issuer's obligations in full or in part. In addition to such recovery, the security granted under the Notes may be unenforceable. If a court was to render a judgment that the security was not enforceable, the Noteholders could find it difficult or impossible to recover the amounts owed to them under the Notes. Therefore, there is a risk that the security might be ineffective in respect of any non-payment under the Notes by the Issuer.



## RESPONSIBILITY STATEMENT

The Company accepts responsibility for the completeness and accuracy of the information contained in this Listing Prospectus. To the best knowledge of the Company, having taken all reasonable care to ensure that such is the case, the information contained in this Listing Prospectus is in accordance with the facts and contains no omission likely to affect its import.

## AUDITORS

The consolidated financial statements of the Company for the financial years ended 31 December 2014, 31 December 2013 and 31 December 2012 incorporated in this Listing Prospectus by reference have been audited by PricewaterhouseCoopers Ltd under the supervision of principal auditor Eero Suomela, Authorised Public Accountant. The business address of the auditors' firm is Itämerentori 2, FI-00180 Helsinki, Finland. The Company's annual general meeting held on 19 March 2015 elected PricewaterhouseCoopers Ltd under the supervision of principal auditor Eero Suomela, Authorised Public Accountant, as the Company's auditor for the 2015 financial period.

## SPECIAL CAUTIONARY NOTICE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this Listing Prospectus, including but not limited to certain statements set forth under sections '*Risk Factors*', '*Information about the Issuer*' and '*Financial and Trend Information, Prospects*', are based on the beliefs of the Company's management as well as assumptions made by and information currently available to it, and such statements may constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among other things, the risks described in the section '*Risk Factors*'. The forward-looking statements are not guarantees of the future operational or financial performance of the Company. In addition to factors that may be described elsewhere in this Listing Prospectus, the factors discussed under '*Risk Factors*' could cause the Company's actual results of operations or its financial condition to differ materially from those expressed in any forward-looking statement. Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Company's actual results of operations, its financial condition or its ability to fulfil its obligations under the Notes, or, as applicable, the sufficiency of the security the Company has granted under the Terms and Conditions of the Notes, could differ materially from those described herein as anticipated, believed, estimated or expected. The Company does not intend and does not assume any obligation to update any forward-looking statements contained herein unless required by applicable legislation. For additional information that could affect the results, performance or achievements of the Company, see '*Risk Factors*'.

## MARKET AND INDUSTRY INFORMATION

This Listing Prospectus contains information about the Company's markets and the Company's competitive position therein. Where certain market data and market estimates contained in this Listing Prospectus have been derived from third party sources, such as industry publications, the name of the source is given therein. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the correctness and completeness of such information is not guaranteed. Information compiled and published by Statistics Finland and the European Central Bank has been referred to in this Listing Prospectus under '*Financial and Trend Information, Prospects – Trend Information*'. The Company confirms that this information has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Company or the Lead Manager have not independently verified, and cannot give any assurances as to the appropriateness of, such information.

## ADDITIONAL INFORMATION

The Issuer or the Notes have not been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

## NO INCORPORATION OF WEBSITE INFORMATION

This Listing Prospectus will be published on the Company's website at [www.oravaasuntorahasto.fi/talousinformaatio](http://www.oravaasuntorahasto.fi/talousinformaatio). However, the contents of the Company's website, except for the Listing Prospectus, or any other website do not form a part of this Listing Prospectus, and prospective investors should not rely on such information in making their decision to invest in the Notes. The documents referred to in section "*Documents incorporated by reference*" constitute a part of this Listing Prospectus.

## NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA (OTHER THAN FINLAND)

This Listing Prospectus has only been prepared for the listing of the Notes and does not constitute an offer to the public. Therefore, all offers of the Notes in the European Economic Area (the 'EEA') may only be made pursuant to an exemption under the Prospectus Directive, as implemented in the member states of the EEA, from the requirement to produce a prospectus under the Prospectus Directive for offers of securities. Accordingly, any person making or intending to make any offer of the Notes within the EEA should only do so in circumstances in which no obligation arises for the Company or the Lead Manager to publish a prospectus under the Prospectus Directive for such offer. Neither the Issuer nor the Lead Manager has authorised, nor do they authorise, the making of any offer of securities through any financial intermediary. In relation to each member state of the EEA which has implemented the Prospectus Directive (each a '**Relevant Member State**'), an offer to the public of any Notes may not be made in that Relevant Member State, except that an offer of the Notes to the public in that Relevant Member State may be made at any time under the following exemptions from the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Notes shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive by the Company or the Lead Manager.

For the purposes of this provision, the expression an 'offer to the public' in relation to any of the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer of the Notes to be offered so as to enable an investor to decide to purchase any of the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

## NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Listing Prospectus has only been prepared for the listing of the Notes and does not constitute an offer to the public. Therefore, in the United Kingdom, this Listing Prospectus may be distributed only to, and may be directed at, (a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the '**Order**') or (b) high net worth entities falling within Article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated, falling within Article 49(1) of the Order (all such persons together being referred to as '**relevant persons**'). Any person who is not a relevant person should not act or rely on this document or any of its contents.

## INFORMATION ABOUT THE ISSUER

### General

The trade name of the Company is Orava Asuntorahasto Oyj, in English Orava Residential REIT plc.<sup>1</sup> The Company is a public limited liability company incorporated on 30 December 2010 and organised under the laws of the Republic of Finland. The Company is domiciled in Helsinki, Finland and registered in the Finnish Trade Register under the business identity code 2382127-4. Its registered address is Kanavaranta 7 C 20, FI-00160 Helsinki, Finland and telephone number +358 10 420 3100.

According to Section 3 of the Company's articles of association, the purpose of the company as a real estate investment trust under the Real Estate Investment Trust Act is to let residential and other real estate property which it owns or possesses due to its share holding, to engage in ordinary housing management and maintenance focusing on its own real estate property, to exercise construction contracting on own behalf and to finance all these operations.

In 2014, the Group's revenue was approximately EUR 15.3 million and the comprehensive profit (IFRS) approximately EUR 8.2 million. As at 31 December 2014, the Company had apartments and business premises at a total of 1,318 Investment Properties owned in part or in whole, with an aggregate floor area of approximately 82,200 square metres. During January-March 2015, the Company has sold nine apartments (total of 391 square meters) and acquired 162 apartments (total of 10,277 square meters).

As at the date of this Listing Prospectus, the Company's share capital amounted to EUR 60,335,570, divided into 6,510,045 shares. The shares have no par value. The trading code of the shares is OREIT. The shares of the Company are recorded in the book-entry system and they are subject to trading on the regulated market on the official list of the Helsinki Stock Exchange.

### History and Development of the Issuer

Orava Asuinkiinteistörahasto Oyj (in English, Orava Real Estate Investment Trust plc)<sup>2</sup> was established on 30 December 2010, after a month after the entry in force of the Tax Exemption Act, which made housing trusts in the form of a limited liability company possible. The founders of the Company are Jouni Torasvirta, Veli Matti Salmenkylä, Juha Ruskola, Mikael Postila and Maakunnan Asunnot Oy.

Upon the establishment, the shareholders' equity was approximately EUR 5,000,000, which the Company received as contribution in kind for the transfer of all the shares in two housing companies located in Lahti, Finland. As of the beginning, the Company's management company has been Orava Rahastot Oyj (in English, Orava Funds plc), and Newsec Asset Management Oy has been responsible for the Company's technical and administrative property management and renting operations.

During its first year of operations, the Company carried out three transactions. In March 2011, the Company acquired Investment Properties in Hamina, Hämeenlinna and Tornio. In September 2011, Investment Properties in Sipoo and Nurmijärvi were added to the portfolio. In September 2011, the Company acquired apartments in a new building completed in late 2012 in Kauniainen. During the first year of operations seven apartments were sold.

The Company has been exempt from paying income taxes since its establishment. In 2012, the Company acquired two Investment Properties in Vantaa and one in Kotka. In addition, the Company purchased four office apartments in Jyväskylä and 19 apartments in Tornio. During the year, 25 apartments were sold, with an aggregate debt-free selling price of approximately EUR 1.9 million.

During the first quarter of 2013, the Company acquired half of the shares in Lahden Vuoksenkatu 4 housing company. Newsec Asset Management Oy transferred, within the framework of its own contract, the technical and administrative property management of partially owned Investment Properties to Realia Management Oy. During the second quarter of 2013, the Company acquired all the shares in Lohjan Koulukuja 14 and Salon Ristinkedonkatu 33 housing companies.

In October 2013, the Company was listed in the Helsinki Stock Exchange.

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<sup>1</sup> The Company's annual general meeting held on 19 March 2015 decided to amend the Company's trade name as follows: the Company's trade name is in Finnish Orava Asuntorahasto Oyj (in Swedish Orava Bostadsfond Abp and in English Orava Residential REIT plc). The new trade name was registered with the Trade Register on 31 March 2015.

<sup>2</sup> See footnote 1 above.

During the last quarter of 2013, the Company acquired Investment Properties in Porvoo and Oulu and 85 housing apartments in 18 new properties. During the year, 41 apartments were sold, with an aggregate debt-free selling price of approximately EUR 3.4 million.

For information regarding events during and after the 2014 financial period, see section “*Financial and Trend Information, Prospects – Recent Events*”.

### ***Business Overview***

The Company engages in real estate investment operations by owning, renting, developing, building and selling apartments, residential property or housing companies owned by the Company. The Company aims to invest primarily in rental apartments offering a good rental income in large and medium-sized Finnish cities. The Company’s rental and investment operations aim at producing returns to the shareholders in the form of both dividends distributed for the financial period and an increase in the value of the Company’s share. The Company’s profits consist of the rental income and increases in value of the Investment Properties. The result of the Company’s operations is a sum of net rental income of the apartments, realised and unrealised changes in value, debt capital expenses and administrative expenses.

### ***Key Strengths***

#### *Objective: Regular and stable dividend income*

The Company’s goal is to distribute annually a dividend income of 7–10 per cent as calculated based on the net asset value of the share. The Company’s practice has been that the general meeting of shareholders has authorised the board of directors to decide on the amount of dividends quarterly within the limits of the authorisation granted by the general meeting and the Limited Liability Companies Act. Pursuant to the Tax Exemption Act, the Company must distribute as dividends at least 90% of its profits for the period, less the unrealised change in value (and comprehensive income items of IFRS).

#### *Wholesale discount*

In the housing market, pricing depends on whether the apartments are acquired one by one or in larger groups. Major investors have been able to benefit from the wholesale market, in which a purchaser of residential property will receive a discount of approximately 10% to 30%. The Company also acts in the wholesale market and aims to take advantage of its price level. Typically, the wholesale discount increases with the age of the Investment Property and diminishes with the size of the target city.

#### *Investing in the Company’s shares is tax-efficient*

The basic idea of the Tax Exemption Act is the single taxation of the profit of tax exempted real estate business operations conducted in limited liability company form, in which case the taxation corresponds to that of a direct real estate investment. The Company is exempt from paying income tax and capital gains tax on certain conditions. Correspondingly, the Company is obligated to pay dividends, which are taxed, contrary to normal practice, as the shareholders’ income.

#### *Professional portfolio management*

The Company offers the opportunity to invest in a diversified, professionally managed residential portfolio. When building and managing the residential portfolio and securing tenants, the Company uses professional service providers, such as Realia Management Oy, Newsec Asset Management Oy, Ovenia Oy, Raksystems Anticimex Oy and Turun Seudun OP-Kiinteistökeskus Oy and Päijät-Hämeen Kiinteistökeskus Oy.

#### *Low-risk asset class*

Apartments have traditionally been less exposed to cyclical fluctuations than, for example, business and office facilities. Historically, investing in housing has also offered good protection against inflation. The Company also aims to ensure good diversification and, thereby, income by investing in small apartments in large and medium-sized Finnish cities, for which demand has traditionally been stable also in weaker economic situations. For more information, please see section “*Investment Strategy*” below.

## The Company's Investment Properties

The Investment Properties owned wholly or in part by the Company as at the date of this Listing Prospectus as well as selected information of the same have been presented in the table below. The fair value is based on the Company's own assessments. The valuation includes financial assets totalling EUR 1.1 million for the sale of two plots.

The interest-bearing debt of the Company's entire portfolio as at 31 December 2014 amounted to EUR 59.990 thousand.

Housing company	Acquisition date	Holding	Number of apartments (business premises)	Size, m <sup>2</sup>	Fair value at 31 Dec 2014, EUR 1,000
Asunto Oy Espoon Albert	30.9.2014	13.0	4	275	1,393
Asunto Oy Järvenpään Saundi	30.9.2014	17.6	8	688	2,847
Asunto Oy Järvenpään Terho	30.12.2013	4.9	1	95	295
Asunto Oy Järvenpään Tuohi	30.12.2013	88.2	15	1,203	4,768
Asunto Oy Kauniaisten Venevalkamantie	30.11.2011	24.7	7	428	1,934
Asunto Oy Keravan Ritariperho	31.7.2013	99.9	19	2,071	6,421*
Asunto Oy Kirkkonummen Kummikallio	28.11.2014	100.0	84	5,241	7,383
Asunto Oy Kirkkonummen Pomada	30.12.2013	32.5	6	650	1,951
Asunto Oy Kirkkonummen Tammi	30.9.2014	30.5	14	1,082	4,501
Asunto Oy Koirasaarentie 1	31.3.2014	100.0	24	1,436	5,204
Asunto Oy Nurmijärven Puurata 15-17	7.9.2011	58.1	28	1,768	2,432
Asunto Oy Nurmijärven Soittaja	30.12.2013	58.9	15	1,326	4,198
Asunto Oy Vantaan Maaunintie 14	31.3.2014	100.0	74 (1)	5,065	7,283
Asunto Oy Vantaan Rasinne 13	21.6.2012	75.5	31	1,669	3,142
Asunto Oy Vantaan Rusakko	27.9.2012	75.0	7	384	1,077
Bostads Ab Lindhearsht Asunto Oy (Sipoo)	7.9.2011	64.9	14	1,140	1,848
Asunto Oy Härmälänrannan Nalle (Tampere)	30.9.2014	7.0	3	249	807
Asunto Oy Jyväskylän Ahjotar	26.6.2014	35.2	8	394	1,338
Asunto Oy Jyväskylän Kruununtorni	1.3.2012	36.0	0 (5)	1,232	1,652
Asunto Oy Jyväskylän Kyläseppä	26.6.2014	21.0	4	277	803*
Asunto Oy Jyväskylän Tukkipoika	30.12.2013	12.3	3	228	654
Asunto Oy Lahden Helkalanhovi	30.12.2010	77.2	33	1,970	1,709
Asunto Oy Lahden Leinikki	30.12.2013	9.0	2	160	434*
Asunto Oy Lahden Poikkikatu 4	30.12.2010	66.1	26	1,469	2,123
Asunto Oy Lahden Pormestari	30.12.2013	8.0	2	121	580
Asunto Oy Lahden Vuoksenkatu	26.2.2013	44.3	10	428	697
Asunto Oy Lempäälän Tikanhovi	30.9.2014	51.7	17	1,044	3,296
Asunto Oy Oulun Eveliina	30.12.2013	14.1	2	161	339
Asunto Oy Oulun Jatulinmäki	30.12.2013	7.7	2	160	359
Asunto Oy Oulun Merijalinväylä	30.12.2013	4.6	2	138	513*
Asunto Oy Oulun Seilitie	13.12.2013	89.1	18	987	2,435*
Asunto Oy Oulunsalon Poutapilvi	30.12.2013	4.1	1	93	196
Asunto Oy Raision Valonsäde	30.9.2014	49.0	13	870	2,868
Asunto Oy Tampereen Professori	30.12.2013	11.5	3	257	799*
Asunto Oy Tampereen Ruuti	31.3.2014	59.5	20	945	3,053*
Asunto Oy Tampereen Vuorenpolku	30.12.2013	3.1	1	68	197
Asunto Oy Turun Michailowinportti	30.12.2013	21.8	5	417	1,529*
Asunto Oy Vuoreksen Emilia (Tampere)	26.6.2014	30.5	14	1,047	3,007*
Asunto Oy Haminan Tervaniemi	29.3.2011	95.8	16	1,040	1,329
Asunto Oy Heinolan Tamppilahdenkulma	27.9.2013	100.0	20	1,164	738
Asunto Oy Hämeenlinnan Aulangontie 39	29.3.2011	48.5	11	527	1,009

Asunto Oy Kokkolan Luotsi	30.12.2013	21.9	4	321	949*
Asunto Oy Kotkan Alahovintie 7	26.6.2014	100.0	35 (1)	2,141	1,601
Asunto Oy Kotkan Alahovintorni	27.9.2013	96.5	29	1,569	1,006
Asunto Oy Kotkan Matruusi	30.12.2013	19.7	6	409	1,250*
Asunto Oy Kotkan Mällinkatu 6	30.9.2014	100.0	54	2,875	1,809
Asunto Oy Kotkan Vuorenrinne 19	25.10.2012	96.7	72	3,896	2,435
Asunto Oy Lohjan Koulukuja 14	29.5.2013	94.2	51	2,835	3,028
Asunto Oy Lohjan Pinus	30.12.2013	57.2	11	1,057	2,691
Asunto Oy Mikkelin Neptun**	10.2.2015	45.0	12	776	**
Asunto Oy Porin Huvitus**	10.2.2015	38.1	10	736	**
Asunto Oy Porin Kommodori	30.12.2013	8.7	4	372	1,376*
Asunto Oy Porin Pihlavankangas	27.9.2013	98.3	54	2,812	1,378
Asunto Oy Porvoon Kaivopolku	13.12.2013	100.0	25 (7)	2,055	6,194*
Asunto Oy Riihimäen Vuorelanmäki I	26.6.2014	100.0	16	773	745
Asunto Oy Rovaniemen Rekimatka 16-18	31.12.2014	100.0	24	1,456	2,206
Asunto Oy Rovaniemen Rekimatka 29	31.12.2014	100.0	56	3,131	3,155
Asunto Oy Salon Ristinkedonkatu 33	19.6.2013	100.0	72 (2)	4,518	3,240
Asunto Oy Savonlinnan Välimäentie 5-7	26.6.2014	100.0	51	2,723	2,297
Asunto Oy Tornion Aarnintie 7	30.8.2012	39.0	19	1,138	837
Asunto Oy Tornion Kuparimarkka	29.3.2011	89.1	46	2,599	2,084
Asunto Oy Varkauden Ahlströminkatu	26.6.2014	100.0	27 (2)	1,762	1,013
Asunto Oy Varkauden Onnela	27.9.2013	100.0	9	864	331
Asunto Oy Varkauden Parsius	27.9.2013	100.0	36	1,986	760
Kiinteistö Oy Liikepuisto	13.12.2013	100.0	6 (4)	607	1,141
<b>Total</b>			<b>1,296 (+22)</b>	<b>83,670****</b>	<b>130,668***</b>

\*The fair value of the Investment Property includes parking spaces held as separate shares.

\*\* Mikkelin Neptun and Porin Huvitus were acquired in February 2015. The fair value is to be published in the Company's interim report for the period 1 January–31 March 2015.

\*\*\* Total sum includes both Mikkelin Neptun and Porin Huvitus (total of 1,512 sqm) acquired in February 2015. Nine apartments sold during January-March 2015 (total 391 sqm) are not excluded.

\*\*\*\* Total sum excludes 140 apartments acquired on 31 March 2015. These apartments are located in Tampere, Turku, Raisio, Kaarina, Oulu, Vaasa, Rovaniemi, Savonlinna and Kokkola.

Realia Management Oy (31 Dec 2014: apartments in 50 properties) and Turun Seudun OP-Kiinteistökeskus Oy (31.12.2014: apartments in 11 properties), external appraisers, provide calculations of the value of the Company's Investment Properties every six months. The appraisal (sum value of apartments and business premises) of the external appraisers on 31 December 2014 was 0.1% higher than the fair value on the balance sheet on 31 December 2014. This comparison does not include properties in Rovaniemi for which the external valuation is pending.

In order to ensure cost level, quality and delivery periods, the Company may also use other external and independent valuers to obtain valuations of its Investment Properties. The Company has an assignment agreement for the semi-annual valuation of the Company's real estate securities with Realia Management Oy and Turun Seudun OP-Kiinteistökeskus Oy.

Realia Management Oy's and Turun Seudun OP-Kiinteistökeskus Oy's valuation reports on the assets subject to the security of the Notes are attached as Annexes 3 and 4 of this Listing Prospectus. There has been no significant change in the fair values of the assets subject to the security of the Notes between the value dates of the said valuation reports and the date of this Listing Prospectus.

As at 31 December 2014, of the Company's Investment Properties valued at approximately 130.7 million approximately EUR 1.0 million were invested in real estate that is not mainly used for residential purposes. As at 31 December 2014, the Company's net asset value per share was EUR 13.52.

The Company plans to grow its property portfolio to approximately EUR 300–500 million in the medium term, or three to five year's time. In accordance with the nature of a REIT, this requires raising finance through, among other things, share issues.

The Company will consolidate fully owned housing companies in accordance with IFRS 10. Partially owned housing companies will be consolidated in accordance with IFRS 11 using the proportionate consolidation method, in which

only the portion of each item of the subsidiaries' income statement and balance sheet corresponding to the Group's holding in the subsidiary in question is consolidated. As result, no minority holdings are formed in group consolidation. For more information on the Company's related party transactions, please see "*Shares and Shareholders – Related Party Transactions*".

### **The Company's Real Estate Investment Operations**

The Company is subject to the Real Estate Investment Trust Act, and its assets will be invested in accordance with the Company's rules for real estate investment operations and legislation, without jeopardizing the tax exemption. At least 80% of the Company's assets shall be invested in real properties mainly in permanent residential use, shares in housing companies or shares providing entitlement to the possession of an apartment in such other mutual real estate company which solely engages in the ownership and management of real estate and the buildings on it. This share may temporarily be lower. The investments are diversified taking location, the size of the apartments and the tenant risk into account. At most 20% of the Company's assets may be invested in real estate in other than residential use or real estate securities concerning real estate.

The Company may engage in new building and real estate development operations as referred to in the Real Estate Investment Trust Act, such as changing the purpose of use of the real estate by renovation or land use planning, without jeopardising the tax exemption under the Tax Exemption Act. The Company may invest at most 75% of its assets in commitments required for the fundamental improvement of rental apartments, acquisitions and new construction.

### **Investment Strategy**

In accordance with its operating model, the Company uses its own shares as purchase price for the Investment Properties. The Company's auditor gives to the Company a statement of contribution in kind in accordance with the Limited Liability Companies Act concerning the consideration of the Investment Properties. When valuing the contribution in kind, the Company uses a purchase value method, in which the value of the Investment Property is determined based on comparable deals affected under market circumstances prevailing in the market area in question. The valuations of the Company's contribution in kind are prepared by the Management Company and an external expert, such as Realia Management Oy, independently of each other.

The rules for the Company's real estate investment operations provide for the criteria of the Company's investment strategy. The strategy has three elements: Acquisition and divestment of Investment Properties, property strategy and finance strategy.

#### ***Acquisition and Divestment of Investment Properties***

The Company aims to benefit from the wholesale discount often available on the housing market to large investors by acquiring mainly whole properties into its portfolio, either through buying or building. The apartments are sold in the market one by one. Through the sales, the Company is able to influence the regional and age distribution of the values of the apartments.

#### ***Property Strategy***

##### ***Location of the apartments***

The property strategy takes into account the macro and micro locations of the Investment Properties as well as the qualities of the real estate and the apartments. The primary macro location criteria are the population (liquidity of the rental and resale market) and population growth (development of the market value) within the area.

The Company seeks for balance between the expected income and sellability so that the residential portfolio aims to reflect the regional distribution of housing base in Finland. The residential portfolio is divided into three portfolios: the Helsinki region, major cities and medium-sized towns. In accordance with the Company's current investment strategy, the target weight is 52% for the Helsinki region, 22% for major cities and 26% for medium-sized towns. The aim is to maintain the actual weights within approximately ten percentage points from the target weights. The following table describes the value distribution of the Investment Properties by location as at 31 December 2014 and 31 December 2013.

Value distribution of the Investment Properties by location	31 Dec 2014, %	31 Dec 2013, %
Helsinki region	43	38
Major cities	23	19
Medium-sized towns	34	43
<b>Total</b>	<b>100</b>	<b>100</b>

#### *Age of apartments*

The Company also aims to diversify its assets in relation to age distribution. According to the Company's estimates, the yield from investments in old apartments is generally higher than that from investments in new apartments. However, old apartments involve larger risks. The saleability of old apartments is often poorer than that of new ones, and unexpected repair costs may also pose a problem. The Company seeks balance between the higher expected yield of the older apartments and the lower risk of newer apartments so that the portfolio seeks an overweight of 50% for newer apartments (i.e. built in the 1990s and 2000s) in comparison to the weight distribution of the apartment base. The precise target weight for newer apartments is 51% when measured by market value. The Company aims to maintain the weight within approximately 10% from the target weight. The following table describes the value distribution of the Investment Properties by age groups as at 31 December 2014 and 31 December 2013.

Value distribution of the Investment Properties by age groups	31 Dec 2014, %	31 Dec 2013, %
Completed in 1989 or older	43	44
Completed after 1990	57	56
<b>Total</b>	<b>100</b>	<b>100</b>

#### *Size of the apartments*

In accordance with the Company's estimates, the rental income from one-room and two-room apartments is typically 0.5%–2% higher than that from larger apartments. The Company aims to take advantage of this higher income from smaller apartments in its portfolio management. However, this opportunity is limited by the fact that the acquisitions for the portfolio mainly consist of whole apartment blocks, with apartments of various sizes. On the other hand, when selecting apartments for sale, small apartments are kept in the portfolio rather than larger ones.

#### ***Financing and Hedging Strategy***

The Company's financing strategy aims to optimise the amount of debt when taking into consideration the interest rate level and market situation prevailing from time to time. The aim is to lower the Company's loan-to-value when market interest rate level increases and the housing market weakens. Correspondingly, the aim is to increase the share of debt capital when the interest rate level declines and the housing market strengthens. The aim is to maintain the Company's loan-to-value between 30% and 60%. On 31 December 2014, the Company's loan-to-value was 43.9%.

In order to hedge against the interest rate risk, the Company may use derivatives, however only pursuant to a separate decision by the board and within the limits specified in the Tax Exemption Act and the rules for real estate investment operations. The Company uses mainly interest rate swap agreements under which floating rate loans are exchanged for fixed rate loans.

#### **Management of the Company**

The Company's Management Company is Orava Rahastot Oyj (in English, Orava Funds plc). The Management Company is a Finnish limited liability company, and its business ID is 2267747-7. The Management Company was established in 2009, and its domicile is Helsinki. The address of the Management Company is Kanavaranta 7 C, FI-00160 Helsinki, and its telephone number is +358 10 420 3100.

As at the date of this Listing Prospectus, four people worked at the service of the Management Company. The CEO Jouni Torasvirta holds 69.8 per cent, Chairman of the Board Veli Matti Salmenkylä 20 per cent, director for investor services, real estate management and apartment sales Pekka Peiponen 10 per cent and chief analyst Mikael Postila 0.2 per cent of the shares in the Management Company. In the aggregate, persons working at the service of the Management Company have over 20 years' experience from the real estate sector and securities markets. The Management Company does not manage other assets than those of the Company.



The Management Company has in July 2014 applied for a licence to act as a manager in accordance with the Act on Alternative Investment Fund Managers (the 'AIFM Act'). As at the date of this Listing Prospectus, the FIN-FSA has not made a decision on the licence.

The Management Company is responsible for, among other things, organising the Company's administration and operations, the preparation of the Company's investment strategy as well as the Company's business idea and its development. The Company's board makes the decisions concerning the investment operations, but it may also authorise the Management Company to make decisions concerning the investment operations within certain limits. The Management Company may, based on a separate decision by the Company's board, act as broker of the investment assets and charge a transaction fee for its services to the assignor when the Company acquires apartments or receives apartments as contribution in kind.

The Management Company is responsible for the personnel and premises expenses related to the Company's operations. The Company is solely responsible for the risk caused by its investment operations and the risks related to apartments and the Company's other assets. The liability of the Management Company is limited to the sum corresponding to the management fee it has received during six months.

#### *Management fee*

As a compensation for the management services, the Company pays the Management Company a management fee, which consists of fixed and performance-based parts. The fixed fee is 0.6% of the fair value of the Company's assets per annum.

Fixed and performance-based fees paid to the Management Company in 2011–2014 have been as follows: in 2011, approximately EUR 85 thousand was paid to the Management Company as fixed fee and EUR 0 as a performance-based fee. In 2012, approximately EUR 184,000 was paid to the Management Company as fixed fee and EUR 128,000 as performance-based fee. Half of the performance-based fee was paid in shares as part of the March 2013 offering. The same figures for 2013 were EUR 262,000 and EUR 0. For 2014, the fixed fee was EUR 613.5 thousand and the performance-based fee EUR 847 thousand. The performance-based fee will be paid in March 2015, at the latest.

After the Company's listing, the performance-based management fee has been calculated based on the stock exchange price of the Company's share. The annual general meeting of the Company held on 19 March 2015 decided to amend the Company's rules for real estate investment operations so that the stock exchange price of the share shall be used in the calculation of the performance-based management fee, if the stock exchange price of the share is lower than net assets per share.

#### **Safekeeping of the Company's Assets**

The share certificates of the housing companies and mutual real estate companies owned by the Company are kept safe in the financing banks as collaterals for the Company's loans.

#### **Valuation of the Company's Investment Properties**

The assets are valued at fair value according to the following principles: Investment assets are originally valued at acquisition cost added with transaction costs. Fair value is used in the valuation after the original recognition. In the valuation of its investment properties, the Company has applied the fair value model in accordance with the IAS 40 Investment Properties standard. Therefore, profit or loss arising from changes in fair value has been recognised in the period during which it has arisen. Fair value has been measured in accordance with the IFRS 13 Fair Value Measurement standard, in effect since 1 January 2013. The change did not have an effect on the Company's profit. The Real Estate Investment Trust Act also requires that changes in fair value be recognised as profit or expense. The divestment by the Company of its Investment Properties at fair value often results in book loss due to sales expenses. The fair value of the apartments is measured with an apartment price assessment model developed by the Management Company, which uses, among other things, the following factors as explanatory variables:

- price data available for the Investment Property's postal code area and for the square kilometre area within which the Investment Property is located, as well as price data available for the Investment Property itself;
- ownership/lease of the plot;
- surface area of the apartment;
- age of the property;
- condition of the property;

- apartment-specific sauna; and
- type of property.

An external expert and property valuer audits the Management Company's valuation process, calculation methods and reporting once per year. Additionally, the Company obtains a measurement by an external authorised property valuer concerning the value of the Company's real estate assets every six months. The external expert and authorised property valuers are Realia Management Oy and Turun Seudun OP-Kiinteistökeskus Oy. Realia Management Oy's fees during the 2014 financial period were EUR 54 thousand and Newsec Valuation Oy's fees EUR 2 thousand. Contract-based fees are fixed.

In accordance with the framework agreement made with Realia Management Oy and Turun Seudun OP-Kiinteistökeskus Oy, the said service providers prepare for each Investment Property of the Company a separate appraisal document or value calculation which measures the value of the apartments of the Investment Property.

Realia Management Oy's and Turun Seudun OP-Kiinteistökeskus Oy's valuation reports on the assets subject to the security of the Notes are attached as Annexes 3 and 4 of this Listing Prospectus.

### **Investments**

In addition to acquisition of Investment Properties, no significant investments are required by the Company's operations.

### **Material Agreements outside the Ordinary Course of Business**

Except for the following agreements related to the Notes, the Company has not made any material agreements.

#### ***Agency Agreement***

In connection with the listing of the Notes, the Issuer and Nordic Trustee Oy have entered into an agency agreement under which Nordic Trustee Oy acts as an agent and representative of the Noteholders and performs custodial and administrative functions relating to the security and the Notes. For further information, please see '*Additional Information on the Security*'.

#### ***Share Pledge Agreement and Bank Account Pledge Agreement***

To secure the repayment of the principal and the payment of the interest as well as the discharge and performance of the Issuer's other obligations under the Notes, the Issuer has entered into a customary share pledge agreement with the Agent for the purpose of creating a first ranking security over certain shares in housing companies or mutual real estate companies. Further, the Issuer has entered into a customary bank account pledge agreement for the purpose of pledging a specific bank account of the Issuer to the Agent for the benefit of the Noteholders. The Agent may release funds standing to the credit of the pledged bank accounts as described in more detail under the Terms and Conditions of the Notes and the relevant bank account pledge agreement.

#### ***Credit Facility Agreement***

As part of preparations of a financing arrangement disclosed on 23 January 2015, on 4 March 2015 the Company signed a EUR 15 million revolving credit facility agreement with Danske Bank Oyj. The issuance of the Notes in a minimum aggregate principal amount of EUR 25,000,000 was a condition precedent for the drawdown of a loan under the revolving credit facility agreement, which requirement was waived by the lenders provided that the aggregate principal amount of the Notes will be EUR 20,000,000. The facility will be used to finance the acquisition of shares in mutual real estate companies and housing companies comprising residential housing. For more information on the facility agreement, its covenants and its security, see "*Financial and Trend Information, Prospects – Recent Events – Events after the 2014 financial period*".

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following is a summary of the Issuer's audited consolidated financial statements as at and for the financial years ended 31 December 2014, 31 December 2013 and 31 December 2012. The Issuer's consolidated financial statements have been prepared in accordance with the IFRS as adopted by the European Union, complying with the IAS and IFRS standards. In the Finnish Accounting Act and the provisions issued thereunder, the IFRS refer to the standards and interpretations that have been approved in the Regulation of the European Parliament and of the Council on the application of international accounting standards.

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1.000 EUR	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012
Income from ordinary operations	6,532	3,153	1,914
Gains from disposals and changes in the fair value of apartments	8,794	6,529	1,266
<b>Total revenue</b>	<b>15,327</b>	<b>9,682</b>	<b>3,180</b>
Maintenance expenses	-2,831	-1,452	-752
Expenses from rental operations	-350	-97	-47
Administrative expenses	-1,379	-696	-356
Other operating income and expenses	-862	2	-141
<b>Total expenses</b>	<b>-5,422</b>	<b>-2,243</b>	<b>-1,296</b>
<b>Operating Profit</b>	<b>9,905</b>	<b>7,439</b>	<b>1,884</b>
Finance expenses (net)	-1,361	-639	-452
<b>Profit before taxes</b>	<b>8,545</b>	<b>6,801</b>	<b>1,432</b>
Direct taxes	-94	-48	-11
<b>Profit/loss for the period</b>	<b>8,451</b>	<b>6,753</b>	<b>1,421</b>
<b>Profit/loss for the period attributable to the owners of the parent company</b>	<b>8,451</b>	<b>6,753</b>	<b>1,421</b>
<b>Earnings per share calculated from the profit attributable to the owners of the parent company</b>			
Earnings per share, EUR	1.83	3.19	1.14
<b>Other comprehensive income items</b>	<b>-270</b>	<b>183</b>	<b>-243</b>
<b>Comprehensive profit/loss for the period</b>	<b>8,181</b>	<b>6,936</b>	<b>1,178</b>
<b>Comprehensive profit/loss for the period attributable to the owners of the parent company</b>	<b>8,181</b>	<b>6,936</b>	<b>1,178</b>

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1.000 EUR	31 Dec 2014	31 Dec 2013	31 Dec 2012
<b>ASSETS</b>			
<u>Non-current assets</u>			
Fair value of investment properties	130,668	79,190	31,992
<u>Current assets</u>			
Trade and other receivables	4,070	203	131
Cash and cash equivalents	<u>1,990</u>	<u>9,134</u>	<u>300</u>
	6,059	9,336	432

<b>TOTAL ASSETS</b>	<b>136,728</b>	<b>88,526</b>	<b>32,424</b>
Equity attributable to the owners of the parent company			
Share capital	50,337	43,144	13,666
Reserves	-493	-224	-126
Retained earnings	1,780	106	46
<u>Profit for the period</u>	8,451	<u>6,753</u>	<u>1,421</u>
Total equity	69,860	49,780	15,007
Liabilities			
Non-current liabilities	58,538	35,797	15,731
Current liabilities			
Interest-bearing liabilities, borrowings	1,931	1,730	524
Trade payables and other current liabilities	5,906	995	756
<u>Fair value of interest rate hedges</u>	493	<u>224</u>	<u>407</u>
Total liabilities	66,868	38,746	17,418
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>136,728</b>	<b>88,526</b>	<b>32,424</b>

#### CONSOLIDATED CASH FLOW STATEMENT

1.000 EUR	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013	1 Jan–31 Dec 2012
<b>Cash flows from operational activities</b>			
Cash flows from operational activities before financial items	3,251	811	660
Interest paid, net	-1,990	-656	-538
Taxes paid	-72	-11	0
Income from divestures of tangible fixed assets	4,381	3,172	1,663
<b>Net cash flows from operational activities</b>	<b>5,570</b>	<b>3,316</b>	<b>1,785</b>
<b>Cash flows from investment activities</b>			
Acquisition of subsidiaries less acquired cash	-13,126	-18,883	-4,040
Acquisition of residential apartment shares	-3,833	-2,564	-833
Investments in tangible fixed assets	-2,670	-178	-19
Investments in intangible assets	-490	-187	-120
<b>Net cash flows used in investments</b>	<b>-20,118</b>	<b>-21,812</b>	<b>-3,713</b>
<b>Cash flows from financing activities</b>			
Payments received from share issues	2,750	27,645	21
Loan withdrawals	11,334	7,111	4,280
Loan repayments	-2,079	-6,081	-413
Dividends paid	-4,600	-1,347	-398
<b>Net cash flows used in financing activities</b>	<b>7,405</b>	<b>27,329</b>	<b>3,489</b>
<b>Net decrease (-) / increase (+) in cash and cash equivalents</b>	<b>-7,143</b>	<b>8,833</b>	<b>-103</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>9,134</b>	<b>300</b>	<b>403</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,990</b>	<b>9,134</b>	<b>300</b>

## FINANCIAL INDICATORS FOR THE GROUP

	31 Dec 2014	31 Dec 2013	31 Dec 2012
Revenue, EUR 1,000	15,327	9,682	3,180
Operating profit, EUR 1,000	9,905	7,439	1,884
Financial result for the period, EUR 1,000	8,451	6,753	1,421
Comprehensive profit for the period, EUR 1,000	8,181	6,936	1,178
Earnings per share, EUR	1.83	3.19	1.14
Return on equity, %, p.a. (ROE)	14.7	33.4	10.2
Equity/assets ratio, %	51.1	56.3	46.3
Loan to value ratio, %	43.9	42.2	51.3
Net gearing, %	83.0	56.6	113.3
Net asset value per share, EUR, NAV	13.52	11.54	10.98
Economic occupancy rate, %, (EUR)	89.4	93.8	96.7
Operational occupancy rate, %, (m <sup>2</sup> )	88.7	92.5	96.5
Tenant turnover/month, %	2.1	2.3	3.0
Gross rental yield, % of fair value	6.7	8.0	8.0
Net rental yield, % of fair value	4.0	4.5	4.8

## FORMULAS FOR FINANCIAL INDICATORS

Earnings per share, EUR	=	$\frac{\text{Financial result for the period attributable to the shareholders of the parent company}}{\text{Weighted average number of shares during the reported period}}$
Return on equity, % (ROE)	=	$\frac{\text{Profit/loss for the period} \times 100}{\text{Equity (average during the reported period)}}$
Equity/assets ratio, %	=	$\frac{\text{Equity} \times 100}{\text{Balance sheet total less advance payments received}}$
Loan to value ratio, % Loan to Value	=	$\frac{\text{The Group's share of outstanding capital of interest-bearing loans}}{\text{Debt-free value of housing company shares and other assets}}$
Net gearing, %	=	$\frac{\text{Interest-bearing liabilities} - \text{liquid assets} \times 100}{\text{Equity}}$
Net asset value per share, EUR NAV	=	$\frac{\text{Equity attributable to the shareholders of the parent company}}{\text{Number of shares at the end of the reported period}}$
Economic occupancy rate, % (EUR)	=	$\frac{\text{Gross rental income for the reported period per the number of months}}{\text{Potential gross rental income for the reported period per the number of months}}$
Operational occupancy rate, % (m <sup>2</sup> )	=	$\frac{\text{Square metres let on the last day of the month during the reported period per the number of months}}{\text{Square metres available for letting on the last day of the month during the reported period per the number of months}}$
Tenant turnover	=	$\frac{\text{Expired agreements per month}}{\text{Number of apartments available for letting on the last day of the month}}$
Gross rental yield, %	=	$\frac{\text{Gross rental income} \times 100}{\text{Market value of the rent portfolio at the end of the reported period}}$

Calculated on a monthly basis; the figure for the reported period is the average of the monthly figures

Net rental yield, %

$$= \frac{\text{Gross rental income less expenses} = \text{net income} \times 100}{\text{Market value of the rent portfolio at the end of the reported period}}$$

Calculated on a monthly basis; the figure for the reported period is the average of the monthly figures

Gross rental income = Accrual-based income in accounting, which does not include compensation for use or unrealised value increases

Expenses = All use and maintenance costs incurred from the property which are expensed. Compensation for use is deducted from the expenses.

Capital expenses and income = Income and expenses from purchases and sales and property development. Also includes that part of the expenses that is not booked as expenses.

## FINANCIAL AND TREND INFORMATION, PROSPECTS

### Historical Financial Information

The Company's consolidated audited financial statements for the 2014, 2013 and 2012 financial periods (IFRS) have been incorporated into this Listing Prospectus by reference.

### Legal and Arbitration Proceedings

There are no governmental, legal, arbitration or administrative proceedings against or affecting the Issuer or any of its subsidiaries (and Issuer is not aware of any such proceedings being pending or threatened), during a period covering at least the previous 12 months, which have or may have in the recent past, individually or in the aggregate, significant effects on the profitability or the financial position of the Issuer or of the Issuer and its subsidiaries taken as a whole.

### Financial Position

#### *The 2013 financial year compared to 2012 financial year*

The Group's revenue for 2013 totalled EUR 9.68 million (2012: EUR 3.18 million). Revenue was increased, in particular, by the acquisitions made in the second half of the year. The revenue was divided into gross rental revenue of EUR 3.15 million (2012: EUR 1.91 million) and changes in valuation of EUR 6.53 million (2012: EUR 1.27 million). Gross rental revenue includes rental income, service fees and other income. Changes in valuation are made up of capital gains on investment properties, less the brokerage fees for sold apartments, and the change in the fair value of apartments.

Operating expenses for 2013 totalled EUR 2.24 million (2012: EUR 1.30 million), of which management expenses and annual repairs amounted to EUR 1.45 million (2012: EUR 0.75 million). The increase in expenses results from the increase in the investment portfolio. Operating profit amounted to EUR 7.44 million (2012: EUR 1.88 million).

Financial income and expenses totalled EUR -639 thousand (2012: EUR -452 thousand) and capital income tax on capital gains amounted to EUR 48 thousand (2012: EUR 11 thousand).

The profit for the period totalled EUR 6.75 million (2012: EUR 1.42 million). Comprehensive income items amounted to EUR 183 thousand (2012: EUR -243 thousand), and the comprehensive profit for the period totalled EUR 6.94 million (2012: EUR 1.18 million).

#### *The 2014 financial year compared to 2013 financial year*

Consolidated revenue for the period totalled EUR 15.3 million (2013: EUR 9.7 million). The revenue was divided into income from ordinary operations of EUR 6.5 million (2013: EUR 3.2 million) and capital gains of EUR 8.8 million (2013: EUR 6.5 million). Income from ordinary operations includes rental income, compensation for use and other income. Capital gains are made up of profit from sales of investment properties less sales commissions for sold apartments, as well as the change in the fair value of apartments.

Operating expenses totalled EUR 5.4 million (2013: EUR 2.2 million), of which maintenance costs and annual repairs accounted for EUR 2.8 million (2013: EUR 1.5 million) and the performance-based management fee EUR 0.8 million (2013: EUR 0.0 million). The growth in costs is mainly due to the expansion of the operations. Operating profit amounted to EUR 9.9 million (2013: EUR 7.4 million).

Financial income and expenses stood at EUR -1.4 million (2013: -639,000) and taxes for the period at EUR 94,000 (2013: EUR 48,000).

Profit for the period amounted to EUR 8.4 million (2013: EUR 6.8 million). Comprehensive income items totalled -270,000 (2013: EUR 183,000), and comprehensive profit for the period was EUR 8.2 million (2013: EUR 6.9 million).

The Company's audited financial statements for the period of 1 January 2014–31 December 2014 (IFRS) have been incorporated into this Listing Prospectus by reference.

There has been no significant change in the Issuer's financial or trading position since 31 December 2014.

On 31 March 2015, the Company signed a binding agreement to acquire 53 apartments from Skanska Talonrakennus Oy for a debt-free purchase price of EUR 11.7 million. The acquired apartments are new and located in Tampere,

Turku, Oulu, Vaasa, Rovaniemi, Kokkola and Savonlinna. The apartments are not leased. On the same day, the Company signed a deal to acquire a total of 87 apartments in Kaarina and Raisio for a purchase price of EUR 3.4 million. The deal was partly financed through a directed share issue allocated to Osuusasunnot Oy, in which Osuusasunnot Oy subscribed for 244,193 new shares, of which 128,461 shares do not entitle to dividends to be paid in 2015. The subscription price of the new shares is the weighted average price over the five trading days at NASDAQ OMX Helsinki Ltd preceding the deal. The completed deal and the binding agreement will improve the Company's result for the first quarter. The combined impact of the acquisitions and the change in the fair value of investments properties in January-February are estimated at approximately EUR +2 million.

### ***Business conditions***

#### *National economy*

According to the Federation of Finnish Financial Services, Finland's GDP growth is estimated to have settled in the range -0.4% – 0.0% in 2014, and it is forecasted to remain in the range +0.1% – +1.0% in the current year. The change in private consumption that has a key impact on the housing market is estimated to have been approximately -0.4% – +0.2% in the ended year and to be -0.2% – +0.9% in 2015. The market interest rates in the euro area have continued to fall, and short-term rates are also expected to remain at less than one per cent for the next four to five years. The estimate is based on the most recent economic forecasts by 15 parties drawing up forecasts on the Finnish economy and the market interest rate expectations calculated on the basis of the euro interest rate curve published by the European Central Bank.

The housing market is estimated to start strengthening slowly as a result of the picking up of overall economic activities in 2015.

#### *Demand in the housing market*

During October–December 2014, households drew down EUR 3.9 billion in new mortgages, or 6% more than a year previously according to statistics from the Bank of Finland. The eurodenominated mortgage base totalled EUR 89.8 billion at the end of December, and the annual growth in the mortgage base was 1.7%.

The average marketing period for old apartments in the country overall according to the Finnish Etuovi.com portal increased from 112 days in September to 135 days in December, while it was 109 days in December in the previous year.

The demand for apartments has continued to be weak during the end of the autumn and beginning of the winter.

#### *Supply in the housing market*

According to Statistics Finland, building permits for apartment blocks were granted for 816 apartments in October 2014, which was 15% less than a year previously. Correspondingly, in January–October, a total of 14,840 building permits were granted for apartment block apartments, or 22 % more than a year previously. The annual change in the sliding annual sum of building permits granted for apartment blocks was +25 %.

The three-month change in the housing construction volume index that describes the value of on-going new construction was +12% in August, and the change year-on-year was -17%.

The supply in the housing market has continued at a low level, even though some signs of a potential turn are visible.

#### *Prices, rents and return in the housing market*

According to Statistics Finland, in the fourth quarter of 2014, the rents of non-subsidised apartments increased by 3.0% year-on-year. The change in the prices of apartments during the fourth quarter was -1.0% year-on-year. The ratio of housing prices to rents is slightly below the long-term average; the ratio calculated from the square metre prices and rents of the fourth quarter was 15.5. The 40-year average for the ratio of square metre prices to annual rents in Finland is 16.7.

During the next 12 months, the Company expects housing prices throughout the country to remain approximately the same or at the end of period start rising slightly and the growth rate in rents for non-subsidised apartments to remain approximately the same if the market interest rate expectations and economic forecasts prove to be accurate with regard to their essential components affecting the housing market.

### **Recent Events**

During the 2014 and 2015 periods, the Company has allocated several charge-free directed issues to the Company itself. For more information on these issues and their purpose, see "*Shares and Share Capital – Historical development of the share capital and number of shares*" and "*– Convertible loans*".



### *Events during the 2014 financial period*

The Company acquired a total of 118 apartments through transactions made and an agreement concluded on 31 March 2014. Their aggregate debt-free purchase price was EUR 12.7 million. A residential property of 74 apartments at Maauunintie 14 in Vantaa was purchased from VATROhousing Oy included in the SATO Group. Twenty apartments at Asunto Oy Tampereen Ruuti completed in June 2014 were acquired from Lujatalo Oy. In addition, on 30 April 2014, a binding agreement was concluded with Varma Mutual Pension Insurance Company on the purchase of the share capital of Asunto Oy Helsingin Koirasaarentie 1 (24 apartments).

The Company acquired a total of 131 apartments from A. Ahlström Real Estate Ltd and its subsidiaries through transactions implemented on 25 June 2014. Their aggregate debt-free purchase price was EUR 4.1 million. The transaction included the assignment of a contribution in kind of EUR 1.34 million, which was paid with 104,415 new shares issued by the company and the subscription of 206,708 new shares in a directed issue allocated to the seller. The subscription price of the new shares, EUR 12.82 per share, was the average price of the Company's share on the Helsinki Stock Exchange during the five trading days preceding 25 June 2014, the date of implementation of the transaction, weighted by share turnover, adjusted for the dividends decided by the annual general meeting but not paid (EUR 0.56 per share). On 26 June 2014, the company concluded a binding agreement on the acquisition of a total of 26 apartments from Pohjola Rakennus Oy Sisä-Suomi at a debt-free purchase price of EUR 4.4 million.

The acquisition of 26 apartments from Pohjola Rakennus Oy agreed in June 2014 was implemented according to plan on 27 August 2014. The apartments purchased are located in three new properties: As Oy Tampereen Vuoreksen Emilia (14 apartments), As Oy Jyväskylän Ahjotar (8 apartments) and As Oy Jyväskylän Kyläseppä (4 apartments). The apartments were without tenants at the time of the acquisition.

The Company acquired 58 apartments from Skanska at a debt-free price of EUR 13.5 million through a binding agreement concluded on 30 September 2014. The apartments acquired are new and located in Espoo, Kirkkonummi, Järvenpää, Tampere, Lempäälä and Raisio. The apartments were acquired without tenants.

Through a transaction concluded on 30 September 2014, the Company acquired 54 apartments from A. Ahlström Real Estate Ltd in Kotka at an aggregate debt-free purchase price of EUR 1.45 million. The transaction was financed through a directed issue allocated to A. Ahlström Real Estate Ltd, where A. Ahlström Real Estate Ltd subscribed for 114,806 new shares issued by the Company. The subscription price of the new shares was EUR 12.63 per share, which was the weighted average price during the five days of stock exchange trading preceding the beginning of the subscription period. In addition, the company allocated a charge-free share issue of 80,000 shares to itself. The new shares did not entitle their holders to dividends paid during 2014.

The transaction including 59 apartments agreed with Skanska Rakennus Oy in September 2014 was paid according to plan on 29 October 2014. The apartments purchased are located in six new properties: As Oy Espoon Albert (4 apartments), As Oy Kirkkonummen Tammi (14), As Oy Järvenpään Saundi (8), As Oy Härmälänrannan Nalle (3), As Oy Lempäälän Tikanhovi (17) and As Oy Raision Valonsäde (13). The apartments were without tenants at the time of the acquisition.

On 28 November 2014, the company concluded a binding agreement on the acquisition of Asunto Oy Kirkkonummen Kummikallio. The property includes 84 apartments. The purchase price of EUR 2.7 million will be paid in its entirety with new shares in the company's directed issue allocated to Osuusasunnot Oy. The subscription price of the shares, EUR 11.33 per share, was the weighted average price of the share during the five days of trading on the Helsinki Stock Exchange preceding the date of concluding the agreement.

On 31 December 2014, the company concluded a binding agreement on the acquisition of Asunto Oy Rovaniemen Rekimatka 16–18 and Asunto Oy Rovaniemen Rekimatka 29. The properties include a total of 80 apartments. The purchase price of EUR 4.0 million was paid with new shares issued by the company in a directed issue allocated to Royal House Oy. The subscription price of the shares, EUR 10.60 per share, was the weighted average price of the share during the five days of trading on the Helsinki Stock Exchange preceding the date of concluding the agreement.

### *Events after the 2014 financial period*

The 500,000 shares allocated to the Company itself in a charge-free directed issue on 17 December 2014 were recorded in the Trade Register on 5 January 2015. After the issue, the number of the Company's shares totalled 5,706,123. On 19 January 2015, the Company submitted a listing application for 47,800 shares to be admitted to trading on the Helsinki Stock Exchange as of 20 January 2015. After the listing, the total number of the Company's listed shares was 5,253,923.

On 23 January 2015, the Company specified the result estimate for the fourth quarter of the 2014 financial period. The Company estimated in its interim report for the third quarter published on 7 November 2014 that the financial result for the fourth quarter is expected to remain weaker than that for the third quarter. The comprehensive profit for the third quarter was EUR 1.9 million. The Company's further specified estimate of the result for the fourth quarter was EUR 1.7–2.3 million.

The Financial Supervisory Authority approved the Company's prospectus, which is related to the listing of a total of 1,056,122 shares, on 23 January 2015. The shares are related to the directed issue allocated to Osuusasunnot Oy (235,922 shares), communicated by the Company on 28 November 2014, the directed issue allocated to Royal House Oy (368,000 shares), communicated on 31 December 2014, and the charge-free directed issue allocated to the Company itself (500,000 shares). The Company also filed an application with the Helsinki Stock Exchange concerning the admission to trading of the shares subscribed in the directed issue allocated to Osuusasunnot Oy and the charge-free shares allocated to the company itself, in total 688,122 shares, on the stock exchange list of the Helsinki Stock Exchange with the trading code OREIT. Trading in the shares in question started on 27 January 2015.

The 368,000 shares allocated to Royal House Oy were recorded in the Trade Register on 11 February 2015 and applied to be admitted to trading on the Helsinki Stock Exchange in connection with the finalization of the transaction on 9 February 2015. In addition, the Company allocated a charge-free share issue of 200,000 shares to itself. The shares directed to the Company itself do not entitle to dividends payable in 2015 for the 2014 profit.

On 10 February 2015, the Company implemented a transaction for 22 apartments with Skanska Rakennus Oy at a debt-free purchase price of EUR 4.6 million. The apartments purchased are located in two new properties, one in Mikkeli (12 apartments) and the other in Pori (10). The apartments were without tenants at the time of the acquisition.

At its meeting on 11 February 2015, the board of directors allocated 39,952 shares to the Management Company. The subscription price of the shares was the weighted average price during the last five days of stock exchange trading in 2014. Orava Funds plc set off the payment of the subscription price against its performance-based management fee receivable of EUR 423,491.20 to be paid in shares.

As part of preparations of a financing arrangement disclosed on 23 January 2015, on 4 March 2015 the Company signed a EUR 15 million revolving credit facility agreement with Danske Bank Oyj. The issuance of the Notes in a minimum aggregate principal amount of EUR 25,000,000 was a condition precedent for the drawdown of a loan under the revolving credit facility agreement, which requirement was waived by the lenders provided that the aggregate principal amount of the Notes will be EUR 20,000,000. The loan period is five years, the margin of the facility is initially 2.50 %, subject to adjustment based on loan to value ratio, and the loan is linked to six-month EURIBOR. The facility will be used to finance the acquisition of shares in mutual real estate companies and housing companies comprising residential housing. The target shares will be subject to a security created to secure the repayment of the Company's liabilities under the credit agreement. In addition, a second-priority security over the shares initially pledged in first priority to secure the Notes will secure the credit agreement. The credit agreement includes customary financial covenants relating to real estate financing, such as a loan to value covenant, an interest cover ratio covenant and a minimum collateralisation covenant.

On 3 March 2015, the board of directors of the Company approved the subscriptions for shares allocated to Nordea Bank Finland Plc and the Management Company in directed issues and handed the shares over to the subscribers. Nordea Bank Finland Plc subscribed for 5,000 new shares, and this directed issue is related to the market making agreement concluded by the Company with Nordea Bank Finland Plc. Orava Funds plc subscribed for 39,952 shares. Through the directed issue, the Company pays half of the performance-based management fee for 2014 to the Management Company.

On 19 March 2015, the Company held its annual general meeting of 2015 and approved the board's proposals regarding, among others, the amendment of the Company's trade name, the board of directors' dividend proposal and the proposal to amend the Company's rules for real estate investment operations. The decisions of the annual general meeting have been described in more detail in relevant sections of this Listing Prospectus.

On 31 March 2015, the Company signed a binding agreement to acquire 53 apartments from Skanska Talonrakennus Oy for a debt-free purchase price of EUR 11.7 million. The acquired apartments are new and located in Tampere, Turku, Oulu, Vaasa, Rovaniemi, Kokkola and Savonlinna. The apartments are not leased. On the same day, the Company signed a deal to acquire a total of 87 apartments in Kaarina and Raisio for a purchase price of EUR 3.4 million. The deal was partly financed through a directed share issue allocated to Osuusasunnot Oy, in which Osuusasunnot Oy subscribed for 244,193 new shares, of which 128,461 shares do not entitle to dividends to be paid in 2015. The subscription price of the new shares is the weighted average price over the five trading days at NASDAQ OMX Helsinki Ltd preceding the deal. The completed deal and the binding agreement will improve the Company's

result for the first quarter. The combined impact of the acquisitions and the change in the fair value of investments properties in January-February are estimated at approximately EUR +2 million.

### **Future outlook**

In its financial statements for 1 January – 31 December 2014, the Company published the following information on its future outlook:

“Orava Residential REIT estimates that it has reasonably good preconditions for maintaining good profitability in 2015 and achieving the targeted total return of 10 per cent on shareholders’ equity.

The value of the apartments in the investment portfolio is expected to remain at the same level or at the end of period to start increasing moderately as a result of the predicted strengthening of the overall economy. The rental income is estimated to rise slightly, as we believe that we can increase the economic occupancy rate compared with the previous year. The result impact of the acquisition of properties is expected to remain at the level of the previous year. The ratio of maintenance and repair costs to the value of investment assets is also expected to remain approximately at the level of the previous year.”

There has been no material adverse change in the prospects of the Company since the publication of its 2014 financial statements.

### **Risks and Uncertainty Factors in the Near Future**

The Company estimates that the key risks and uncertainties for it in the near future will be related to the acquisition of investment properties, changes in the value of apartments and repair costs.

It may be difficult for the Company to profitably obtain properties meeting the objectives of the investment strategy.

Major unexpected repairs and repair costs would have an impact on a decline of the occupancy rate of apartments, loss of rental income and profitability.

## DIRECTORS, MANAGEMENT AND MAJOR SHAREHOLDERS

Pursuant to the provisions of the Limited Liability Companies Act and the Company's Articles of Association, responsibility for the control and management of the Company is divided between the general meeting of shareholders, the board of directors and the CEO. The shareholders participate in the control and management of the Company through actions taken at general meetings of shareholders. Typically, general meetings of shareholders are convened upon notice given by the board of directors. In addition, general meetings of shareholders must be held when so requested in writing by an auditor of the Company or by shareholders representing at least one-tenth of all the outstanding shares of the Company.

### Board of Directors

In accordance with the Limited Liability Companies Act, the board of directors attends to the management of the Company and the due organisation of the Company's operations. In addition, the board of directors ensures that the supervision of the Company's accounting is properly organised. The board of directors also decides on the Company's strategy, approves action plans and budgets and considers and approves interim reports, financial statements and board of director's reports. The board of directors decides on strategically or financially significant investments, corporate acquisitions and liabilities, approves the Company's financing policy, confirms the Company's risk management and reporting procedures and decides on the Company's compensation and incentive schemes. The board of directors also decides on the Company's structure and is responsible for the dividend policy and development of shareholder value, appoints the Company's CEO and decides on his employment benefits, decides on the appointment of the deputy CEO and is responsible for other duties assigned to the board of directors in the Limited Liability Companies Act or elsewhere. In addition, the Company's board of directors decides on following matters related to investment operations:

- (i) acquisition or transfer of Investment Properties, if the purchase price exceeds 10 per cent of the entire capital;
- (ii) acquisition or transfer of real estate;
- (iii) taking on debt; and
- (iv) entering into and amending management and service agreements related to the acquisition and management of investments.

The Company's board of directors may authorise the CEO and the Management Company to make decisions concerning investment operations mentioned in sections ii) – iv) within certain limits. Unless otherwise provided for in legislation applicable to the Company, the CEO or a person appointed by him are responsible for other investment decisions and the operative management of investment operations.

In accordance with section 6 of the Articles of Association, the Company has a CEO elected and dismissed by the board of directors. In accordance with section 7 of the Articles of Association, the chairman of the board of directors and the CEO, both alone, and members of the board of directors, always two jointly, are authorized to represent the company. In addition, the board of directors may authorize other specifically named persons to represent the Company, always two jointly, or any one of them together with a member of the board of directors.

As at the date of this Listing Prospectus, the Company's board of directors included the following persons:

Name	Born	Position	Year appointed to the board
Jouni Torasvirta	1965	Chairman	2010
Tapani Rautiainen	1957	Deputy chairman	2010
Mikko Larvala	1966	Member	2013
Veli Matti Salmenkylä	1960	Member	2010
Timo Valjakka	1960	Member	2010
Patrik Hertsberg	1963	Member	2015

**Jouni Torasvirta** has been the chairman of the Company's board since the Company's establishment on 30 December 2010. Torasvirta has also been board member and CEO of the Management Company since its establishment in May 2009. Torasvirta has held different positions in the Nasdaq OMX group and its predecessors over about two decades. In Nasdaq OMX, he served as Senior Vice President responsible for Equities Markets, member of the extended executive team and President of Nasdaq OMX Helsinki from March 2008 to November 2008. In OMX, he served as President responsible for trading services, member of the Nordic executive team and president of OMX Nordic Exchanges Helsinki from January 2006 to February 2008. In the OMX Exchanges group, he served as President responsible for Cash Market Products & Cash Market Finland from September 2003 to January 2006. Torasvirta also served as managing director of the Helsinki Stock Exchange from September 2003 to January 2006. In the HEX Group,

Torasvirta held various positions in the early 2000s, including director responsible for marketplace and trading, member of the group management team and director of business development responsible for securities services. He has been member of the board of the following companies and entities: Helsinki Stock Exchange 1999–2007, Suomen Arvopaperikeskus 1999–2003, Tallinn Stock Exchange 2001–2003, NOREX 2003–2007, Copenhagen Stock Exchange 2004–2006, FUTOP clearing 2004–2006, listing committee of Helsinki Stock Exchange (member/chairperson) 2002–2008, Exchange Surveillance Committee of Finland 2005–2008, Exchange Surveillance Committee of Sweden 2005–2008, Securities Market Association 2008–2009. Torasvirta holds a M.Sc. (Econ.).

***Tapani Rautiainen*** has been a member of the Company's board since the Company's establishment on 30 December 2010. Rautiainen has worked as real estate investor since 1996, focusing primarily on investments in apartments. As part of these activities, he has served as managing director of Avaintalot Oy and Suomen Lähiöasunnot Oy since 2004 and as chairman of Maakunnan Asunnot Oy's board since 2006. In addition, Rautiainen is managing director of Sysmäläntien Kiinteistöt Oy, chairman of the board of Länsi-Suomen Vuokratalot Oy and Maakunnan Asunnot Oy, a member of the board of Royal House Oy and Investors House Oy, chairman of the board of directors of Suomen Säästäjien Kiinteistöt Oyj and Innoteam Kiinteistöt Oy and a board member of Aurinkohalssi Rakennus Oy, Delizon Oy, Hacmill Oy, Insinööritoimisto Hytech Oy, Jyväskylän NOL Oy, Kotkan Kruunu Oy, Kuikan Metallirakenne Oy, Petäjäsääri Oy, Priki Kiinteistöt Oy, Rakennuttajaneloset Oy, RB Jyväskylä Oy, Salonkirakentajat Oy and THR Palvelu Oy. From 1993 to 1996, Rautiainen was the finance director of the Jyväskylä Service College. From 1982 to 1993, he served as chief of administration of the Central Finland Building District, which formed part of Finland's Building Administration, a government office that was charged with managing the real estate owned by the Finnish state. Rautiainen is a board member or chairman of the board in over a hundred real estate companies and housing companies. Rautiainen holds a M.Sc. (Econ.).

***Mikko Larvala*** has been a member of the Company's board since 19 June 2013. He has also served as Senior Counsel in Bird & Bird Attorneys Ltd since 2012, director of financing in HRG Property Partners Oy in 2010–2012, Partner in PCA Corporate Finance Oy in 2009–2010, Country Manager and Vice President in HSH Nordbank AG in 2005–2008, Vice President in Aareal Bank AG in 2005–2005, banking supervisor in the FIN-FSA in 2004, Risk Compliance Officer in Carnegie Investment Bank in 2000–2004, administrative director in Unibank A/S in 1999–2000, bank manager and lawyer in 1993–1998 and lawyer and associate lawyer in Perimistöimisto Contant Oy in 1989–1993. Larvala has also been board member in RH Offices Oy since 2012, in Resprobo Oy since 2010, in RB Jyväskylä Oy since 2010, as well as in certain real estate companies. Larvala is Master of Laws with court training and also holds a M.Sc. (Econ.).

***Veli Matti Salmenkylä*** has been a member of the Company's board since the Company's establishment on 30 December 2010. Salmenkylä served as the Company's CEO from March 2011 to February 2014. Salmenkylä has also been the chairman of the Managing Company's board since December 2009 and the Managing Company's director of finance and administration since November 2009. From August 2006 to April 2009, Salmenkylä was CFO, Director of Administration and member of executive team in Comptel Corporation. From October 2003 to August 2006, Salmenkylä worked for the Pretax group, where he served, among other things, as the managing director of Pretax City Oy. Before joining Pretax, Salmenkylä worked in the HEX group for over ten years, holding various positions such as member of the group management team, director of business development responsible for securities services, director of finance, human resources and administration, and managing director of the account operators HEX Securities Services Oy and HEX Back Office and Custody Services Oy. Salmenkylä has been chairman of Kauppahuone Salmenkylä Oy's board since 1991. He has also been the chairman of Kiinteistö Oy Jerisjärvi's board since March 2013. Salmenkylä holds a M.Sc. (Tech.).

***Timo Valjakka*** has been a member of the Company's board since the Company's establishment on 30 December 2010. Valjakka has been managing director of Maakunnan Asunnot Oy since 2004. In addition, Valjakka is the managing director of Godoinvest Oy, Länsi-Suomen Vuokratalot Oy and deputy chairman of the board of Suomen Säästäjien Kiinteistöt Oyj, chairman of the board of Avaintalot Oy and Aurinkohalssi Rakennus Oy as well as chairman of the board in several dozen real estate companies and housing companies. From 1992 to 2004, Valjakka was managing director of Valjakka Oy, which engaged in real estate consulting and measurement as well as real estate agency operations. Before 1992, Valjakka was employed by SKV Yrityspalvelut. Valjakka holds a Master of Laws.

***Patrik Hertsberg*** was elected to the Company's board of directors at the Company's annual general meeting held on 19 March 2015. Hertsberg has been a Partner of Merasco Ltd since 2010. Previously, Hertsberg has worked for Svenska Handelsbanken as Vice President of Capital Markets in 1994–2003, as Senior Vice President in 2003–2007 and as Executive Vice President of Asset Management in 2007–2009. Before Handelsbanken he worked as broker and private banker at Ane Gyllenberg between 1988 and 1994. Hertsberg holds a M.Sc. (Econ.). He has also participated in the Advanced Management Program (AMP) at Harvard Business School.

## **Management**

The CEO attends to the Company's day-to-day management in accordance with instructions and orders given by the board of directors and promotes the Company's interests. The CEO manages and supervises the operations of the Company and its business and is responsible for day-to-day operative management, productisation and implementation of strategy. The CEO also prepares the matters submitted to the board and directors and is responsible for their implementation.

**Pekka Peiponen** has been the CEO of the Company since February 2014. Peiponen has been member of the board of the Management Company in 2009 and again since January 2014 and a manager since October 2013. Peiponen was the administrative director of the FIN-FSA from June 2009 to October 2013. Before joining the FIN-FSA, Peiponen served securities and derivatives exchanges for over twenty years starting from 1988, holding various positions such as the director responsible for securities trading and market information, the deputy of the managing director of the Helsinki Stock Exchange and board member of several Nordic and Baltic stock exchanges and central securities depositories from 2002 to 2008. Peiponen holds an M.Sc.(Econ.).

### ***Management of the Management Company***

The Management Company employs four persons. The Management Company's CEO is Jouni Torasvirta, and the Management Company's CFO and administrative director is Veli Matti Salmenkylä. Pekka Peiponen is the Management Company's director for investor services, real estate management and apartment sales. Mikael Postila is the Management Company's chief analyst.

## **Business Address**

The business address of the Company's members of the board of directors and the CEO is Kanavaranta 7 C 20, FI-00160 Helsinki, Finland.

## **Conflicts of Interest**

Provisions regarding the conflicts of interest of the management of a Finnish company are set forth in the Finnish Limited Liability Companies Act. Pursuant to Chapter 6(4) of the Finnish Limited Liability Companies Act, a member of the board of directors may not participate in the handling of a contract between himself and the company, nor may he participate in the handling of a contract between the company and a third party if he may thereby receive a material benefit which may be in contradiction with the interests of the company. The above provision on a contract shall correspondingly apply to other legal acts and to legal proceedings and other similar matters. The same provisions are applied with regard to the CEO.

Among the members of the board, the companies controlled by Tapani Rautiainen or Timo Valjakka or both, which act in the same field of operations with the Company, are significant shareholders in the Company. See "*Holdings of the board members and the CEO*".

There are no familial relations between the members of the board or the CEO.

The Company's board member Veli Matti Salmenkylä is the chairman of the board of directors and CFO of the Management Company and the chairman of the Company's board of directors Jouni Torasvirta is the CEO of the Management Company.

The board members and the CEO have no other conflicts of interest between their duties in the Company and their private interests and/or their other duties.

Based on independence valuation, among the board members Tapani Rautiainen, Timo Valjakka, Mikko Larvala and Patrik Hertsberg have been considered independent of the Company. Jouni Torasvirta and Veli Matti Salmenkylä have been considered independent of the major shareholders.

The Management Company may, based on a separate decision by the Company's board, act as broker of the investment assets and charge a transaction fee for its services to the assignor when the Company acquires apartments or receives apartments as contribution in kind. In the 2014 financial period, the Management Company charged to the assignors a total fee of approximately EUR 108,000 for its services.

## **Holdings of the Board Members and the CEO**

The following table sets forth the holdings of the board members and the CEO as at 9 March 2015:

Name	Born	Position	Holding
Jouni Torasvirta	1965	Chairman	47,739****
Tapani Rautiainen	1957	Deputy chairman	976,364* **
Mikko Larvala	1966	Board member	0
Veli Matti Salmenkylä	1960	Board member	100
Timo Valjakka	1960	Board member	657,799* ***
Pekka Peiponen	1962	CEO	100
Patrik Hertsberg	1963	Board member	0

\*Holding through controlled companies Länsi-Suomen Vuokratalot Oy (258,823), Avaintalot Oy (100,194) and Maakunnan Asunnot Oy (69,422), \*\*holding through controlled company Sysmääläntien Kiinteistöt Oy (218,985) and Royal House Oy (328,940), which belong to Royal House -konserni. \*\*\* holding through controlled company Godoinvest Oy (229,360), \*\*\*\* holding through the Management Company (45,639).

Except as stated above, to the knowledge of the Company the members of the board of directors and the CEO do not have any conflicts of interest between their duties relating to the Company and their private interests and/or their other duties.

### Compensations of the Board Members and the CEO

During the 2014 financial period, the monthly fee of a board member was EUR 900 and that of the chairman EUR 1,500. In addition, a member was paid EUR 300 and the chairman EUR 600 for attending a board meeting. The following table sets forth the compensations of the board members in 2014:

Name	Amount, EUR
Jouni Torasvirta	29,000
Tapani Rautiainen	15,000
Veli Matti Salmenkylä	16,000
Timo Valjakka	16,000
Peter Ahlström	16,000
Mikko Larvala	16,000
Peter Ahlström*	16,000
<b>Total</b>	<b>107,000</b>

\*Peter Ahlström was not re-elected to the board of directors at the annual general meeting held on 19 March 2015.

The Company does not pay a salary to the CEO.

The annual general meeting held on 19 March 2015 decided on the remunerations to be paid to the members of the board of directors as follows: chairman EUR 2,000 and members EUR 1,200 per month, plus a meeting-specific fee of EUR 600 for the chairman and EUR 300 for a member for attendance at meetings.

As at 31 December 2014, the total amount of the Company's pension liabilities was EUR 0.

### Certain information on the members of the board of directors and the CEO

As at the date of this Listing Prospectus, none of the members of the board of directors or the CEO of the Company have during the previous five years:

- had any convictions in relation to fraudulent offences;
- been in a managerial position, such as a member of the administrative, management or supervisory body or belonged to the senior management of any company at the time of its bankruptcy, liquidation or reorganisation, or been involved in the administration of the estate of such a company; or

- been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from managing the affairs of any company.

## Corporate Governance

In its operations, the Company complies with Finnish legislation, the Company's Articles of Association and governance policies determined by the board of directors and the Company's rules for real estate investment operations approved by the FIN-FSA. In addition, the Company complies with the rules and regulations of the Helsinki Stock Exchange as applicable and the Finnish Corporate Governance Code issued by the Securities Market Association, with the exception that there is no female member at the Company's board of directors and the Company's board of directors has not appointed committees. For the time being, the Company has not deemed it necessary to appoint separate committees, as they are not required in light of the size of the Company and the extent of its operations.

In accordance with the Finnish Corporate Governance Code, both sexes must be represented at the board of directors. In this extent, the composition of the Company's boards of directors does not comply with the recommendation. During the growth stage after the Company's establishment its key persons have formed its board together with key owners. There has been no women among the key persons and main owners. In the light of the nature and extent as well as the industry of the Company's operations, it has been challenging for the Company to find suitable women candidates in accordance with its priority areas. The Company aims to comply with the recommendation of the Corporate Governance Code also with respect to the board of directors' composition.

## Major Shareholders

To the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled by any person for the purposes of Chapter 2, Section 4 of the Finnish Securities Markets Act, and the Issuer is not aware of any arrangement the operation of which may result in change of control of the Issuer.

The following table sets forth the ten largest shareholders in the Company on 9 March 2015:

Shareholder	Shares on 9 March 2015	%
Royal House -konserni***	547,925	8.4
Länsi-Suomen Vuokratalot Oy*	258,823	4.0
Godoinvest Oy**	229,360	3.5
Avaintalot Oy*	100,194	1.5
Yli-Torkko Erkki	100,000	1.5
Rannikko Reino	90,700	1.4
Pakarinen Janne	87,005	1.3
Livränteanstalten Hereditas	81,000	1.2
Maakunnan Asunnot Oy	69,422	1.1
Osuusasunnot Oy	49,993	0.8
<b>Ten largest, total</b>	<b>1,614,422</b>	<b>24.8</b>

\*Companies in which board members Tapani Rautiainen and Timo Valjakka exercise control.

\*\*Company in which board member Timo Valjakka exercises control. \*\*\*Company in which board member Tapani Rautiainen exercises control. The aforementioned companies in which Tapani Rautiainen and Timo Valjakka exercise control operate in the same field of operations as the Company.



## Related party transactions

The Company's related parties are comprised of its subsidiaries, the members of its board of directors, its CEO and management group and their family members. The Company's related parties also include any owners exercising control or significant influence in the Company and companies in which such parties exercise control or in which a person exercising control in the Company exercises significant influence or is a member of the company's or its parent company's management.

The Company's CEO Pekka Peiponen is a board member of the Company's Management Company. The Chairman of the Company's board of directors Jouni Torasvirta is the CEO and board member of the Management Company. Veli Matti Salmenkylä is the CFO and Chairman of the Management Company and a board member of the Company. Jouni Torasvirta holds 69.8 per cent, Veli Matti Salmenkylä 20.0 per cent and Pekka Peiponen 10.0 per cent of the shares and votes in the Management Company.

The following table sets forth the Company's related party transactions for the 2014, 2013 and 2012 financial periods until the date of this Listing Prospectus.

Related party transactions, 1,000 €	Services purchased, inc. VAT	Performance-based fee*	Acquisition of investment properties, purchase price	Proportion of contribution in kind in the acquisition, %	Debt as at 31 Dec	Interests paid	Collateral given (+)/obtained (-) value	Note
<b>Financial period 1 Jan -31 Dec 2012</b>								
Orava Rahastot Oyj	184	128					-200	1
Maakunnan Asunnot Oy						6	-1,250	2
Salonkirakentajat Oy, acquisition on 27 February 2012			150	0				
Avaintalot Oy, acquisition on 27 September 2012			650	0	450	4		
<b>Total</b>	<b>184</b>	<b>128</b>	<b>800</b>		<b>450</b>	<b>10</b>	<b>-1,450</b>	
<b>Financial period 1 Jan -31 Dec 2013</b>								
Orava Rahastot Oyj	226	0					-200	1
Maakunnan Asunnot Oy								
Acquisition on 26 February 2013			131	0	0	2		
Acquisition on 29 May 2013			3,100	0	0	35		
Avaintalot Oy					0	5		
Godoinvest Oy			1,275	0	548	13	1,250	3
Royal House Oy			1,275	0	548	13	1,250	3
<b>Total</b>	<b>226</b>	<b>0</b>	<b>5,781</b>	<b>0</b>	<b>5,424</b>	<b>17</b>	<b>2,300</b>	
<b>Financial period 1 Jan -31 Dec 2014</b>								
Orava Rahastot Oyj	633.5	847						
Godoinvest Oy					0	14		4
Royal House Oy					4,000	14		4
A. Ahlström Kiinteistöt Oy								
Acquisition on 25 June 2014			4,000	100				
Acquisition on 30 September 2014			1,500	100				
Royal House Oy								
Acquisition on 31 December 2014			4,000	97.5				
<b>Total</b>	<b>633.5</b>	<b>847</b>	<b>9,500</b>		<b>4,000</b>	<b>28</b>		

Note 1: Torasvirta and Salmenkylä have given on the behalf of the Company a bank guarantee as collateral for Danske Bank's debts until their or Orava Rahastot Oyj's holding of the Company totals EUR 200 thousand.

Note 2: Maakunnan Asunnot Oy gave the Company an supplementary collateral for Danske Bank in order to close the sale and purchase of As Oy Vantaan Rasinrinne 13.

Note 3: The Company gave to Maakunnan Asunnot Oy the share certificates of As Oy Lohjan Koulukuja 14 as a collateral for debt.

Note 4: During the last quarter of the 2014 financial period, the Company paid back a loan of EUR 548 thousand to Godoinvest Oy and a loan of EUR 548 thousand to Royal House Oy.

\*The annual general meeting of the Company held on 19 March 2015 decided to amend the Company's rules for real estate investment operations so that the stock exchange price of the share shall be used in the calculation of the performance-based management fee, if the stock exchange price of the share is lower than net assets per share.

*Related party transactions after the 2014 financial period*

At its meeting on 11 February 2015, the board of directors allocated 39,952 shares to the Management Company. The subscription price of the shares was the weighted average price during the last five days of stock exchange trading in 2014. Orava Funds plc set off the payment of the subscription price against its performance-based management fee receivable of EUR 423,491.20 to be paid in shares.

## SHARES AND SHARE CAPITAL

### *Information on share and share capital*

The Company's shares belong to the book-entry system. The Company was listed on the Helsinki Stock Exchange on October 2013. The trading code of the Company's share is OREIT.

As at the date of this Listing Prospectus, the Company's share capital amounted to EUR 60,335,570, divided into 6,510,045 shares. Each share carries one vote at the annual general meeting of the Company. The Company's shares have no nominal value. The ISIN code of the shares is FI4000068614.

ISIN code of the share	Dividend right*	Shares
FI4000068614	100%	6,510,045
<b>Total</b>		<b>6,510,045</b>

\*The shares held by the Company do not entitle to dividends in 2015 paid for the 2014 profit.

In accordance with the Tax Exemption Act, the Company may not acquire its own shares.

### *Historical development of the share capital and number of shares*

The following table sets forth the changes in the number of shares, the share capital and the reserve for unrestricted invested equity of the Company since its incorporation. The number of shares in the Company at the beginning of the 2015 financial period was 5,206,123 and as at the date of this Listing Prospectus 6,510,045. In accordance with its operating model, the Company uses its own shares as purchase price for the Investment Properties. The Company's auditor has issued to the Company a statement on the contribution in kind given for the Investment Properties in accordance with the Limited Liability Companies Act.

Of the total amount of shares, 42.4 per cent has been paid with other means than cash.

As at the date of this Listing Prospectus, the Company held 411,336 treasury shares. The Company has obtained these shares by directing charge-free share issues to itself.

Transaction	Number of new shares issued	Company's shares after the transaction	Subscription of the share issue (EUR)	Share capital after the transaction (EUR)	Reserve for unrestricted invested equity after the transaction (EUR)	Registered in the Trade Register
<b><i>Before the combination</i></b>						
Incorporation of the Company	502,766*	5,027,660	10.00*	5,027,660	0	28.1.2011
Directed share issue I/2011, 29.3.2011	247,794*	7,505,600	10.00*	7,505,600	0	29.4.2011
<b><i>After the combination</i></b>						
Directed share issue II/2011, 9.6.2011	11,707	762,267	10.25	7,622,670	2,926	30.6.2011
Directed share issue III/2011, 1.9.2011	409,469	1,171,736	10.38	11,717,360	158,525	15.9.2011
Directed share issue I/2012, 29.6.2012	105,364	1,277,100	10.44	12,771,000	204,885	29.6.2012
Directed share issue II/2012, 31.10.2012	89,458	1,366,558	10.85	13,665,580	280,924	31.10.2012
Directed share issue I/2013, 25.3.2013 **	25,687	1,392,245	10.20	13,922,450	292,203	25.3.2013
Directed share issue II/2013, 29.7.2013	76,999	1,469,244	10.13	14,692,440	302,213	6.9.2013
Directed share issue III/2013, 27.9.2013	236,650	1,705,894	10.30	17,058,940	373,208	11.10.2013

Share issue to public IV/2013	2,608,500	4,314,394	10.30	43,143,940	1,155,758	11.10.2013
Directed share issue I/2014 25.6.2014	318,923	4,633,317	12.82	46,333,170	2,055,120	26.6.2014
Directed share issue II/2014 25.6.2014	100,000	4,733,317	0.00	46,333,170	2,055,120	26.6.2014
Directed share issue III/2014 6.8.2014	80,000	4,813,317	0.00	46,333,170	2,055,120	15.8.2014
Directed share issue IV/2014 30.9.2014	114,806	4,928,123	12.63	47,481,230	2,357,060	8.10.2014
Directed share issue V/2014 30.9.2014	80,000	5,008,123	0.00	47,481,230	2,357,060	8.10.2014
Conversion of convertible bond 30.9.2014	0	5,008,123	12.69	49,057,130	2,781,160	8.10.2014
Directed share issue VI/2014 6.11.2014	80,000	5,088,123	0.00	49,057,130	2,781,160	1.12.2014
Directed share issue VII/2014 11.12.2014	118,000	5,206,123	0.00	49,057,130	2,781,160	16.12.2014
Conversion of convertible bond 10.12.2014	0	5,206,123	11.72	50,337,280	3,001,010	23.12.2014
Directed share issue IX/2014 17.12.2014	500,000	5,706,123	0.00	50,337,280	3,001,010	5.1.2015
Directed share issue I/2015 31.12.2014	235,922	5,942,045	11.33	52,696,500	3,314,786	23.1.2015
Directed share issue II/2015 28.11.2014	368,000	6,310,045	10.60	56,376,500	3,498,786	9.2.2015
Directed share issue III/2015 9.2.2015	200,000	6,510,045	0.00	56,376,500	3,498,786	9.2.2015
Directed share issue IV/2015 11.2.2015	39,952	6,510,045	10.60	56,776,020	3,522,757	31.3.2015
Directed share issue V/2015 26.2.2015	5,000	6,510,045	11.54	56,826,020	3,530,457	31.3.2015
Conversion of convertible bond 19.3.2015	350,955	6,510,045	11.40	60,335,570	4,020,907	31.3.2015
Directed share issue VI/2015 31.3.2015****	244,193	6,754,238	11.48	62,777,500	4,382,001	***

\* The table sets forth the numbers and subscription prices of shares after combination and cancellation of shares that took place on 10 June 2011, when the proportion of one share of the share capital changed from EUR 1 to EUR 10. \*\* In the directed issue 1/2013, 5,687 shares were subscribed at a price of EUR 11.28. \*\*\* As at the date of this Listing Prospectus, these shares had not yet been registered in the Trade Register. \*\*\*\* This directed share issue relates to acquisition of 87 apartments in Kaarina and Raisio for a purchase price of EUR 3.4 million. The deal was partly financed through a directed share issue allocated to Osuusasunnot Oy. For more information on the acquisition, see “Financial and Trend Information – Recent Events – Events after the 2014 financial period”.

The Company holds a stock of own shares that it assigns to holders of convertible loans upon conversion as consideration in its acquisitions of Investment Properties, among other things. Therefore, the Company shareholders’ equity changes due to the assignment of shares given. Thus, the shareholders’ equity specified above only applies as at the date of this Listing Prospectus.

### **Convertible loans**

The Company has made in 2014 and 2015 fourteen convertible loan agreements, which have raised EUR 8.5 million. As at the date of this Listing Prospectus, thirteen of the convertible loan agreements had been converted in full in shares. The following table sets forth the convertible loan agreements made in 2014 and 2015 until the date of this Listing Prospectus:

Date	Amount of convertible loan (EUR)	Lender
26 June 2014	1,000,000	Erikoissijoitusrahasto UB View
6 August 2014	1,000,000	Erikoissijoitusrahasto UB View

29 September 2014	1,000,000	Erikoissijoitusrahasto UB View
20 November 2014	500,000	Webstor Oy
10 December 2014	500,000	Webstor Oy
12 December 2014	500,000	Webstor Oy
18 December 2014	500,000	Webstor Oy
2 January 2015	500,000	Webstor Oy
21 January 2015	500,000	Webstor Oy
27 January 2015	500,000	Webstor Oy
2 February 2015	500,000	Webstor Oy
13 February 2015	500,000	Webstor Oy
11 March 2015	500,000	Webstor Oy
27 March	500,000	Webstor Oy

The amount of shares possibly converted depends on the Company's share price on the conversion date.

The loan period of convertible loan agreements that remain as loans is six months, and both the lender and the Company have the right to convert the loan into the Company's shares. The subscription price of the share is the average value of stock exchange prices weighted by share turnover on the date of presentation of the subscription notice for the Company's share and the preceding date in trading on the Helsinki Stock Exchange. The subscription price is paid by setting off the receivables based on the principal of the convertible loan against the subscription price. Upon determining the share subscription price, prices obtained from block trading at the exchange are not taken into consideration.

### ***Share issue authorisations***

The annual general meeting held on 19 March 2015 decided on granting a share issue authorisation and authorisation to issue option rights and other special rights entitling to shares to the board of directors so that, on the basis of the authorisation, the board of directors may issue no more than 6,000,000 new shares in the Company (of which a maximum of 1,500,000 shares carry a right to dividends as of 1 April 2015 and 4,500,000 shares carry no right to dividends during 2015). On the basis of the authorisation, the board of directors may use directed issues. Shares may be issued in deviation from shareholders' pre-emptive rights through a directed issue if there is a weighty financial reason for it from the point of view of the Company, such as developing the Company's capital structure or financing or implementing transactions in shares in housing companies. The subscription price of shares may be paid in cash or, instead of cash, in its entirety or partly in subscriptions in kind. The authorisation will valid until the next annual general meeting. The authorisation will repeal the previous authorisation given on 18 March 2014. This authorisation has been used both for the conversions of the convertible loans (350,955 shares) and for the acquisition completed on 31 March 2015 (244,193 shares). Therefore, as at the date of this Listing Prospectus, 5,404,852 shares remained unused from the said authorisation.

## **Shareholders' Rights**

### ***General meetings of shareholders***

Under the Finnish Limited Liability Companies Act, shareholders exercise their power to decide on corporate matters at general meetings of shareholders.

The Company's Articles of Association require that an annual general meeting of shareholders be held each year by the end of June at a time determined by the board of directors. At the general meeting, the financial statements, including an income statement, balance sheet and report of the board of directors as well the auditor's report must be presented to the shareholders for adoption.

At the general meeting, the shareholders also make decisions, among other things, on using the profit or loss shown in the adopted balance sheet, on discharge from liability for the members of the board of directors and the CEO as well as on the composition of the board of directors and the remuneration of the members of the board of directors. In addition, the general meeting of shareholders elects the board members and the auditor.

Typically, general meetings of shareholders are convened by the board of directors. An extraordinary general meeting of shareholders shall be held in respect of specific matters when considered necessary by the board of directors of the Company, or when requested in writing by an auditor of the Company or by shareholders representing at least one-tenth of all the issued and outstanding shares of the Company.

According to the articles of association of the Company, a notice to convene the general meeting must be published on the Company's website no earlier than three (3) months and no later than 21 days before the general meeting, however in no event later than nine days before the record date of the general meeting referred to in the Limited Liability

Companies Act. In addition, in order for a shareholder to be entitled to take part in the general meeting, said shareholder must register with the Company no later than the date indicated in the notice to convene the general meeting, no earlier than ten (10) days before said meeting.

All shareholders registered in the Company's shareholder list maintained by Euroclear Finland by eight working days before the general meeting ('record date of the general meeting') shall have the right to attend the meeting. The holder of nominee registered shares, who on the basis of the shares would have the right to be registered in the Company's shareholder list maintained by Euroclear Finland on the record date of the general meeting, can notify to be temporarily recorded in the shareholder list so that said person can take part in the general meeting. A notification concerning temporary recording in the shareholder list must be carried out at the latest on the date indicated in the notice to the general meeting, which date must be after the record date of the general meeting. A notification concerning nominee-registered shareholder on temporary recording in the Company's shareholder list shall be considered as registration for the general meeting.

There are no quorum requirements for general meetings of shareholders in the Limited Liability Companies Act or the Company's articles of association.

### ***Voting Rights***

A shareholder may attend and vote at a general meeting of shareholders in person or through an authorised representative. Each share confers one vote at a general meeting. At a general meeting of shareholders, resolutions shall generally be passed by a simple majority of the votes cast. However, certain resolutions, such as a resolution to amend the articles of association, a resolution regarding the merger or liquidation of a company, require a majority of at least two-thirds of the votes cast and of the shares represented at the general meeting of shareholders. In addition, certain resolutions, such as amendments to the articles of association which change the respective rights of shareholders holding the same class of shares or increase the redemption rights of the company or its shareholders, require the consent of all shareholders, and for certain resolutions, in addition to the applicable majority requirement, the consent of all those shareholders who are affected by the amendment.

### ***Dividends and other distribution of assets***

For the 2012 financial period, the profit of the parent company was approximately EUR 1,360 thousand and the loss of the parent company without unrealised value changes approximately EUR 50 thousand. Of the result for the 2012 financial period, the general meeting of shareholders authorised the board of directors to distribute as dividends approximately EUR 1,347, at maximum. Of the result for the 2012 financial period, the maximum amount was paid as dividends. For the 2013 financial period, the profit of the parent company was approximately EUR 6,332 thousand and the loss of the parent company without unrealised value changes approximately EUR 458 thousand. Of the result for the 2013 financial period, the general meeting of shareholders authorised the board of directors to distribute approximately EUR 4,825 thousand as dividends. For the 2014 financial period, the profit of the parent company was approximately EUR 7,170 thousand.

The Company's policy has been that the general meeting of shareholders has decided on dividends to be paid quarterly and dividend payment dates and issued the board of directors an authorisation to decide on the record dates of the dividend payment and supervise the Company's solvency prior to each payment of dividends. The Company aims to distribute annually a dividend profit for net assets of 7 to 10 per cent. The policy has been that the dividend profit has been calculated based on net assets per share. Net assets are calculated as adjusted with the Group's comprehensive income items.

Under the Tax Exemption Act, the Company must distribute annually at least 90% of its profits for the financial period, less the unrealised change in value of the Investment Properties (and comprehensive income items of IFRS), as dividends to its shareholders. On the other hand, the Tax Exemption Act limits the distribution of own assets to distribution of profit. The maximum amount of the authorisation given by the general meeting of shareholders to the board of directors is not entered before the board of director's decision. When the general meeting of shareholders decides on dividend distribution, the dividend distribution is entered into consolidated balance sheet for the period during which the dividends are approved at the general meeting. When the general meeting authorizes the board of directors to decide on the distribution of dividends, the distribution of dividends is entered in the consolidated balance sheet for the period during which the dividends are approved at the board meeting.

Dividends and other distributions shall be paid to shareholders or their nominees entered into the register of shareholders on the record date for payment of dividends. The shareholders' register shall be kept by Euroclear Finland on the basis of information on book-entry accounts managed by account operators. In the book-entry system, dividends are paid through account transfers to shareholders on the basis of the payment details, such as bank details, entered into the book-entry accounts. The right to dividend expires three years from the due date of the dividend payment.

Condition 11.2 of the Terms and Conditions of the Notes related to Restricted Payments limits the Issuer's ability to distribute dividends or other assets if an Event of Default exists or the Loan to Value ratio exceeds 55 per cent, as provided for in the Terms and Conditions of the Notes.

***Decisions of the 2015 annual general meeting regarding dividend distribution***

The annual general meeting held on 19 March 2015 authorised the board of directors to decide on distribution of profit for 2014 before 31 December 2015 as follows: No more than EUR 1.20 per share will be paid in dividends for shares (ISIN code FI4000068614) not in the Company's possession and issued in the book-entry system no later than on 19 March 2015 according to the following table.

ISIN code of the share	Dividend right	Shares	Dividend	Total
FI4000068614	100%	5,984,262	1.20	7,181,114.40

In addition, according to the authorisation granted by the annual general meeting on 19 March 2015, the Company may also issue shares through directed issues that entitle to dividend as of the beginning of April 2015.

ISIN code of the share	Dividend right	Shares	Dividend	Total
FI4000068614	100% as of April 2015	1,500,000	0.90	1,350,000.00

A total of EUR 8,531,114.40, at maximum, can be paid as dividends. For each instalment, the dividend to be paid quarterly is no more than EUR 0.30 per share.

The payment dates of the dividends are 31 March 2015, 30 June 2015, 30 September 2015 and 30 December 2015. The board of directors was authorised to decide on the amount and payment of dividends quarterly within the above limits, provided that the Company's solvency is not endangered due to the distribution of dividends.

Based on the authorisation granted by the annual general meeting, the board of directors decided to pay dividends of EUR 0.30 per share for a total of 5,984,262 shares. The record date of the dividend payment was 23 March 2015. Of this dividend, EUR 1.5 million was paid on 31 March 2015, and the withholding tax of the dividend of EUR 0.3 million will be paid on 13 April 2015.

***Prohibition to acquire the Company's own shares***

In accordance with the Tax Exemption Act, the Company may not acquire its own shares. Therefore, the Company may only distribute its assets as dividends.

## ADDITIONAL INFORMATION ON THE ISSUE OF THE NOTES

Decisions and authorisations:	Decision of the board of directors of the Issuer on 11 February 2015.
Type of the issue:	<p>Individual issue of the Notes offered mainly to institutional investors. The maximum principal amount of the Notes (EUR 20,000,000) was issued on 1 April 2015.</p> <p>Pursuant to the Terms and Conditions of the Notes, the Issuer may issue additional Notes up to an aggregate amount of EUR 15,000,000 substantially on the same terms and conditions and with the same ISIN code.</p>
Minimum overcollateralisation ratio:	130 per cent of the total outstanding principal amount of the Notes.
Interests of the participants of the issue of the Notes:	<p>Realia Management Oy and Turun Seudun OP-Kiinteistökeskus Oy are paid a separate fee for acting as valuers under the Terms and Conditions of the Notes.</p> <p>Interests of the Lead Manager: Business interests normal in the financial markets and the repayment of loans of EUR 17 million.</p> <p>Interests of the Agent: Business interests normal in the financial markets.</p>
Form of Notes:	Dematerialised securities issued in book-entry form in the OM book-entry system maintained by Euroclear Finland.
Depository and settlement system:	Euroclear Finland, address Urho Kekkosen katu 5C, FI-00100, Helsinki, Finland, OM book-entry system of Euroclear Finland.
Estimated time of listing:	On or about 2 April 2015.
Agent for the Noteholders:	Nordic Trustee Oy.
Issuing Agent:	Danske Bank Oyj.
Interest:	A fixed interest rate of 4.25% per annum.
Effective yield:	4.25% per annum.
Issue price:	100% of the principal amount.
Estimated cost of issue and listing:	Approximately EUR 0.4 million.
Estimated net amount of the proceeds, including the issue price and estimated cost of issue and listing:	Approximately EUR 19.6 million.
ISIN code of the Notes:	FI4000148838.
Use of proceeds:	Repayment of bank loans of the parent company to the extent of EUR 17.4 million and general corporate purposes of the Group.
Taxation:	<p>If the recipient of interest paid on the Notes is an individual residing in Finland or an undistributed estate of a deceased Finnish resident, such interest is subject to preliminary withholding tax in accordance with the Finnish Withholding Tax Act (Fi: <i>ennakkoperintälaki</i>) (1118/1996, as amended) and final taxation as capital income in accordance with the Finnish Income Tax Act (Fi: <i>tuloverolaki</i>) (1535/1992, as amended). The current rate of withholding tax is 30%. The capital income tax is 30% (33 % of the capital income exceeding EUR 30,000). The Finnish Act on Source Tax on Interest Income (Fi: <i>laki korkotulon lähdeverosta</i>) (1341/1990, as amended) is not applicable to the Notes.</p> <p>If the recipient of interest paid on the Notes is a corporation further defined in the Finnish Income Tax Act residing in Finland, such interest is subject to final taxation of the recipient in accordance with the Finnish Business Income Tax Act (Fi: <i>laki elinkeinotulon verottamisesta</i>) (360/1968, as amended) or the Finnish Income Tax</p>



Act (Fi: *tuloverolaki*) (1535/1992, as amended). The current rate of corporate income tax is 20%.

In case the subscriber is liable to pay the interest accrued from the Issue Date until the payment date of the subscription, the subscriber is entitled to deduct the paid interest from the taxable income of the year of subscription.

Payment of interest to a Holder, who is neither a resident in Finland nor engaged in trade or business in Finland through a permanent establishment, is not subject to Finnish withholding tax.

The Noteholders are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

## ADDITIONAL INFORMATION ON THE SECURITY

*The following description is partly based on and must be read in conjunction with the Terms and Conditions of the Notes. To the extent there is any discrepancy between the Terms and Conditions of the Notes and the following description, the Terms and Conditions of the Notes will prevail. The capitalised terms used have the same meaning as defined in the Terms and Conditions of the Notes.*

### Security

Under the Terms and Conditions of the Notes, the Issuer creates a security over certain of its assets to secure the obligations of the Issuer under the Notes. The assets subject to the security comprise (a) shares in housing companies or mutual real estate companies owned by the Issuer; and (b) all amounts standing to the credit of the Issuer's specified bank account. The assets subject to the security are governed by the laws of Finland and they are subject to the Security Criteria set forth in the Terms and Conditions of the Notes, according to which at least 50 per cent of the value of the shares subject to the security comprise shares in mutual real estate companies or housing companies owning buildings situated in any of the following municipalities or areas: Espoo, Helsinki, Kauniainen, Vantaa, Hyvinkää, Kerava, Järvenpää, Sipoo, Nurmijärvi, Tuusula, Vihti and Kirkkonummi and the Central Localities (Fin: *keskustaajama*) of Jyväskylä, Lahti, Oulu, Tampere and Turku; and at least 50 per cent of the value of the shares subject to security comprise shares in mutual real estate companies or housing companies owning buildings that are completed no earlier than in the year 1990.

The release and replacement of the security is determined in the Terms and Conditions of the Notes and in the relevant security agreements and is subject to the consent of the Agent. Subject to the Security Criteria, the assets subject to the security may vary during the term of the Notes. Hence, for instance, the proportion of each type of security may increase or decrease compared to each other although the total value of the security would not change. Further, a housing company or a mutual real estate company the shares of which are subject to the security may, for example, be replaced by shares in another housing company or mutual real estate company. This results in the shares of the first-mentioned housing company or mutual real estate company being released from the security and the shares of the latter becoming subject to the security. The variation may result, for example, from the Issuer's acquisition and disposal activities. In any event, for so long as any of the Notes is outstanding, the Issuer has undertaken that the total value of the security must not be less than an amount equal to 130 per cent of the total outstanding principal amount of the Notes in issue at any time.

In case of certain Events of Default, as defined under '*Terms and Conditions of the Notes – Acceleration of the Notes*', the Agent may give instructions to tenants to pay the rental income related to the assets subject to the security to the bank account that is pledged to the benefit of the holders of the Notes in order to, first, cover maintenance charges and costs as well as financial charges (in Finnish "*rahoitusvastike*") relating to the assets subject to the security, and secondly, payments of outstanding obligations under the Notes.

Information on the initial pool of assets subject to the security is presented in Annex 2.

### Entity Providing the Security

A description of the Issuer is presented under "*Information about the Issuer*".

As at 31 December 2014, the fair value of the Issuer's investment properties totalled EUR 130.7 million (2013: EUR 79.2 million). The Issuer had a total of 1,318 apartments and business premises (2013: 791), with an aggregate leasable surface area of approximately 82.2 thousand square meters (2013: 50.1 thousand square meters). The apartments were located at 63 different housing companies; in 16 of the cases, the Issuer's holding is 100%.

Between 1 January and 31 March 2015, the Company has sold 9 apartments and one parking place and acquired 162 apartments. Fair value of sold assets as at 31 December 2014 was EUR 841,544. Purchase price of acquired assets was EUR 19.7 million.

For more detailed information on the Company's Investment Properties, see "*Information about the Issuer – The Company's Investment Properties*".

### Determination of Fair Value of the Issuer's Assets Subject to Security

An external expert and real estate valuer carries out the valuation process twice per year. Additionally, the Agent is entitled to obtain a valuation if it has reason to believe that an Event of Default has occurred. None of the assets subject to the security are subject to legal restrictions on divestments and use and their fair values are based on the market

value. The fair value of the assets subject to the security is determined in accordance with IFRS. The portion of debt of the entire security pool as at 31 December 2014 was EUR 15.2 million.

Realia Management Oy's and Turun Seudun OP-Kiinteistökeskus Oy's valuation reports on the assets subject to the security of the Notes are attached as Annexes 3 and 4 of this Listing Prospectus. There has been no significant changes in the fair values of the assets subject to the security between the value dates of the said valuation reports and the date of this Listing Prospectus.

## **Agent**

By subscribing for, or accepting the assignment of, any Note, each holder of a Note has appointed the Agent to act on its behalf and to perform custodial and administrative functions relating to the security and the Notes. As set out in more detail in the Terms and Conditions of the Notes, the Agent, among other things, holds the security as agent, acts as pledgee under all security, enforces the security and receives and distributes any proceeds of enforcement of the security for the benefit of the holders of the Notes and makes further distribution of such proceeds. The Agent has, among other things, the right to represent the Noteholders in all court and administrative proceedings in respect of the Notes and the security. At the date of this Listing Prospectus, Nordic Trustee Oy acts as the Agent. However, in certain circumstances as set out in more detail in the Terms and Conditions of the Notes, the Noteholders may replace the Agent by a successor agent. Generally, the successor agent has the same rights and obligations as the retired Agent. Any successor agent must be a reputable Nordic entity equivalent to the original agent or a reputable Finnish or Nordic financial institution subject to supervision by a Finnish and/or Nordic financial supervisory authority.

## **Summary of Regulation Relating to the Assets Subject to the Security**

### ***Shares in mutual real estate companies***

A mutual real estate company is a limited liability company owning one or several buildings with less than one-half of the total floor space used for residential purposes. The underlying land may be owned or leased by the mutual real estate company. Mutual real estate companies may, upon their shareholders' discretion when establishing a mutual real estate company, be governed by the Companies Act or the Finnish Housing Companies Act (1599/2009, as amended) (the "**Housing Companies Act**"), as stipulated in the mutual real estate company's articles of association. The mutual real estate company is responsible for all expenses relating to its property, including taxes, insurance premiums and maintenance costs, which it then passes on to its shareholders in the form of charges. The allocation of the charges is stipulated in the company's articles of association, usually by allocating the charges among the shareholders in proportion to the number of shares owned.

A mutual real estate company is a legal entity with rights and obligations separate from the rights and obligations of its shareholders. The shares of a mutual real estate company carry rights to occupy a specific space or area of the building or real estate owned by the mutual real estate company as stipulated in its articles of association. As the shareholders of the mutual real estate company possess the shares of the company, they also execute rental agreements and receive the rental income directly. A mutual real estate company does not aim to generate profit, since the profit is generated directly to the shareholders.

The governance of a mutual real estate company is similar to that of any other Finnish limited liability company. Shareholders exercise their power to decide on corporate matters at shareholders' meetings. The board of directors of the company, elected by the shareholders' meeting, is responsible for the management of the company. A managing director or a property manager is generally responsible for day-to-day management.

### ***Shares in limited liability housing companies***

A limited liability housing company is a limited liability company owning and controlling at least one building or part thereof in which at least half of the combined floor area of the housing or housings is reserved for use as residential apartments possessed by the shareholders. Limited liability housing companies are governed by the Housing Companies Act.

A limited liability housing company is an independent legal entity with rights and obligations separate from the rights and obligations of its shareholders. The responsibility for the maintenance of the housing company's building(s) and other facilities is divided between the shareholders and the housing company in accordance with the provisions of the Housing Companies Act, unless otherwise provided in the company's articles of association. In order to cover the housing company's expenditures, the shareholders of a limited liability housing company are obliged to pay charges for common expenses in accordance with the criteria provided in the articles of association, usually by allocating the charges among the shareholders in proportion to the number of shares owned or by allocating the charges among shareholders in proportion to the floor square metres possessed.

Separately or combined with other shares, each share of a limited liability housing company provides a right of possession to a housing or other part of a building or real estate as stipulated in the articles of association of the company. As well as the shareholders of mutual real estate companies, the shareholders of limited liability housing companies may also execute rental agreements and thus receive the rental income directly. The assets of a housing company may be distributed to its shareholders only as provided in the Housing Companies Act.

The governance of a limited liability housing company follows the provisions of the Housing Companies Act. Shareholders exercise their power to decide on corporate matters at shareholders' meetings. The board of directors of the company, elected by the shareholders' meeting, is responsible for administration of the housing company, the appropriate organisation of maintenance of the real estate and of the buildings and other operations. A housing company may also have a manager, which is responsible for the maintenance of the real estate and of the buildings and to the executive management of the housing company in accordance with the instructions and orders given by the board of directors.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents have been incorporated by reference to this Listing Prospectus. They have been published on the Company's website at [www.oravaasuntorahasto.fi/english](http://www.oravaasuntorahasto.fi/english).

### **Information Incorporated by Reference**

Audited Financial Statement for the year 2012  
Auditor's Report for the year 2012  
Audited Financial Statement for the year 2013  
Auditor's Report for the year 2013  
Audited Financial Statement for the year 2014  
Auditor's Report for the year 2014

## **DOCUMENTS ON DISPLAY AND AVAILABLE INFORMATION**

In addition to the documents incorporated by reference, the Terms and Conditions of the Notes, the Finance Documents referred therein, the Agency Agreement, the Issuing Agency Agreement, the Company's Articles of Association, the Extract from the Finnish Trade Register concerning the Company and the valuation reports attached as Annexes 3 and 4 may be inspected during the loan period at the head office of the Company, Kanavaranta 7 C 20, FI-00160 Helsinki, Finland on weekdays from 9:00 am to 4:00 pm. In order to ensure the best possible service, persons wishing to examine the documents referred to in this section are kindly requested to notify the Company of their visit in advance by telephone at +358 10 420 3100.

The Company publishes annual reports, including its audited consolidated financial statements, quarterly interim financial information and other information as required by the Helsinki Stock Exchange. The Company publishes its financial statements, interim reports and stock exchange releases in Finnish and in English. Copies of these documents can be obtained from the Company at Kanavaranta 7 C 20, FI-00160 Helsinki, telephone +358 10 420 3100 and fax +358 9 698 0310 or by email at [info@oravarahastot.fi](mailto:info@oravarahastot.fi).



**ORAVA**

**TERMS AND CONDITIONS FOR  
ORAVA RESIDENTIAL REIT PLC  
UP TO EUR 35,000,000  
SENIOR SECURED FIXED RATE NOTES  
ISIN: FI4000148838**

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## 1. DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Accounting Principles**” means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC on the application of international accounting standards (or as otherwise adopted or amended from time to time, except where specifically stated to refer to such standards as in force on the First Issue Date).

“**Adjusted EBITDA**” means the consolidated operating profit of the Group before interest, taxes, depreciation and amortization from ordinary activities after:

- (a) excluding realized gains and/or losses arising from property sales;
- (b) excluding gains and/or losses arising from upward and/or downward revaluations of the aggregate ownership interests in mutual real estate companies (Fin: *keskinäinen kiinteistöosakeyhtiö*) or housing companies (Fin: *asunto-osakeyhtiö*) held by the Issuer from time to time; and
- (c) adding back the management fees paid by the Issuer to Orava Rahastot Oyj,

for the Measurement Period.

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company, irrespective of whether such Group Company is directly registered as owner of such Notes.

“**Agency Agreement**” means the agency agreement entered into on or before the First Issue Date, between the Issuer and Nordic Trustee Oy, or any replacement agency agreement entered into after the First Issue Date between the Issuer and a replacing Agent.

“**Agent**” means Nordic Trustee Oy, incorporated under the laws of Finland with corporate registration number 2488240-7, acting for and on behalf of the Noteholders in accordance with these Terms and Conditions, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Applicable Premium**” means, in relation to a Note, the higher of:

- (a) 1.00 per cent. of the principal amount of such Note; and
- (b) the excess (to the extent positive) of:
  - (i) the present value at the relevant Redemption Date of the redemption price of such Note at the First Call Date, (such redemption price expressed in percentage of the principal amount); plus
  - (ii) all remaining scheduled Interest payments on such Note until and including the First Call Date (but excluding accrued but unpaid Interest up to the relevant Redemption Date), computed using (A) a rate per annum equal to the annual yield to maturity of the Comparable Bond, assuming a



price equal to the Comparable Bond Price for the Calculation Date plus (B) 0.50 per cent.; over

- (iii) the outstanding principal amount of such Note, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate.

The Applicable Premium shall be calculated and determined by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation or duty of the Agent or the Issuing Agent.

**“Bank Account Pledge Agreement”** means the bank account pledge agreement entered into by and between the Issuer and the Agent on or prior to the First Issue Date (as amended or restated from time to time) for the purposes of creating Security for the Secured Obligations over the Blocked Bank Account.

**“Blocked Bank Account”** means the bank account number FI5184216710001844 held by the Issuer with the Issuing Agent, in respect of which bank account the Issuer has no debit rights and the sole debit rights are held by the Agent (Fin: *sulkutili*), to which cash deposits may be made by the Issuer in the case the Loan to Value Ratio exceeds or is expected to exceed sixty (60) per cent or the Minimum Overcollateralisation Ratio is less than or is expected to fall below 1.30:1.

**“Book-Entry Securities System”** means the OM system being part of the book-entry register maintained by the CSD or any other replacing book-entry securities system.

**“Book-Entry System Act”** means the Finnish Act on Book-Entry System and Clearing Operations (Fin: *Laki arvo-osuusjärjestelmästä ja selvitystoiminnasta 749/2012*, as amended).

**“Business Day”** means a day on which the deposit banks are generally open for business in Helsinki.

**“Business Day Convention”** means the first following day that is a CSD Business Day.

**“Calculation Date”** means the third Business Day prior to the Redemption Date.

**“Cash”** means, in respect of the Group, and at any time, immediately available funds at bank accounts (including any available unused credit limits).

**“Cash Equivalent Investments”** means, in respect of the Group, and at any time, marketable debt securities or other instruments maturing within one year held for cash management purposes that can be realised promptly.

**“Change of Control Event”** means the occurrence of an event or series of events whereby one or more Persons, acting in concert (Fin: *yksissä tuumin toimiminen*), acquire control over the Issuer and where “control” means (a) acquiring or controlling, directly or indirectly, more than 50 per cent of the total voting rights represented by the shares of the Issuer (being votes which are capable of being cast at general meetings of shareholders), or (b) the right to, directly or indirectly, appoint or remove at least a majority of the members of the board of directors of the Issuer.

**“Comparable Bond”** means the Bundesobligation OBL 0.500% due October 13, 2017.

“**Comparable Bond Price**” means (a) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest of such Reference Bond Dealer Quotations; or (b) if the Issuer obtains fewer than five such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations.

“**Convertible Loans**” means any loans under convertible loan instrument issued or to be issued by the Issuer to a third party for the purposes of financing acquisitions of shares in mutual real estate companies (Fin: *keskinäinen kiinteistöosakeyhtiö*) and housing companies (Fin: *asunto-osakeyhtiö*) or for general corporate purposes.

“**CSD**” means Euroclear Finland Oy, business identity code 1061446-0, Urho Kekkosen katu 5 C, P.O. Box 1110, 00101 Helsinki, Finland or any entity replacing the same as a central securities depository.

“**CSD Business Day**” means a day on which the Book-Entry Securities System is open in accordance with the regulations of the CSD.

“**Euro**” and “**EUR**” means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

“**Event of Default**” means an event or circumstance specified in paragraphs (a) to (g) of Clause 12.1.

“**Fair Value**” means, in relation to any shares subject to Transaction Security, the fair value of such shares set out in the most recent Valuation.

“**Final Maturity Date**” means 1 April 2020.

“**Finance Charges**” means, for any Measurement Period the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Financial Indebtedness paid by any member of the Group (calculated on a consolidated basis) in cash or capitalised in respect of that Measurement Period, excluding any upfront fees (such as arrangement fees) payable in connection with the issue of any of the Notes or the EUR 15,000,000 revolving facility agreement dated on or prior to the First Issue Date by and between the Issuer as borrower and Danske Bank Oyj as original lender and fees relating to termination of interest rate swap agreements concluded with Danske Bank Oyj.

“**Finance Documents**” means these Terms and Conditions, each Issuance Certificate, the Security Documents and any document by which the Finance Documents are amended or any part thereof waived in compliance with Clause 18.

“**Financial Indebtedness**” means:

- (a) moneys borrowed (including under any bank financing);
- (b) the amount of any liability under any lease or hire purchase contracts which would, in accordance with the Accounting Principles as in force on the First Issue Date be treated as a finance lease or a capital lease;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);

- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against, or in order to benefit from, the fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) (without double-counting) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

“**First Call Date**” means the date falling 30 months from the First Issue Date.

“**First Issue Date**” means 1 April 2015.

“**Force Majeure Event**” has the meaning set forth in Clause 23.1.

“**Group**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”).

“**Initial Notes**” means the Notes issued on the First Issue Date.

“**Insolvent**” means, in respect of a relevant Person, that it (i) is deemed to be insolvent within the meaning of Section 1 of Chapter 2 of the Finnish Bankruptcy Act (Fin: *Konkurssilaki* 120/2004, as amended) (or its equivalent in any other jurisdiction), (ii) admits inability to pay its debts as they fall due, (iii) suspends making payments on any of its debts, (iv) by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Finnish Act on Company Reorganisation (Fin: *Laki yrityksen saneerausesta* 47/1993, as amended) (or its equivalent in any other jurisdiction)) or (v) is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 7.1 to 7.3.

“**Interest Payment Date**” means 1 April of each year or, to the extent such day is not a CSD Business Day, the CSD Business Day following from the application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 1 April 2016 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (and including) the First Issue Date to (but excluding) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant). An Interest Period shall not be adjusted by application of the Business Day Convention.

“**Interest Rate**” means 4.25 per cent. *per annum*.

“**Issuance Certificate**” means an issuance certificate relating to the issuance of Subsequent Notes, in the form of Appendix 1 hereto, duly completed and signed by the Issuer.

“**Issue Date**” means, in respect of the Initial Notes, the First Issue Date and, in respect of any Subsequent Notes, the date specified in the relevant Issuance Certificate.

“**Issuer**” means Orava Residential REIT plc, a public limited liability company incorporated under the laws of Finland with business identity code 2382127-4.

“**Issuing Agency Agreement**” means the agreement dated 4 March 2015 regarding services related to the Notes entered into by and between the Issuer and the Issuing Agent in connection with the issuance of the Initial Notes (as amended and restated from time to time).

“**Issuing Agent**” means Danske Bank Oyj acting as issue agent (Fin: *liikkeeseenlaskijan asiamies*) and paying agent of the Notes for and on behalf of the Issuer, or any other party replacing the same as Issuing Agent in accordance with the regulations of the CSD.

“**Loan to Value Ratio**” means, at any time, the aggregate outstanding interest-bearing liabilities of the Group divided by the aggregate value of the shares in mutual real estate companies (Fin: *keskinäinen kiinteistöosakeyhtiö*) and housing companies (Fin: *asunto-osakeyhtiö*) owned by the Group Companies determined by reference to the latest annual or interim financial statements of the Issuer delivered in accordance with Clause 10.1.1(a) and (b).

“**Main Testing Date**” means each 31 December and 30 June falling after the First Issue Date or, or, to the extent such day is not a Business Day, the Business Day following from the application of the Business Day Convention.

“**Measurement Period**” means a twelve month period ending on a Reference Date or such shorter period as the context may require.

“**Minimum Overcollateralisation Ratio**” means, at any time, the sum of (i) the aggregate Fair Value of the shares subject to Transaction Security (taking into account (without double-counting) the portion of loans taken by the relevant mutual real estate companies or housing companies allocated to the shares) and (ii) the amounts standing to the credit of the Blocked Bank Account, which sum is divided by the Total Nominal Amount.

“**Net Finance Charges**” means, for any Measurement Period, the Finance Charges for that Measurement Period after deducting any interest paid in that Measurement Period to any Group Company (other than by another Group Company) on any Cash or Cash Equivalent Investment.

“**Nominal Amount**” has the meaning set forth in Clause 2.4.

“**Noteholder**” means the Person who is registered in the register maintained by the CSD pursuant to paragraph 2 of Section 3 of Chapter 6 of the Book-Entry System Act as direct registered owner (Fin: *omistaja*) or nominee (Fin: *hallintarekisteröinnin hoitaja*) with respect to a Note.

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 16 (*Noteholders’ Meeting*).

“**Notes**” means debt instruments, each for the Nominal Amount and of the type referred to in paragraph 1 of Section 34 of the Act on Promissory Notes (Fin: *Velkakirjalaki 622/1947*, as amended) (Fin: *joukkovelkakirja*) and which are governed by and issued under these Terms and Conditions, including the Initial Notes and any Subsequent Notes.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

“**Record Time**” means:

- (a) in relation to a payment of Interest, default interest and/or redemption of the Notes when such payment is made through the Book-Entry Securities System, the end of the first CSD Business Day prior to, as applicable, (i) an Interest Payment Date, (ii) the day on which default interest is paid, (iii) a Redemption Date or (iv) a date on which a payment to the Noteholders is to be made under Clause 13 (*Distribution of proceeds*); and
- (b) in relation to a Noteholders’ Meeting and Written Procedure, the end of the CSD Business Day specified in the communication pursuant to Clause 16.3 or Clause 17.3, as applicable; and
- (c) otherwise, the end of the fifth CSD Business Day prior to another relevant date.

“**Redemption Date**” means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 8 (*Redemption and repurchase of the Notes*).

“**Reference Bond Dealer**” means any primary bond dealer selected by the Issuer.

“**Reference Bond Dealer Quotations**” means the arithmetic average, as determined by the Issuer, of the bid and offer prices for the Comparable Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by any Reference Bond Dealer at 11.00 a.m. (Brussels time) on the Calculation Date.

“**Reference Date**” means 31 March, 30 June, 30 September and 31 December in each year. The first Reference Date shall be 30 June 2015.

“**Release Compliance Certificate**” means a certificate substantially in the form set out in [Appendix 3](#) hereto and in substance satisfactory to the Agent.

“**Relevant Market**” means the regulated market of the Helsinki Stock Exchange maintained by NASDAQ OMX Helsinki Ltd.

“**Rental Income**” all rental income relating to or accruing from any shares subject to Transaction Security for the benefit of the Issuer in its capacity as the holder of such shares subject to Transaction Security.

“**Restricted Payment**” has the meaning set forth in Clause 11.2.

“**Secondary Pledge**” means the second priority pledge created by the Issuer over all shares pledged under each Share Pledge Agreement as Security for the obligations of the Issuer under the EUR 15,000,000 revolving facility agreement dated on or prior to the First Issue Date by and between the Issuer as borrower and Danske Bank Oyj as original lender.

“**Secured Obligations**” means all present and future obligations and liabilities of the Issuer to the Secured Parties under the Finance Documents, the Issuing Agency Agreement and the Agency Agreement.

“**Secured Parties**” means the Noteholders and the Agent (including in its capacity as Agent under the Agency Agreement) and the Issuing Agent.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect.

“**Security Criteria**” means the obligation of the Issuer to ensure that for so long as any of the Notes is outstanding:

- (a) at least 50% of the value of the shares subject to Transaction Security comprise shares in mutual real estate companies or housing companies owning buildings situated in any of the following municipalities or areas: Espoo, Helsinki, Kauniainen, Vantaa, Hyvinkää, Kerava, Järvenpää, Sipoo, Nurmijärvi, Tuusula, Vihti and Kirkkonummi and the Central Localities (Fin: *keskustaajama*) of Jyväskylä, Lahti, Oulu, Tampere and Turku; and
- (b) at least 50% of the value of the shares subject to Transaction Security comprise shares in mutual real estate companies or housing companies owning buildings the construction of which have been completed no earlier than in the year 1990.

“**Security Documents**” means:

- (a) each Share Pledge Agreement;
- (b) the Bank Account Pledge Agreement; and
- (c) any other document entered into by and between the Issuer and the Agent creating or expressed to create any Security supplementary to or in replacement of the Security Documents listed in above.

“**Share Pledge Agreement**” means each share pledge agreement entered into by and between the Issuer and the Agent from time to time (as amended or restated from time to time) for the purposes of creating Security for the Secured Obligations over shares in mutual real estate companies (Fin: *keskinäinen kiinteistöosakeyhtiö*) and/or housing companies (Fin: *asunto-osakeyhtiö*) established and existing under the Finnish Companies Act (Fin: *Osakeyhtiölaki* 624/2006, as amended) or Finnish Housing Companies Act (Fin: *Asunto-osakeyhtiölaki* 1599/2009, as amended) owned by the Issuer.

“**Subsequent Notes**” means any Notes issued after the First Issue Date on one or more occasions.

“**Subsidiary**” means, in relation to any Person, any Finnish or foreign legal entity (whether incorporated or not), in respect of which such Person, directly or indirectly, (i) owns shares

or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body, or (iv) exercises control as determined in accordance with the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC on the application of international accounting standards (or as otherwise adopted or amended from time to time).

“**Total Nominal Amount**” means the aggregate Nominal Amount of all the Notes outstanding at the relevant time.

“**Transaction Security**” means the Security provided for the Secured Obligations pursuant to the Security Documents.

“**Valuation**” means each valuation prepared by a Valuer and delivered to the Agent for the purposes of each Main Testing Date.

“**Valuer**” means each of (i) Realia Management Oy, (ii) OP-Kiinteistökeskus Oy and (iii) any other firm of chartered surveyors appointed and instructed by the Issuer in consultation with the Agent to act as valuer.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 17 (*Written Procedure*).

## 1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) an Event of Default is continuing if it has not been remedied or waived;
- (d) a provision of law is a reference to that provision as amended or re-enacted;
- (e) words denoting the singular number shall include the plural and vice versa; and
- (f) a time of day is a reference to Helsinki time.

1.2.2 When ascertaining whether a limit or threshold specified in Euro has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Euro for the previous Business Day, as published by the European Central Bank on its website ([www.ecb.int](http://www.ecb.int)). If no such rate is available, the most recent rate published by the European Central Bank shall be used instead.

1.2.3 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2. ISSUANCE AND STATUS OF THE NOTES

- 2.1 The Notes are denominated in Euro and each Note is constituted by these Terms and Conditions.
- 2.2 The Notes are offered for subscription in a minimum amount of EUR 100,000 by way of a private placement.
- 2.3 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder (i) agrees that the Notes shall benefit from and be subject to the Finance Documents and (ii) agrees to be bound by these Terms and Conditions and the other Finance Documents.
- 2.4 The nominal amount (Fin: *arvo-osuuden yksikkökoko*) of each Initial Note is EUR 20,000 (the “**Nominal Amount**”). The aggregate nominal amount of the Initial Notes is EUR 20,000,000. All Initial Notes are issued on the First Issue Date on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- 2.5 Provided that no Event of Default is continuing or would result from such issue, the Issuer may, on one or several occasions, issue Subsequent Notes the total Nominal Amount, issue price and the Issue Date of which shall be set out in an Issuance Certificate duly signed by the Issuer. Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the nominal amount and the final maturity applicable to the Initial Notes shall apply to Subsequent Notes. The issue price of the Subsequent Notes may be set at a discount or at a premium compared to the Nominal Amount. The maximum aggregate nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed EUR 35,000,000 unless a consent from the Noteholders is obtained in accordance with Clause 15.5(a). Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 7.1, and such holder otherwise have the same rights as the holders of the Initial Notes.
- 2.6 The Notes constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.
- 2.7 Each Note is freely transferable after it has been registered into the respective book-entry account of a Noteholder but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.8 The subscription period of the Initial Notes shall commence on 23 March 2015 and end on 25 March 2015. Bids for subscription shall be submitted to Danske Bank Oyj, Hiililaiturinkuja 2, Helsinki, FI-00180 Helsinki, Finland, telephone:+358 10 513 8774, attention: Debt Capital Markets during the subscription period and within regular business hours. Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription. After the final allocation and acceptance of the subscriptions by the Issuer each investor that has submitted a subscription shall be notified by the Issuer whether and, where applicable, to what extent such subscription is accepted. Subscriptions notified by the Issuer as having been accepted shall be paid for as instructed in connection with the subscription. Notes subscribed and paid for shall be created by the CSD and routed by the Issuing Agent to the Book-Entry Securities System to be recorded at the respective book-



entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of the CSD.

### **3. USE OF PROCEEDS**

The Issuer shall use the proceeds from the issue of the Initial Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, for the purposes of refinancing certain existing indebtedness of the Issuer and for general corporate purposes of the Group. The Issuer shall use the proceeds from the issue of the Subsequent Notes for the purposes as set out in the relevant Issuance Certificate.

### **4. CONDITIONS FOR DISBURSEMENT**

4.1 The Issuing Agent shall pay the net proceeds from the issuance of the Initial Notes to the Issuer on the later of (i) the First Issue Date and (ii) the day on which the Agent notifies the Issuing Agent that it has received the following, in form and substance satisfactory to it:

- (a) the Security Documents, the Issuing Agency Agreement and the Agency Agreement duly executed by the parties thereto;
- (b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Initial Notes and the terms of the Finance Documents, the Issuing Agency Agreement and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith authorising specified Person(s) to approve and execute any documents and take any other action necessary to consummate such issue;
- (c) a legal opinion issued by Castrén & Snellman Attorneys Ltd; and
- (d) such other documents and information as is agreed between the Agent and the Issuer.

4.2 The Issuing Agent shall pay the net proceeds from the issuance of any Subsequent Notes to the Issuer on the later of (i) the Issue Date of such Subsequent Notes and (ii) the day on which the Agent notifies the Issuing Agent that it has received the following in form and substance satisfactory to it:

- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Notes and resolving to enter into documents necessary in connection therewith;
- (b) an Issuance Certificate substantially in the form of Appendix 1 hereto from the Issuer confirming, *inter alia*, that no Event of Default is continuing or would result from the issue of the Subsequent Notes;
- (c) to the extent new Transaction Security is granted, the new Security Documents duly executed by the parties thereto; and
- (d) such other documents and information as is agreed between the Agent and the Issuer.

4.3 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 and 4.2 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.

4.4 The Agent shall confirm to the Issuing Agent when it has received the documents and evidence referred to in Clause 4.1 and 4.2, as the case may be.

## **5. NOTES IN BOOK-ENTRY FORM**

5.1 The Notes will be issued in dematerialised form in the Book-Entry Securities System in accordance with the Book-Entry System Act and regulations of the CSD and no physical notes will be issued.

5.2 Each Noteholder consents to the Issuer having a right to obtain information on the Noteholders, their contact details and their holdings of the Notes registered in the Book-Entry Securities System, such as information recorded in the lists referred to in paragraphs 2 and 3 of Section 3 of Chapter 6 of the Book-Entry System Act kept by the CSD in respect of the Notes and the CSD shall be entitled to provide such information upon request. At the request of the Agent or the Issuing Agent, the Issuer shall (and shall be entitled to do so) promptly obtain such information and provide it to the Agent or the Issuing Agent, as applicable.

5.3 The Agent and the Issuing Agent shall have the right to obtain information referred to in Clause 5.2 from the CSD in respect of the Notes if so permitted under the regulation of the CSD. The Issuer agrees that each of the Agent and the Issuing Agent is at any time on its behalf entitled to obtain information referred to in Clause 5.2 from the CSD in respect of the Notes.

5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent as are notified by the Agent, in order for such individuals to independently obtain information referred to in Clause 5.2 directly from the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.

5.5 The Issuer, the Agent and the Issuing Agent may use the information referred to in Clause 5.2 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions with respect to the Notes and shall not disclose such information to any Noteholder or third party unless necessary for the before-mentioned purposes.

## **6. PAYMENTS IN RESPECT OF THE NOTES**

6.1 Any payments under or in respect of the Notes pursuant to these Terms and Conditions shall be made to the Person who is registered as a Noteholder at the Record Time prior to an Interest Payment Date or other relevant due date in accordance with the Finnish legislation governing the Book-Entry Securities System and book-entry accounts as well as the regulations of the CSD.

6.2 If, due to any obstacle affecting the CSD, the Issuer cannot make a payment, such payment may be postponed until the obstacle has been removed. Any such postponement shall not affect the Record Time.

6.3 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

6.4 All payments to be made by the Issuer pursuant to these Terms and Conditions shall be made without (and free and clear of any deduction for) set-off or counterclaim.

## **7. INTEREST**

7.1 Each Initial Note carries Interest at the Interest Rate from (and including) the First Issue Date up to (but excluding) the relevant Redemption Date. Any Subsequent Note will carry Interest at the Interest Rate from (and including) the Interest Payment Date falling immediately prior to its issuance up to (but excluding) the relevant Redemption Date.

7.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.

7.3 Interest shall be calculated on the “actual/actual ICMA” basis as specified by the International Capital Market Association.

7.4 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (and including) the due date up to (but excluding) the date of actual payment at a rate which is two (2) percentage points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent, the Issuing Agent or the CSD, in which case the Interest Rate shall apply instead.

## **8. REDEMPTION AND REPURCHASE OF THE NOTES**

### **8.1 Redemption at maturity**

The Issuer shall redeem all of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a CSD Business Day, then the redemption shall occur on the CSD Business Day determined by application of the Business Day Convention.

### **8.2 Issuer’s purchase of Notes**

The Issuer may at any time and at any price purchase any Notes on the market or in any other way, provided that if purchases are made through a tender offer, the possibility to tender must be made available to all Noteholders on equal terms. The Notes held by the Issuer may at the Issuer’s discretion be retained, sold or cancelled by the Issuer.

### **8.3 Voluntary total redemption (call option)**

8.3.1 The Issuer may redeem all, but not only some, of the outstanding Notes in full:

- (a) any time prior to the First Call Date, at an amount per Note equal to 100 per cent. of the principal amount of the Notes redeemed together with accrued but unpaid Interest, plus the Applicable Premium as of the Redemption Date, and accrued but unpaid Interest until the Redemption Date, subject to the rights of Noteholders on

the relevant Record Time to receive Interest due on the relevant Interest Payment Date; and/or

- (b) any time from and including the First Call Date at an amount per Note equal to the redemption prices set forth below, together with accrued but unpaid Interest until the Redemption Date, subject to the rights of Noteholders on the relevant Record Time to receive Interest due on the relevant Interest Payment Date:
  - (i) if at least 30 but less than 42 months have lapsed from the Issue Date, the redemption price shall be equal to 100 per cent. of the principal amount of the Notes redeemed plus 50 per cent. of the Interest Rate (calculated on the Nominal Amount for one year);
  - (ii) if at least 42 but less than 54 months have lapsed from the Issue Date, the redemption price shall be equal to 100 per cent. of the principal amount of the Notes redeemed plus 25 per cent. of the Interest Rate (calculated on the Nominal Amount for one year); and
  - (iii) if at least 54 or more months have lapsed from the Issue Date, the redemption price shall be equal to 100 per cent. of the principal amount of the Notes redeemed.

8.3.2 The Issuer shall give the Agent notice of any contemplated redemption at least five (5) Business Days prior to the notice being given to the Noteholders.

8.3.3 Redemption in accordance with Clause 8.3.1 shall be made by the Issuer giving not less than thirty (30) but not more than sixty (60) days' notice to the Noteholders. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amounts.

8.3.4 Unless the Issuer defaults in the payment of the redemption price, interest will as of the applicable Redemption Date cease to accrue on the Notes called for redemption.

#### **8.4 Early redemption due to illegality (call option)**

8.4.1 The Issuer may redeem all, but not only some, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

8.4.2 The Issuer shall give notice of any redemption pursuant to Clause 8.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).

8.4.3 A notice of redemption in accordance with Clause 8.4.1 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

#### **8.5 Mandatory repurchase due to a Change of Control Event (put option)**

8.5.1 Upon the occurrence of a Change of Control Event, each Noteholder shall have the right to request that all of its Notes be repurchased at a price per Note equal to 101 per cent. of the

Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event pursuant to Clause 10.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.

- 8.5.2 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the repurchase date that is a CSD Business Day and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a Person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 8.5.1.
- 8.5.3 The Issuer shall comply with the requirements of any applicable securities laws and regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 8.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 8.5 by virtue of the conflict.
- 8.5.4 Any Notes repurchased by the Issuer pursuant to this Clause 8.5 may at the Issuer's discretion be retained, sold or cancelled.
- 8.5.5 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 8.5, if a third party in connection with the occurrence of a Change of Control Event offers to purchase the Notes in the manner and on the terms set out in this Clause 8.5 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 8.5, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit. The Issuer shall not be required to repurchase any Notes pursuant to this Clause 8.5 if it has exercised its right to redeem all of the Notes in accordance with Clause 8.3 prior to the occurrence of the Change of Control Event.
- 8.5.6 If Notes representing more than 75 per cent of the aggregate nominal principal amount of the Notes have been repurchased pursuant to this Clause 8.5, the Issuer is entitled to repurchase all the remaining outstanding Notes at the price stated in Clause 8.5.1 above by notifying the remaining Noteholders of its intention to do so no later than fifteen (15) Business Days after the latest possible repurchase date pursuant to Clause 8.5.2. Such prepayment may occur at the earliest on the tenth CSD Business Day following the date of such notice.

## **9. TRANSACTION SECURITY**

- 9.1 As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall at the latest on the First Issue Date grant the Transaction Security for the benefit of the Secured Parties. The Transaction Security shall be provided and perfected pursuant to, and subject to the terms of, the Security Documents entered into or to be entered into by and between the Issuer as pledgor and the Agent as pledgee acting on behalf of the Secured Parties. The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents.

- 9.2 The Transaction Security is or is to be granted only for the benefit of the Secured Parties. The Security Documents provide and will provide that only the Agent may exercise the rights under the Security Documents and only the Agent has the right to enforce the Security Documents. As a consequence, the Secured Parties shall not be entitled, individually or collectively, to take any direct action to enforce any rights in their favor under the Security Documents.
- 9.3 Unless and until the Agent has received instructions from the Noteholders in accordance with Clause 14 (*Decisions by Noteholders*), the Agent shall (without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security or guarantees for the benefit of the Secured Parties or for the purpose of settling the Noteholders' or the Issuers' rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents.
- 9.4 The Agent shall be entitled to release all Transaction Security upon the discharge in full of the Secured Obligations.
- 9.5 The Issuer shall ensure that for so long as any of the Notes is outstanding, the Minimum Overcollateralisation Ratio will not at any time be less than 1.30:1. The Issuer shall create in favour of the Agent (for the benefit of the Secured Parties) under the Security Documents any additional or supplemental Transaction Security over shares in mutual real estate companies or housing companies held by the Issuer that meet the Security Criteria or Cash deposited in the Blocked Bank Account (or substitute or replacement Security due to any contemplated release of existing Transaction Security) if the Minimum Overcollateralisation Ratio falls or is expected to fall below 1.30:1. For the sake of clarity, the Issuer shall at all times be entitled to provide additional Security for the Secured Obligations in the form of Cash deposited in the Blocked Bank Account or shares in mutual real estate companies or housing companies held by the Issuer.
- 9.6 For the purposes of measuring the compliance with the Minimum Overcollateralisation Ratio, a Valuation shall be prepared semi-annually appraising the Fair Value as at the Main Testing Date. Each Valuation shall be delivered by the Issuer to the Agent promptly after receipt of the same from the Valuer (by email or other verifiable means) together with the financial statements of the Issuer at the time the financial statements are published in accordance with Clause 10.1.1(a) and (b). In addition, the Agent may request the Valuer or any other reputable independent firm of chartered surveyors to prepare and deliver to the Agent an additional valuation of any shares subject to Transaction Security at any time if the Agent has a justifiable reason to believe that an Event of Default has occurred and is continuing. The costs of each such valuation shall be borne by the Issuer.
- 9.7 The Issuer shall (and shall ensure that each of its Subsidiaries will) maintain the relevant apartments which the shares that are subject to Transaction Security entitle to possess in compliance with applicable laws and regulations and in a rentable condition and covered by insurance policies in respect of such risks and amounts as would be usually covered by a reasonably prudent entity in the Finnish housing market. The Issuer shall not do anything (or omit to do anything) which may adversely affect the validity or enforceability of the Transaction Security.
- 9.8 In accordance with each Share Pledge Agreement, following an occurrence of an Event of Default which is continuing, the Agent may, by notice to the relevant tenants, instruct any

and all Rental Income in respect of the shares subject to Transaction Security to be paid to the Blocked Bank Account for the purposes of the Agent applying that Rental Income *first* towards payments of maintenance charges (Fin: *yhtiövastike*) and costs as well as financial charges (Fin: *rahoitusvastike*) in respect of the relevant shares subject to Transaction Security and *secondly* towards discharge of the Secured Obligations.

9.9 The Issuer will be entitled to have a Transaction Security released (and the Agent shall be entitled to effect such release) under any one or more of the following circumstances:

(i) at any time at the request of the Issuer, in connection with any sale or other disposition of such shares to any person or for other valid business reason at arm's length terms and against cash consideration, provided that (A) before and after such release, the Minimum Overcollateralisation Ratio shall not be less than 1.30:1; (B) the Security Criteria is met before and after such release; and (C) no Event of Default has occurred and is continuing, or could be reasonably be expected to occur as a result of such release; or

(ii) upon full and irrevocable discharge of the Secured Obligations.

9.10 Any request as set out in Clause 9.9 for the release of any Transaction Security and for a replacement shall be delivered to the Agent together with a Release Compliance Certificate setting forth (A) the Fair Value of all shares subject to Transaction Security immediately before and after the requested release or replacement and the Total Nominal Amount at that time and accompanied by (i) the latest Valuation delivered to the Agent in accordance with Clause 9.6 or an extract of such Valuation (as applicable) evidencing the Fair Value of the shares subject to Transaction Security that are to be released and/or, in the case any funds standing to the credit of the Blocked Bank Account are requested to be released, a bank account balance statement not older than three (3) days evidencing the total aggregate amount standing to the credit of the Blocked Bank Account, as applicable, and (ii) a Valuation or an extract of a Valuation (as applicable) not older than three (3) months evidencing the Fair Value of the shares over which Transaction Security is to be created and/or evidence of the amounts that have been deposited to the Blocked Bank Account, as applicable; and (B) the confirmation that (i) before and after the requested release, the Minimum Overcollateralisation Ratio is not less than 1.30:1; and (ii) no Event of Default has occurred and is continuing, or could be reasonably be expected to occur as a result of the proposed release. Each Release Compliance Certificate shall be signed by Person(s) duly authorised to do so by the Issuer.

## **10. INFORMATION TO NOTEHOLDERS**

### **10.1 Information from the Issuer**

10.1.1 The Issuer will make the following information available to the Noteholders by publication on the website of the Issuer:

- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year and annual report;
- (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, its unaudited consolidated financial statements or the year-end report (Fin: *tilinpäätöstiedote*) (as applicable) for such period;

- (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by the Group Companies, or the amount of Notes cancelled by the Issuer; and
  - (d) any other information required to be disclosed under the Finnish Securities Markets Act (Fin: *Arvopaperimarkkinalaki* 746/2012, as amended) and the rules and regulations of the Relevant Market.
- 10.1.2 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event. Such notice may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence of such Change of Control Event if a definitive agreement is in place providing for a Change of Control Event.
- 10.1.3 When the financial statements and other information are made available to the Noteholders pursuant to Clause 10.1.1, the Issuer shall send copies of such financial statements and other information to the Agent.
- 10.1.4 The Issuer shall together with the financial statements submit to the Agent a compliance certificate in the form of Appendix 2 hereto (i) setting out calculations and figures as to compliance with Clause 11.6 (*Financial undertakings*) (including adjustments to calculate Adjusted EBITDA), (ii) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it, and (iii) attaching copies of any notices sent to the Relevant Market.
- 10.1.5 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

## **10.2 Information from the Agent**

- 10.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent with the Issuer, the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent shall notify the Noteholders and the Issuer of the occurrence of an Event of Default in accordance with Clause 12.3.

## **10.3 Publication of Finance Documents**

- 10.3.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) and any Issuance Certificate shall be available on the websites of the Issuer as part of the listing prospectus or, where applicable, the relevant stock exchange release.
- 10.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.



## 11. GENERAL UNDERTAKINGS

### 11.1 General

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 11 for so long as the Notes remain outstanding.

### 11.2 Restricted Payments

11.2.1 Except as provided under Clause 11.2.2, the Issuer shall not:

- (a) declare or pay any dividend in respect of its shares, save for the minority dividend (Fin: *vähemmistöosinko*) under the Finnish Companies Act (Fin: *Osakeyhtiölaki* 624/2006, as amended);
- (b) repurchase or redeem its own shares;
- (c) make any distribution, payment of fees or transfers of value (including but not limited to any distribution from the fund of invested unrestricted equity (Fin: *sijoitetun vapaan oman pääoman rahasto*)) to the direct or indirect shareholders of the Issuer;
- (d) pay the performance-based part of the management fee to Orava Rahastot Oyj in cash; or
- (e) redeem or reduce its share capital or other restricted equity,

each of which is a “**Restricted Payment**” and which are collectively referred to as “**Restricted Payments**”.

11.2.2 Notwithstanding Clause 11.2.1, the Issuer may make a Restricted Payment if:

- (a) no Event of Default is continuing or would occur as a result of such Restricted Payment; or
- (b) the Loan to Value Ratio does not exceed 55 per cent as evidenced by the most recent compliance certificate delivered in accordance with these Terms and Conditions.

### 11.3 Pari passu ranking

The Issuer shall ensure that its payment obligations under the Finance Documents rank at least *pari passu* with all its present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

### 11.4 Mergers and de-mergers

11.4.1 The Issuer shall not (and shall procure that no other Group Company will) carry out:

- (a) any merger (or other business combination or corporate reorganisation involving the consolidation of assets and obligations) of the Issuer or such other Group

Company with any other Person other than a Group Company provided that the Issuer (if involved) is the surviving entity;

- (b) any demerger (or a corporate reorganisation having the same or equivalent effect) of the Issuer;
- (c) any demerger (or a corporate reorganisation having the same or equivalent effect) of a Group Company other than the Issuer, if as a result of such demerger or reorganisation any assets and/or operations would be transferred to a Person not being a Group Company; or
- (d) any liquidation of the Issuer.

11.4.2 Each Noteholder agrees, with respect to the Notes it holds, not to exercise, and hereby waives in advance, its right in accordance with the Finnish Companies Act (Fin: *Osakeyhtiölaki* 624/2006, as amended) to object to any merger or demerger if (and only if) such merger or demerger (as applicable) (a) is not prohibited under these Terms and Conditions or (b) has been consented to by the Noteholders in a Noteholders' Meeting or by way of a Written Procedure.

## **11.5 Negative pledge**

So long as any of the Notes remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Group Companies will, create any mortgage, charge, lien, pledge or other security interest to secure any other notes, bonds or other similar debt securities issued after the issuance of the Initial Notes, excluding the Convertible Loans, that would be capable of being listed on a stock exchange or subject to trading in a regulated market (if the Issuer were a public limited liability company) or a multilateral trading facility (nor create any such security interest to secure any guarantee or indemnity over such notes or other securities), unless the final maturity date or any earlier date on which such notes, bonds or other similar debt securities are capable of being redeemed or repurchased falls after the Final Maturity Date.

## **11.6 Financial undertakings**

11.6.1 The Issuer shall ensure that:

- (a) *Interest cover*: on each Reference Date, the ratio of Adjusted EBITDA to Net Finance Charges in respect of any Measurement Period shall not be less than 1.20:1; and
- (b) *Loan-to-value*: the Loan to Value Ratio shall not at any time exceed 60 per cent.

11.6.2 The financial covenants in Clause 11.6.1 shall be calculated as follows: the ratio of Adjusted EBITDA to Net Finance Charges shall be calculated based on the latest available financial statements delivered in accordance with Clause 10.1.1(a) and (b) and each compliance certificate delivered pursuant to Clause 10.1.4, and the Loan to Value Ratio shall be calculated based on the latest available financial statements delivered in accordance with Clause 10.1.1(a) and (b) and the latest Valuation delivered to the Agent in accordance with Clause 9.6.

## **11.7 Admission to trading**

11.7.1 The Issuer shall use its best efforts to ensure that the loan constituted by these Terms and Conditions and evidenced by the Notes is admitted to trading on the Relevant Market, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading or traded on another regulated market or multilateral trading facility (each as defined in Directive 2004/39/EC on markets in financial instruments).

11.7.2 Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission for as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Relevant Market and the CSD, subsist.

## **11.8 Undertakings relating to the Agency Agreement**

11.8.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

11.8.2 The Issuer and the Agent shall not amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

## **12. ACCELERATION OF THE NOTES**

12.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least twenty-five (25) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Noteholder at the end of the Business Day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 12.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and/or (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
  - (i) is caused by technical or administrative error; and
  - (ii) is remedied within five (5) Business Days from the due date;
- (b) the Issuer does not comply with any terms or conditions of the Finance Documents (other than those terms referred to in paragraph (a) above), unless the non-compliance:
  - (i) is capable of remedy; and
  - (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (c) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders;
- (d) any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (e) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any material asset of a Group Company having an aggregate value of at least EUR 100,000 (or its equivalent in other currencies) and is not discharged within thirty (30) Business Days;
- (f) any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph (f) if (i) any relevant payment to be made is contested in good faith and as long as it has not resulted in a payment obligation of the relevant member of the Group (confirmed by a court, arbitral tribunal or a government authority, subject to Clause 12.5) or (ii) the aggregate amount of Financial Indebtedness referred to herein is less than EUR 500,000; or
- (g) The Issuer or the Group as a whole ceases or threatens to cease all or a material part of its business.

12.2 The Agent may not accelerate the Notes in accordance with Clause 12.1 by reference to a specific Event of Default if it is no longer continuing.

12.3 The Agent shall notify the Noteholders and the Issuer of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, except if the Event of Default does not relate to a payment failure in respect of the Notes and the Agent considers that withholding the notice is not detrimental to the interests of the Noteholders. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing (and if the Event of Default does not relate to a payment failure in respect of the Notes, within sixty (60) Business Days,

decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider carefully whether an occurred event or circumstance constitutes an Event of Default.

- 12.4 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 12.5 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 12.6 In the event of an acceleration of the Notes in accordance with this Clause 12, the Issuer shall redeem all Notes at an amount per Note equal to 100 per cent. of the Nominal Amount.

### **13. DISTRIBUTION OF PROCEEDS**

- 13.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 12 (*Acceleration of the Notes*) and any proceeds received from an enforcement of the Transaction Security (in each case to the extent proceeds from the Transaction Security can be applied towards satisfaction of the Secured Obligations) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders) and/or the Issuing Agent in accordance with the Issuing Agency Agreement, (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, the enforcement of the Transaction Security or the protection of the Noteholders' rights in each case as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.7, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.12;
  - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date) and default interest payable pursuant to Clause 7.4;
  - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
  - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

- 13.2 If a Noteholder or another party has with the consent of the Agent paid any fees, costs, expenses or indemnities referred to in Clause 13.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13.1(a).
- 13.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes or the enforcement of the Transaction Security constitute escrow funds and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.
- 13.4 If the Issuer or the Agent shall make any payment under this Clause 13, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Time, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Time specified in Clause 6.1 shall apply.

#### **14. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

- 14.1 If any Person other than a Noteholder wishes to exercise any rights specifically allocated to Noteholders under the Finance Documents, it must obtain a power of attorney from the Noteholder or a successive, coherent chain of powers of attorney starting with the Noteholder and authorising such Person or provide other evidence of ownership or authorisation satisfactory to the Agent.
- 14.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 14.3 The Agent shall only have to examine the face of a power of attorney or other evidence of authorisation that has been provided to it pursuant to Clause 14.1 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or is otherwise notified to the Agent.

#### **15. DECISIONS BY NOTEHOLDERS**

- 15.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 15.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Noteholder on the Business Day immediately preceding the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the

decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting or by way of a Written Procedure, the Agent shall have the right to decide where such matter shall be dealt with.

15.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Noteholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

15.4 Only a Person who is, or who, directly or indirectly, has been provided with a power of attorney pursuant to Clause 14 (*Right to act on behalf of a Noteholder*) from a Person who is registered as a Noteholder:

- (a) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 16.3, in respect of a Noteholders' Meeting, or
- (b) at the Record Time on the CSD Business Day specified in the communication pursuant to Clause 17.3, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure in respect of Notes held by such Person at the relevant Record Time, provided that the relevant Notes are included in the Adjusted Nominal Amount.

15.5 The following matters shall require the consent of Noteholders representing at least 75 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3:

- (a) the issue of any Subsequent Notes, if the total nominal amount of the Notes exceeds, or if such issue would cause the total nominal amount of the Notes to at any time exceed, EUR 35,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Notes are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.6 and 2.7;
- (c) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 8 (*Redemption and repurchase of the Notes*);
- (d) a change to the Interest Rate or the Nominal Amount;
- (e) a change to the terms for the distribution of proceeds set out in Clause 13 (*Distribution of proceeds*);
- (f) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 15;
- (g) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (h) a release of the Transaction Security, except in accordance with these Terms and Conditions or the terms of the Security Documents;
- (i) a mandatory exchange of the Notes for other securities; and

- (j) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 12 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.
- 15.6 Any matter not covered by Clause 15.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18.1(a) or (b)), an acceleration of the Notes or the enforcement of any Transaction Security.
- 15.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 15.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 15.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 15.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 15.10 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 15.11 A matter decided at a duly convened and held Noteholders' Meeting or by way of a Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure.
- 15.12 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 15.13 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies, irrespective of whether such Person is directly registered as owner of such Notes. The Agent shall not be



responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company.

- 15.14 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## **16. NOTEHOLDERS' MEETING**

- 16.1 The Agent shall convene a Noteholders' Meeting by sending a notice thereof to the CSD and each Noteholder no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).

- 16.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 16.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4.4, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.1.

- 16.3 The notice pursuant to Clause 16.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights at the meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.

- 16.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days from the date of the notice.

- 16.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate.

## **17. WRITTEN PROCEDURE**

- 17.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to the CSD and each Person who is registered as a Noteholder at the Record Time prior to the date on which the communication is sent.

- 17.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17.1 to each Noteholder with a copy to the Agent.

- 17.3 A communication pursuant to Clause 17.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the CSD Business Day at the end of which a Person must be registered as a Noteholder in

order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 17.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.

- 17.4 When a consent from the Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 15.5 or 15.6 has been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.5 or 15.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **18. AMENDMENTS AND WAIVERS**

- 18.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:

- (a) such amendment or waiver is not detrimental to the interest of the Noteholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*).

- 18.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.

- 18.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.

- 18.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **19. APPOINTMENT AND REPLACEMENT OF THE AGENT**

### **19.1 Appointment of Agent**

- 19.1.1 By subscribing for Notes, each initial Noteholder, and, by acquiring Notes, each subsequent Noteholder:

- (a) agrees to and accepts the appointment of the Agent to act as its agent and representative in all matters relating to the Notes and the Finance Documents, and

authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and to exercise such rights, powers, authorities and discretions as are specifically delegated to the Agent by these Terms and Conditions and the Security Documents together with all such rights, powers, authorities and discretions as are incidental thereto; and

- (b) agrees to and accepts that, upon the Agent delivering an acceleration notice in accordance with Clause 12.1, it will be considered to have irrevocably transferred to the Agent all its procedural rights and legal authority to claim and collect any and all receivables under the Notes, enforce any Transaction Security and to receive any funds in respect of the Notes or under the Security Documents (Fin: *prokurasiirto*) as a result of which transfer, the Agent shall be irrevocably entitled to take all such action in its own name but on behalf of and for the benefit of each Noteholder (at the expense of the Noteholders).

19.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents (in form and substance satisfactory to the Agent) that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request if due to such failure the Agent is unable to represent such Noteholder.

19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

19.1.5 The Agent may act as agent or other representative for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **19.2 Duties of the Agent**

19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents on behalf of the Noteholders and, where relevant, enforcing the Transaction Security on behalf of the Noteholders. Except as specified in Clause 4 (*Conditions for disbursement*), the Agent is not responsible for the execution or enforceability of the Finance Documents or the perfection of the Transaction Security.

19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

- 19.2.3 The Agent shall monitor the compliance by the Issuer with its obligations under the Finance Documents on the basis of information made available to it pursuant to the Finance Documents or received from a Noteholder. The Agent is not obligated to assess the Issuer's financial situation other than as expressly set out in these Terms and Conditions.
- 19.2.4 The Agent is entitled to take any step it in its sole discretion considers necessary or advisable to protect the rights of the Noteholders pursuant to these Terms and Conditions.
- 19.2.5 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 19.2.6 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- 19.2.7 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs reasonably incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or the Transaction Security which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 13 (*Distribution of proceeds*).
- 19.2.8 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 19.2.9 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 19.2.10 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.9.
- 19.2.11 The Agent shall at all times maintain and keep all certificates and other documents that are bearers of right relating to the Transaction Security in safe custody on behalf of the Secured Parties in accordance with the terms and conditions of the Finance Documents and deposit such certificates and other documents in the custody of a reputable bank. The Agent shall not be responsible for or required to insure against any loss incurred in connection with such safe custody. The Agent shall hold amounts recovered, net of costs (including legal costs) and expenses incurred in connection with the recovery, separated for the account of the Secured Parties and distribute such amounts recovered promptly to the Secured Parties in accordance with these Terms and Conditions.

### **19.3 Limited liability for the Agent**

- 19.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 15 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 12.1.
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

### **19.4 Replacement of the Agent**

- 19.4.1 Subject to Clause 19.4.7, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall in consultation with the Issuer appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of a Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.7, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent.
- 19.4.3 Any successor Agent appointed pursuant to this Clause 19.4 must be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.4 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Noteholder at the end of the Business Day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of a Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 19.4.5 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or

- (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent.
- 19.4.6 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.7 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.8 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall, in respect of any action which it took or failed to take whilst acting as Agent, (a) remain entitled to the benefit of the Finance Documents and (b) remain liable under the Finance Documents. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 19.4.9 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **20. NO DIRECT ACTIONS BY NOTEHOLDERS**

- 20.1 A Noteholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Fin: *yritys saneeraus*) or bankruptcy (Fin: *konkurssi*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations of the Issuer under the Finance Documents.
- 20.2 Clause 20.1 shall not apply if:
- (a) the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take any of the actions referred to in Clause 20.1 but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take such actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2.9, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.10 before a Noteholder may take any action referred to in Clause 20.1; and
  - (b) the Noteholders have resolved pursuant to these Terms and Conditions that, upon the occurrence of a failure by the Agent referred to in (a) above, a Noteholder shall have the right to take any action referred to in Clause 20.1.

20.3 The provisions of Clause 20.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 8.5 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Noteholders.

## **21. PRESCRIPTION**

21.1 The right to receive payment of the principal of or interest on the Notes shall be prescribed and become void three (3) years from the date on which such payment became due.

21.2 If a limitation period is duly interrupted in accordance with the Finnish Act on Limitations (Fin: *Laki velan vanhentumisesta* 728/2003, as amended), a new limitation period of at least three (3) years will commence.

## **22. NOTICES AND PRESS RELEASES**

### **22.1 Notices**

22.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (a) if to the Agent, shall be given at the address registered with the Finnish Trade Register on the Business Day prior to dispatch and/or to mail@nordictrustee.fi;
- (b) if to the Issuing Agent, shall be given at the address specified in the Issuing Agency Agreement;
- (c) if to the Issuer, shall be given at the address registered with the Finnish Trade Register on the Business Day prior to dispatch and designated "To the attention of Veli Matti Salmenkylä" and/or to vm.salmenkyla@oravafunds.com; and
- (d) if to the Noteholders, shall be given at their addresses as registered with the CSD, at the Record Time prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.

22.1.2 Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be in English and sent by way of courier, fax, e-mail, personal delivery or letter and will become effective, in the case of courier or personal delivery, when it has been left at the address specified in Clause 22.1.1 or, in the case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 22.1.1 or, in the case of fax or e-mail, when actually received in a readable form.

22.1.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

### **22.2 Press releases**

22.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 16.1 and 17.1 shall also be published by a notice published in Kauppalehti, Helsingin Sanomat or any other major Finnish newspaper selected by the Issuer, or if applicable, the

Agent. Any such notice shall be deemed to have been received by the Noteholders when published in any manner specified in this Clause 22.2.1.

- 22.2.2 In addition to Clause 22.2.1, if any information relating to the Notes or the Issuer/Group contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public in accordance with these Terms and Conditions, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to make public such information in accordance with these Terms and Conditions. If the Issuer does not promptly make public such information and the Agent considers it necessary to make such information public in accordance with Clause 22.2.1 before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to do so.

### **23. FORCE MAJEURE AND LIMITATION OF LIABILITY**

- 23.1 Neither the Issuer, the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 23.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 23.3 Should a Force Majeure Event arise which prevents the Issuer, the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 23.4 The provisions in this Clause 23 apply unless they are inconsistent with the provisions of the Book-Entry System Act which provisions shall take precedence.

### **24. GOVERNING LAW AND JURISDICTION**

- 24.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Finland.
- 24.2 The Issuer submits to the non-exclusive jurisdiction of the Finnish courts with the District Court of Helsinki (Fin: *Helsingin käräjäoikeus*) as the court of first instance.



**APPENDIX 1 (*Issuance Certificate*)**

ISSUANCE CERTIFICATE

Reference is made to the terms and conditions relating to Senior Secured Fixed Rate Notes due 1 April 2020 issued by Orava Residential REIT plc (the “Terms and Conditions”)

We hereby confirm the issuance of Subsequent Notes as follows:

Issue Date: [*date*]

Issue price: [●] per cent. of the Nominal Amount

Total Nominal Amount: [*amount*]

Use of proceeds: [*purpose*]

We confirm that no Event of Default is continuing.

The Terms and Conditions shall apply to the above Subsequent Notes.

In [●], on the [●] day of [●] 20[●]

ORAVA RESIDENTIAL REIT PLC  
as Issuer

\_\_\_\_\_  
Name:

## APPENDIX 2 (*Compliance Certificate*)

### COMPLIANCE CERTIFICATE

To: [●] as Agent

From: ORAVA RESIDENTIAL REIT PLC as Issuer

In [●], on the [●] day of [●] 20[●]

Dear Madams/Sirs,

**We refer to the senior secured fixed rate notes initially issued by us on 1 April 2015 with an aggregate nominal amount of EUR [●] (the “Notes”).**

1. We refer to the Terms and Conditions of the Notes. This is a compliance certificate. Terms defined in the Term and Conditions of the Notes have the same meaning when used in this compliance certificate unless given a different meaning in this compliance certificate.

2. We confirm that no Event of Default is continuing.<sup>1</sup>

3. We confirm that the ratio of Adjusted EBITDA to Net Finance Charges is [●].

*[Insert details of the calculations for Adjusted EBITDA]*

4. [We confirm that the Loan to Value Ratio is [●].]

5. This compliance certificate is governed by Finnish law.

ORAVA RESIDENTIAL REIT PLC  
as Issuer

\_\_\_\_\_  
Name:

\_\_\_\_\_  
<sup>1</sup> If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

**APPENDIX 3 (Form of Release Compliance Certificate)**

RELEASE COMPLIANCE CERTIFICATE

To: [●] as Agent

From: ORAVA RESIDENTIAL REIT PLC as Issuer

In [●], on the [●] day of [●] 20[●]

Dear Madams/Sirs,

**We refer to the senior secured fixed rate notes initially issued by us on 1 April 2015 with an aggregate nominal amount of EUR [●] (the “Notes”).**

1. We refer to Clause 9.10 of the Terms and Conditions. This is a Release Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Release Compliance Certificate unless given a different meaning in this Release Compliance Certificate.
1. We refer to the [release/replacement] request by the Issuer to the Agent dated [*date of request*] concerning the [release/replacement] of the Transaction Security referred to in such request (the “**Release**”) on the proposed [release/replacement] date (the “**Release Date**”).
2. We confirm that immediately before the requested Release on the Release Date (but [without taking into account the Fair Value of the shares referred to under paragraph [8] below] / without taking into account the additional amounts that have been deposited to the Blocked Bank Account on or before the Release Date referred to under paragraph [9] below]):
  - (a) The Fair Value of all shares subject to Transaction Security is [●].
  - (b) The Total Nominal Amount is [●].
3. We confirm that immediately after the requested Release on the Release Date ([taking into account the Fair Value of the referred to under paragraph [8] below] / taking into account the additional amounts that have been deposited to the Blocked Bank Account on or before the Release Date referred to under paragraph [9] below]):
  - (a) The Fair Value of all shares subject to Transaction Security will be [●].
  - (b) The Total Nominal Amount will be [●].

4. [The Fair Value of all shares subject to Transaction Security that have been requested to be released on the Release Date is [●], as evidenced by [the Valuation][the extract of the Valuation]<sup>2</sup> as attached to this Release Compliance Certificate as Annex 1.<sup>3</sup>
5. [The total aggregate amount standing to the credit of the Blocked Bank Account is [●], as evidenced by a bank account balance statement<sup>4</sup> as attached to this Release Compliance Certificate as Annex 2.<sup>5</sup>
6. [The amount that has been requested to be released on the Release Date from the Blocked Bank Account is [●].]
7. [The Fair Value of the of shares over which the Transaction Security is to be created and perfected no later than on the Release Date, prior to effecting the requested Release, is [●], as evidenced by [the Valuation][the extract of the Valuation]<sup>6</sup> as attached to this Release Compliance Certificate as Annex 3.<sup>7</sup>
8. [The additional funds that have been deposited to the Blocked Bank Account on or before the requested Release amount to [●], as evidenced by a bank account balance statement<sup>8</sup> as attached to this Release Compliance Certificate as Annex 4.<sup>9</sup>
9. [Following the requested Release, the total aggregate amount standing to the credit of the Blocked Bank Account will be [●].]
10. We confirm the compliance with the Minimum Overcollateralisation Ratio requirement on the date of this Release Compliance Certificate and before and after the requested Release on the Release Date.
11. We confirm that no Event of Default is continuing or could reasonably be expected to occur as a result of the requested Release.
12. This Release Compliance Certificate is governed by Finnish law.

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<sup>2</sup> This cannot be older than three (3) months.

<sup>3</sup> Delete as applicable.

<sup>4</sup> This cannot be older than three (3) days.

<sup>5</sup> Delete as applicable.

<sup>6</sup> This cannot be older than three (3) months.

<sup>7</sup> Delete as applicable.

<sup>8</sup> This cannot be older than three (3) days.

<sup>9</sup> Delete as applicable.

ORAVA RESIDENTIAL REIT PLC  
as Issuer

\_\_\_\_\_  
Name:

## ANNEX 2: INFORMATION ABOUT THE INITIAL POOL SUBJECT TO THE SECURITY

The payment of the Notes is secured by a security pool consisting of (i) shares in housing companies or mutual real estate companies fully or partially owned by the Issuer and (ii) all amounts standing to the credit of the Issuer's specified bank account.

The following table contains information on the assets subject to the security as at 19 March 2015. The fair value is calculated by applying external property valuations per 31 December 2014 for 19 March 2015 ownership. However, the Issuer has undertaken to ensure that the fair value of the security pool shall not be less than 130 per cent of the total outstanding principal amount of the Notes in issue at any time. Therefore, the assets may vary during the term of the Notes subject to the minimum overcollateralisation ratio. The fair values are based on valuations by external valuers.

The portion of debt of the entire security pool as at 31 December 2014 was EUR 15.2 million. The Company has sold eight apartments and one parking place belonging to the security pool between 1 January and 19 March 2015, which have been taken into account in share of ownership, number of apartments, area and fair value.

Housing company	Acquisition date	Holding, %	Number of apartments (business premises)	Size, m <sup>2</sup>	Fair value as at 31 December 2014, EUR
Asunto Oy Järvenpään Terho	30.12.2013	4.9	1	95	289,750
Asunto Oy Järvenpään Tuohi	30.12.2013	88.2	15	1,203	4,569,900
Asunto Oy Kauniaisten Venevalkamantie	30.11.2011	23.6	6	374	1,624,800
Asunto Oy Kirkkonummen Pomada	30.12.2013	32.5	6	650	1,839,000
Asunto Oy Koirasaarentie 1	31.3.2014	97.2	23	1,396	5,225,400
Asunto Oy Nurmijärven Puurata 15–17	7.9.2011	55.0	26	1,752	2,311,412
Asunto Oy Nurmijärven Soittaja	30.12.2013	58.9	15	1,326	4,140,300
Asunto Oy Vantaan Maaunintie 14	31.3.2014	100.0	74 (1)	5,065	7,685,000
Asunto Oy Vantaan Rasinne 13	21.6.2012	75.5	31	1,669	3,297,450
Asunto Oy Vantaan Rusakko	27.9.2012	75.0	7	384	1,067,400
Bostads Ab Lindheast Asunto Oy (Sipoo)	7.9.2011	64.9	14	1,140	1,783,995
Asunto Oy Jyväskylän Kruununtorni	1.3.2012	36.0	0 (5)	1,232	1,634,850
Asunto Oy Jyväskylän Tukkipoika	30.12.2013	12.3	3	228	661,200
Asunto Oy Lahden Helkalanhovi	30.12.2010	77.2	33	1,970	1,671,950
Asunto Oy Lahden Leinikki	30.12.2013	9.0	2	160	389,000
Asunto Oy Lahden Poikkikatu 4	30.12.2010	66.1	25	1,410	2,228,975
Asunto Oy Lahden Pormestari	30.12.2013	8.0	2	121	499,800
Asunto Oy Lahden Vuoksenkatu	26.2.2013	44.3	10	428	731,700
Asunto Oy Oulun Eveliina	30.12.2013	14.1	2	161	289,800
Asunto Oy Oulun Jatulinmetsä	30.12.2013	7.7	2	160	326,975
Asunto Oy Oulun Merijalinväylä	30.12.2013	4.6	2	138	487,200*
Asunto Oy Oulun Seilitie	13.12.2013	85.3	17	945	2,241,100
Asunto Oy Oulunsalon Poutapilvi	30.12.2013	4.1	1	93	181,350
Asunto Oy Tampereen Professori	30.12.2013	11.5	3	257	837,975*
Asunto Oy Tampereen Vuorenpelkko	30.12.2013	3.1	1	68	193,800
Asunto Oy Turun Michailowinportti	30.12.2013	21.8	5	417	1,586,550*
Asunto Oy Haminan Tervaniemi	29.3.2011	95.8	16	1,040	1,322,400
Asunto Oy Heinolan Tamppilahdenkulma	27.9.2013	100.0	20	1,164	821,585
Asunto Oy Hämeenlinnan Aulangontie 39	29.3.2011	48.5	11	527	984,800
Asunto Oy Kokkolan Luotsi	30.12.2013	21.9	4	321	902,800*
Asunto Oy Kotkan Alahovintie 7	26.6.2014	100.0	35 (1)	2,141	1,462,300*
Asunto Oy Kotkan Alahovintorni	27.9.2013	96.5	29	1,569	1,109,950
Asunto Oy Kotkan Matruusi	30.12.2013	19.7	6	409	1,287,200*
Asunto Oy Kotkan Vuorenrinne 19	25.10.2012	95.8	71	3,862	2,393,760

Asunto Oy Lohjan Koulukuja 14	29.5.2013	94,2	51	2,835	3,493,963
Asunto Oy Lohjan Pinus	30.12.2013	57,2	11	1,057	2,702,100
Asunto Oy Porin Kommodori	30.12.2013	8,7	4	372	1,381,425*
Asunto Oy Porin Pihlavankangas	27.9.2013	98,3	54	2,812	1,448,625
Asunto Oy Porvoon Kaivopolku	13.12.2013	100,0	25 (7)	2,055	5,572,683
Asunto Oy Riihimäen Vuorelanmäki I	26.6.2014	100,0	16	773	882,210
Asunto Oy Savonlinnan Välimäentie 5-7	26.6.2014	100,0	51	2,723	2,293,500
Asunto Oy Tornion Aarnintie 7	30.8.2012	39,0	19	1,138	987,100
Asunto Oy Tornion Kuparimarkka	29.3.2011	88,1	45	2,570	2,283,200
Asunto Oy Varkauden Ahlströminkatu	26.6.2014	100,0	27 (2)	1,762	990,990
Asunto Oy Varkauden Onnela	27.9.2013	100,0	9	864	414,720
Kiinteistö Oy Liikepuisto	13.12.2013	100,0	6 (4)	607	1,151,219
<b>Total</b>			836 + (20)	53,362	<b>81,730,162</b>

\*The fair value of the Investment Property includes parking spaces held as separate shares.

ANNEX 3: REALIA MANAGEMENT OY'S VALUATION REPORT ON THE ASSETS SUBJECT TO THE SECURITY

**REALIA**  
MANAGEMENT



## Orava Asuinkiinteistörahasto Oyj

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Valuation summary

50 properties in Finland

27<sup>th</sup> February 2015



# Assignment description

## Assignment

- The report is ordered by Veli Matti Salmenkylä on behalf of Orava Asuinkiinteistörahasto Oyj.
- Valued properties are owned by Orava Asuinkiinteistörahasto Oyj.
- The valuer has given its consent to the incorporation of the report into a listing prospectus.
- Realia Management Oy acts as an independent external valuer. Realia Management Oy defines property-specific sum values, income values and market values of each subject property of valuation biannually (Q2 & Q4) on the desktop basis.
- In addition valuations are prepared e.g. for transaction purposes of new properties. Depending on the instructions, either a calculation of value or a valuation report is prepared of the subject property.
- The purpose of the valuation is to define the market value of the property under valuation  
Market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion (IVS).
- The valuations are based on information regarding the property and its surroundings received from the owner, from public registers and from other information sources.
- The subject properties have been inspected if a valuation report is prepared of it. Otherwise, only a calculation of value, either with the inspection or on the desktop basis, is prepared of the subject property.
- The possible inspection dates for each property are listed in the table on pages 3-4.
- The subject properties, sum value of the apartments (property-specific), market values and valuation dates are listed in the table on pages 3-4.
- We assure that Realia Management Oy has defined the property-specific sum values of the apartments under valuation and their market values on specific valuation dates. This information has been listed in the table on pages 3-4.

Helsinki 27th of February 2015

Realia Management Oy | Valuation Advisory



Jenni Komppa-Hiiva  
Valuer, M.Sc (Tech)  
Authorized real estate  
valuer (AKA)



Seppo Koponen, *MRICS*  
Senior Director, M.Sc (Tech),  
REV, CIS HypZert (MLV),  
Authorized real estate  
valuer (AKA)

## Summary of the values (1/2)

Housing company	Address	Postal code	Object								The sum value of the apartments owned by Orava Asuinkiinteistörahasto Oyj	The market value of the apartments (as one sales target) owned by Orava Asuinkiinteistörahasto Oyj	Value date	Site inspection
			Post office	Year of construction	Tenure	Number of apartments	Total area (apartments)	Number of commercial premises	Total area (commercial premises)	Number of parking spaces				
Asunto Oy Espoon Albert	Kilonportti 5	02610	Espoo	2014	Freehold	4	275,0	0	0,0	4	1 289 300	1 200 000	31.10.2014	No
Asunto Oy Haminan Tervaniemi	Lavatie 6	49410	Hamina	1999	Freehold	16	1 039,5	0	0,0	0	1 322 400	1 010 000	31.12.2014	No
Asunto Oy Heinolan Tamppilahdenkulma	Keskuskatu 30	18150	Heinola	1977	Freehold	20	1 163,5	0	0,0	0	821 585	620 000	31.12.2014	17.9.2013
Asunto Oy Helsingin Koirasaarentie 1	Koirasaarentie 1	00840	Helsinki	2000	Freehold	24	1 436,0	0	0,0	17	5 385 400	4 420 000	31.12.2014	14.4.2014
Asunto Oy Hämeenlinnan Aulangontie 39	Aulangontie 39	13220	Hämeenlinna	1974	Freehold	11	527,0	0	0,0	0	984 800	840 000	31.12.2014	No
Asunto Oy Jyväskylän Kruununtomi	Hoitajantie 4	40100	Jyväskylä	1969/2010	Freehold	0	0,0	5	1 232,0	0	1 634 850	1 650 000	31.12.2014	No
Asunto Oy Jyväskylän Tukkipoika	Schaumanin puistotie 22	40100	Jyväskylä	2013	Leasehold	3	228,0	0	0,0	0	661 200	640 000	31.12.2014	No
Asunto Oy Järvenpään Saundi	Huvilakatu 7	04400	Järvenpää	2013	Freehold	8	687,5	0	0,0	9	2 662 650	2 300 000	31.10.2014	No
Asunto Oy Järvenpään Terho	Piennartie 16	04430	Järvenpää	2012	Freehold	1	95,0	0	0,0	0	289 750	290 000	31.12.2014	No
Asunto Oy Järvenpään Tuohi	Vakka 5	04400	Järvenpää	2013	Freehold	15	1 203,0	0	0,0	0	4 569 900	3 880 000	31.12.2014	No
Asunto Oy Kirkkonummen Pomada	Rajakalliontie 3	02460	Kantvik	2012	Freehold	6	650,0	0	0,0	0	1 839 000	1 710 000	31.12.2014	No
Asunto Oy Kauniaisten Venevalkama	Venevalkamantie 3	02700	Kauniainen	2012	Freehold	7	427,5	0	0,0	0	1 870 050	1 760 000	31.12.2014	7.2.2013
Asunto Oy Keravan Ritariperho	Palosenkatu 7	04230	Kerava	2011	Freehold	19	2 071,0	0	0,0	0	5 695 250	4 840 000	31.12.2014	22.7.2013
Asunto Oy Kirkkonummen Tammi	Ervastintie 1	02400	Kirkkonummi	2012	Freehold	14	1 082,0	0	0,0	14	4 584 600	4 100 000	31.10.2014	No
Asunto Oy Numijärven Soittaja	Pikkutikankuja 4	01800	Klaaukka	2013	Freehold	15	1 326,0	0	0,0	0	4 140 300	3 520 000	31.12.2014	No
Asunto Oy Kokkolan Luotsi	Merikotkantie 9-17	67200	Kokkola	2012	Freehold	4	321,0	0	0,0	2	902 800	860 000	31.12.2014	No
Asunto Oy Kotkan Alahovintomi	Alahovintie 1	48600	Kotka	1973	Freehold	29	1 568,5	0	0,0	0	1 109 950	830 000	31.12.2014	10.9.2013
Asunto Oy Kotkan Matruusi	Kirkkokatu 2	48100	Kotka	2013	Freehold	6	408,5	0	0,0	2	1 287 200	1 130 000	31.12.2014	No
Asunto Oy Mällinkatu 6	Mällinmutka 2-4	48600	Kotka	1958 & 1974	Freehold	54	2 874,5	0	0,0	0	1 647 900	1 200 000	1.10.2014	24.9.2014
Asunto Oy Kotkan Vuorenrinne 19	Vuorenrinne 19	48350	Kotka	1973 - 1976	Leasehold	72	3 895,5	0	0,0	0	2 416 875	1 570 000	31.12.2014	14.6.2012
Asunto Oy Lahden Leinikki	Huvikatu 8	15240	Lahti	2013	Leasehold	2	160,0	0	0,0	0	389 000	370 000	31.12.2014	No
Asunto Oy Lahden Heikalanhovi	Pihnikatu 5	15500	Lahti	1975	Freehold	33	1 970,5	0	0,0	0	1 671 950	1 360 000	31.12.2014	No
Asunto Oy Lahden Poikkikatu 4	Poikkikatu 4	15140	Lahti	1971	Freehold	26	1 468,5	0	0,0	0	2 376 175	1 900 000	31.12.2014	No
Asunto Oy Lahden Pormestari	Rullakatu 4	15900	Lahti	2012	Freehold	2	120,5	0	0,0	0	499 800	480 000	31.12.2014	No
Asunto Oy Lahden Vuoksenkatu 4	Vuoksenkatu 4	15100	Lahti	1970	Freehold	10	428,0	0	0,0	0	731 700	600 000	31.12.2014	25.6.2013

**The market value of the apartments (as one sales target) owned by Orava Asuinkiinteistörahasto Oyj** is the market value when all the apartments are sold to one buyer at one time. Typically, a wholesale discount, which is dependent e.g. on the size and condition of a target of valuation, is used in this kind of cases (definition of market value according to IVS). The market value of the apartments (as an entirety) is not equivalent to the acquisition price.

**The sum value of the apartments owned by Orava Asuinkiinteistörahasto Oyj** in each target of valuation is equal to the value consisting of the sum of individual apartments' values. This is the sum of individual apartments' transaction prices when selling them one by one and the wholesale discount is not taken into account. The sum value illustrates a fair value which is in accordance with the IFRS (definition of fair value according to IFRS). This is not equivalent to the acquisition price.

**The object** here is equal to all the apartments owned by Orava Asuinkiinteistörahasto Oyj on a specific property or in a specific housing company. In addition, the housing companies under valuation may also include apartments that are not owned by Orava Asuinkiinteistörahasto Oyj and thus the value of these is not taken into account.

### Year of construction and Tenure:

The information is based on the information obtained from the owner (Orava Asuinkiinteistörahasto Oyj) and it has not been checked by Realia Management Oy.

## Summary of the values (2/2)

Housing company	Address	Postal code	Object								The sum value of the apartments owned by Orava Asuinkiinteistörahasto Oyj	The market value of the apartments (as one sales target) owned by Orava Asuinkiinteistörahasto Oyj	Value date	Site inspection
			Post office	Year of construction	Tenure	Number of apartments	Total area (apartments)	Number of commercial premises	Total area (commercial premises)	Number of parking spaces				
Asunto Oy Lempäälän Tikanhovi	Kotipellonkatu 5	37500	Lempäälä	2014	Freehold	17	1 044,0	0	0,0	15	3 065 675	2 500 000	31.10.2014	No
Asunto Oy Lohjan Kouluksia 14	Lähdehaankuja 2	08700	Lohja	1976	Freehold	51	2 835,0	0	0,0	0	3 493 963	2 660 000	31.12.2014	15.1.2013
Asunto Oy Lohjan Pinus	Metsätähtikuja 6	08700	Lohja	2012	Freehold	11	1 056,5	0	0,0	0	2 702 100	2 430 000	31.12.2014	No
Asunto Oy Numijärven Puurata 15 - 17	Puurata 15-17	01900	Numijärvi	1974 & 1975	Leasehold	29	1 847,5	0	0,0	0	2 455 000	1 910 000	31.12.2014	3.5.2011
Asunto Oy Oulun Jatulinmetsä	Jatulikivenkatu 1	90240	Oulu	2013	Leasehold	2	159,5	0	0,0	0	326 975	320 000	31.12.2014	No
Asunto Oy Oulun Merijalinväylä	Koskitie 14	90500	Oulu	2012	Leasehold	2	138,0	0	0,0	1	487 200	480 000	31.12.2014	No
Asunto Oy Oulunsalon Poutapilvi	Pappilantie 5	90460	Oulu	2009	Freehold	1	93,0	0	0,0	0	181 350	180 000	31.12.2014	No
Asunto Oy Oulun Eveliina	Pesätie 22	90420	Oulu	2011	Leasehold	2	161,0	0	0,0	0	289 800	280 000	31.12.2014	No
Asunto Oy Oulun Seilitie 1	Seilitie 1	90510	Oulu	2009	Leasehold	18	986,5	0	0,0	11	2 346 100	2 060 000	31.12.2014	20.1.2014
Asunto Oy Porin Pihlavankangas	Katkojantie 1-3	28800	Pori	1973	Freehold	54	2 811,5	0	0,0	0	1 448 625	1 010 000	31.12.2014	19.9.2013
Asunto Oy Porin Kommodori	Presidentinpuistikatu 1	28130	Pori	2013	Freehold	4	371,5	0	0,0	2	1 381 425	1 310 000	31.12.2014	No
Asunto Oy Raision Valonlähde	Solnruksenkuja 24	21200	Raisio	2014	Freehold	13	870,0	0	0,0	11	2 671 300	2 200 000	31.10.2014	No
Asunto Oy Salon Ristinkedonkatu 33	Ristinkedonkatu 33	24240	Salo	1975 & 1976	Leasehold	72	4 245,0	2	273,0	0	3 698 650	2 220 000	31.12.2014	12.7.2013
Bostads Ab Lindhearst Asunto Oy	Kirkkoniityntie 28	04130	Sipoo	1982	Freehold	14	1 139,7	0	0,0	0	1 783 995	1 430 000	31.12.2014	13.5.2011
Asunto Oy Tampereen Ruuti	Auttilankatu 2	33300	Tampere	2014	Leasehold	20	945,0	0	0,0	7	2 963 150	2 610 000	31.12.2014	16.4.2014
Asunto Oy Tampereen Hämmälänrannan Nalle	Lentovarikonkatu 8 ja 14	33900	Tampere	2012	Freehold	3	249,0	0	0,0	0	759 450	700 000	31.10.2014	No
Asunto Oy Tampereen Vuorenpeikko	Pirttisuonkuja 1	33870	Tampere	2013	Leasehold	1	68,0	0	0,0	0	193 800	190 000	31.12.2014	No
Asunto Oy Tampereen Professori	Tutkijankatu 2	33720	Tampere	2013	Leasehold	3	256,5	0	0,0	2	837 975	800 000	31.12.2014	No
Asunto Oy Tomion Aamintie 7	Aamintie 7	95420	Tomio	1974	Freehold	19	1 138,0	0	0,0	0	987 100	790 000	31.12.2014	No
Asunto Oy Tomion Kuparimarkka	Aamintie 13	95420	Tomio	1975	Freehold	46	2 599,0	0	0,0	0	2 312 200	1 730 000	31.12.2014	No
Asunto Oy Turun Michailowinportti	Michailowinkatu 2	20100	Turku	2013	Leasehold	5	417,0	0	0,0	2	1 586 550	1 510 000	31.12.2014	No
Asunto Oy Vantaan Rusakko	Kylmäojantie 15	01390	Vantaa	1992	Leasehold	7	384,0	0	0,0	0	1 067 400	970 000	31.12.2014	24.7.2012
Asunto Oy Vantaan Rasinrinne 13	Rasinrinne 13	01360	Vantaa	1975	Freehold	31	1 668,5	0	0,0	0	3 297 450	2 640 000	31.12.2014	30.5.2012
Asunto Oy Varkauden Onnela	Kosulankatu 6	78300	Varkaus	1920	Freehold	9	864,0	0	0,0	0	414 720	300 000	31.12.2014	11.9.2013
Asunto Oy Varkauden Parsius	Parsiuskatu 6-8 & Unnukankatu 12	78300	Varkaus	1973	Freehold	36	1 986,0	0	0,0	0	954 300	670 000	31.12.2014	11.9.2013
	TOTAL										92 490 638	76 980 000		

**The market value of the apartments (as one sales target) owned by Orava Asuinkiinteistörahasto Oyj** is the market value when all the apartments are sold to one buyer at one time. Typically, a wholesale discount, which is dependent e.g. on the size and condition of a target of valuation, is used in this kind of cases (definition of market value according to IVS). The market value of the apartments (as an entirety) is not equivalent to the acquisition price.

**The sum value of the apartments owned by Orava Asuinkiinteistörahasto Oyj** in each target of valuation is equal to the value consisting of the sum of individual apartments' values. This is the sum of individual apartments' transaction prices when selling them one by one and the wholesale discount is not taken into account. The sum value illustrates a fair value which is in accordance with the IFRS (definition of fair value according to IFRS). This is not equivalent to the acquisition price.

**The object** here is equal to all the apartments owned by Orava Asuinkiinteistörahasto Oyj on a specific property or in a specific housing company. In addition, the housing companies under valuation may also include apartments that are not owned by Orava Asuinkiinteistörahasto Oyj and thus the value of these is not taken into account.

### Year of construction and Tenure:

The information is based on the information obtained from the owner (Orava Asuinkiinteistörahasto Oyj) and it has not been checked by Realia Management Oy.



# Orava Asuinkiinteistörahasto Oyj

Valuation summary

11 properties in Finland

20.3.2015

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<sup>3</sup> In the draft version of this Listing Prospectus, the information regarding plot tenure was erroneous and has been corrected in this version. However, this error did not have any impact on the fair values.

## Assignment description

### Assignment

- The report is ordered by Mikael Postila on behalf of Orava Asuinkiinteistörahassto Oyj.
  - Valued properties are owned by Orava Asuinkiinteistörahassto Oyj.
  - Turun Seudun OP-Kiinteistökeskus Oy acts as an independent external valuer. Turun Seudun OP-Kiinteistökeskus Oy defines property-specific sum values, income values and market values of each subject property of valuation biannually (Q2 & Q4) on the desktop basis.
  - In addition valuations are prepared e.g. for transaction purposes of new properties. Depending on the instructions, either a calculation of value or a valuation report is prepared of the subject property.
  - The purpose of the valuation report is to define the market value of the property under valuation  
Market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion (IVS).
  - The valuations are based on information regarding the property and its surroundings received from the owner, from public registers and from other information sources.
  - The subject properties have been inspected if a valuation report is prepared of it. Otherwise, only a calculation of value, either with the inspection or on the desktop basis, is prepared of the subject property.
  - The possible inspection dates for each property are listed in the table on page 3.
- The subject properties, sum value of the apartments (propertyspecific), market values and valuation dates are listed in the table on page 3.
  - We assure that Turun Seudun OP-Kiinteistökeskus Oy has defined the property-specific sum values of the apartments under valuation and their market values on specific valuation dates. This information has been listed in the table on page 3.
  - The issuer of the report has given its consent to the incorporation of the report into a listing prospectus.

Turku 20<sup>th</sup> of March 2015

Turun Seudun OP-Kiinteistökeskus Oy



Arto Helminen  
Sales manager, LKV  
Authorized real estate  
valuer (AKA)



Ilkka Teijula  
Real estate expert, LKV  
Authorized real estate  
valuer (AKA)

Housing company	Object										The sum value of the apartments and business premises owned by Orava Asuinkiinteistö-rahasto Oyj	The market value of the apartments (as one sales target) owned by Orava Asuinkiinteistörahasto Oyj	Value date	Site inspection
	Address	Postal code	City	Year of construction	Tenure	Number of apartments	Total area (apartments)	Number of commercial premises	Total area (commercial premises)	Number of parking spaces				
Asunto Oy Jyväskylän Ahjotar	Seppäläntie 4 A	40320	Jyväskylä	2014	Freehold	8	393,5	0	0	8	1 211 124 €	1 000 000 €	31.12.2014	No
Asunto Oy Jyväskylän Kyläseppä	Seppäläntie 4 C	40320	Jyväskylä	2014	Freehold	4	276,5	0	0	0	729 545 €	620 000 €	31.12.2014	No
Asunto Oy Kirkkonummen Kummikallio	Kummihovi	02460	Kantvik	1972...-73	Freehold	84	5241	0	0	0	6 952 000 €	4 000 000 €	31.12.2014	11.12.2014
Asunto Oy Kotkan Alahovintie 7	Alahovintie 7	48600	Kotka	1974	Freehold	36	1856,5	1	284	0	1 462 300 €	1 200 000 €	31.12.2014	11.2.2015
Kiinteistö Oy Liikepuisto	Kaivokatu 29	06100	Porvoo	1960	Leasehold	6	289	4	318	0	1 151 219 €	980 000 €	31.12.2014	9.2.2015
Asunto Oy Kaivopolku	Kaivokatu 29	06100	Porvoo	1993	Leasehold	25	1560,5	7	495	22	5 572 683 €	4 700 000 €	31.12.2014	9.2.2015
Asunto Oy Riihimäen Vuorelanmäki	Huhtimonkatu 1	11120	Riihimäki	1956	Freehold	16	773	0	0	0	882 210 €	700 000 €	31.12.2014	12.2.2015
Asunto Oy Savonlinnan Välimäentie 5-7	Välimäentie 5-7	57210	Savonlinna	1977	Freehold	51	2722,5	0	0	0	2 293 500 €	1 800 000 €	31.12.2014	11.12.2014
Asunto Oy Tampereen Vuoreksen Emilia	Pirttuonkuja 2	33870	Tampere	2014	Leasehold	14	1046,5	0	0	14	3 088 692 €	2 600 000 €	31.12.2014	No
Asunto Oy Vantaan Maaunintie 14	Maaunintie 14	01450	Vantaa	1975	Leasehold	75	5065	0	0	0	7 685 000 €	6 000 000 €	31.12.2014	10.12.2014
Asunto Oy Varkauden Ahlströminkatu 12	Ahlströminkatu 12	78250	Varkaus	1954	Freehold	27	1351,5	1	460	0	990 990 €	800 000 €	31.12.2014	19.1.2015
Total						346	20575,5	13	1557	44	32 019 263 €	24 400 000 €		

The market value of the apartments (as one sales target) owned by Orava Asuinkiinteistörahasto Oyj is the market value when all the apartments are sold to one buyer at one time. Typically, a wholesale discount, which is dependent e.g. on the size and condition of a target of valuation, is used in this kind of cases (definition of market value according to IVS). The market value of the apartments (as an entirety) is not equivalent to the acquisition price.

The sum value of the apartments owned by Orava Asuinkiinteistörahasto Oyj in each target of valuation is equal to the value consisting of the sum of individual apartments' values. This is the sum of individual apartments' transaction prices when selling them one by one and the wholesale discount is not taken into account. The sum value illustrates a fair value which is in accordance with the IFRS (definition of fair value according to IFRS). This is not equivalent to the acquisition price.

The object here is equal to all the apartments owned by Orava Asuinkiinteistörahasto Oyj on a specific property or in a specific housing company. In addition, the housing companies under valuation may also include apartments that are not owned by Orava Asuinkiinteistörahasto Oyj and thus the value of these is not taken into account.

## ANNEX 5: THE COMPANY'S RULES FOR REAL ESTATE INVESTMENT OPERATIONS

**Approved by the Finnish Financial Supervisory Authority on 28 January 2011**

**Amended at the Board of Directors' meeting on 9 June 2011**

**Confirmed by the Finnish Financial Supervisory Authority on 17 August 2011**

**Amended at the Annual General Meeting held on 19 March 2015**

### *Section 1. Goal of the operations of the Real Estate Investment Trust*

Orava Residential REIT plc (hereinafter "the Trust") is a public limited company which operates as a real estate fund as referred to in the Real Estate Funds Act (1173/1997). The assets of the Trust are mainly invested in rental apartments in the manner described in these rules for real estate investment operations. The goal of the Trust's investment operations is to engage in apartment rental operations in order to produce returns to the shareholders in the form of both dividends and an increase in the value of the Trust's share. The operations of the Trust aim to take advantage of the Act on the Tax Exemption of Certain Limited Liability Companies Engaging in Apartment Rental Operations ("the Tax Exemption Act") (299/209).

### *Section 2. Use of an agent*

The Trust may use agents for assistance in the management of its operations.

### *Section 3. Book-entry system*

The shares in the Trust are included in the book-entry system.

### *Section 4. Investment of the assets of the Trust*

At least 80 per cent of the Trust's assets shall be invested in real properties mainly in permanent residential use, shares in housing companies or shares providing entitlement to the possession of an apartment in such other mutual real estate company which solely engages in the ownership and management of real estate and the buildings on it (hereinafter "apartment"). This share may be temporarily lower. The apartments that are the objects of investment are to be mainly acquired in large and medium-sized Finnish cities where good rental incomes can be achieved. The investments are diversified taking location, the size of the apartments and the tenant risk into account.

A real property is considered to be mainly in residential use if at least 50 per cent of the aggregate net floor area of the buildings on it comprise apartments. An unbuilt plot determined as a residential plot in the local detailed plan is considered to be mainly in residential use. The Trust may invest in real estate which only generates returns after the implementation of fundamental improvement, land-use planning or construction.

At most 20 per cent of the Trust's assets may be invested in real estate in other than residential use or real estate securities concerning real estate.

The Trust may engage in new building and real estate development operations as referred to in Section 15(5) of the Real Estate Funds Act, such as changing the purpose of use of the real estate by renovation or land use planning, without jeopardising the tax exemption under the Tax Exemption Act. The Trust may invest at most 75 per cent of the Trust's assets in commitments required for the fundamental improvement of rental apartments, acquisitions and new construction.

The assets of the Trust which have not been invested as described above may be used for amortising liabilities or invested in the following investment objects:

1. Shares and equity-linked instruments, such as convertible bonds, warrants, employee stock options, subscription rights and share certificates of deposit, and other securities subject to public or multilateral trading as referred to in the Securities Market Act in Finland or subject to trading in an exchange system comparable to public trading or multilateral trading located or operating in another state.
2. Receivables that are not be considered securities; and
3. Cash or liquid funds comparable to cash, such as short-term debt securities issued by credit institutions or money market funds.

The Trust shall have the cash required for its operations. In order to promote efficient asset management, the Trust may take out loans for its investment operations and cash management. However, the amount of liabilities according to the Trust's consolidated financial statements or, if the Trust does not need to prepare consolidated financial statements, the Trust's financial statements may not exceed 80 per cent of the statement of financial position total. The counterparty risk



incurred for using non-standard derivative contracts for hedging credit may not exceed 80 per cent with regard to the same credit institution acting as the counterparty.

The Trust may only use standard and non-standard derivative contracts for other hedging purposes on the basis of a separate decision by the Board of Directors. The underlying instrument for derivatives may be a security, a money market instrument, a fund unit in a mutual fund or a unit in a collective investment undertaking, a deposit with a credit institution, a derivative contract, a financing index, an interest rate, an exchange rate or a currency.

Standard derivative contracts are subject to public trading in the marketplace described above in section (1). The counterparty in a non-standard derivative contract may be a credit institution or an investment firm with a registered office in a state included in the European Economic Area. The counterparty risk incurred from the use of non-standard derivative contracts that are not intended for hedging credit may not exceed ten per cent of the Trust's assets with regard to the same credit institution as the counterparty or five per cent with regard to other counterparties.

The Trust may also use insurance policies for hedging the value of its assets.

The assets of the Trust may be lodged in full as collateral for credit and derivative contract liabilities.

The aggregate risk involved in the Trust's securities and derivative contracts will be monitored on a daily basis.

The Trust aims for a high return rate on its investment operations by applying the following principles, in particular;

- (i) Optimisation of the timing of investments and changes in the crediting rate in accordance with the market development forecast;
- (ii) Obtaining high rental income by optimising of the size of the investment objects, such as by investing mainly in one-room and two-room apartments;
- (iii) Anticipation of macro-level development factors, such as population forecasts and supply bottlenecks in the selection of the location of the investments;
- (iv) Taking into account micro-level development, such as rail transport projects, in the selection of the location of investments; and
- (v) After the listing of the Trust, utilising the difference between the net asset value of the share and the share price. According to the restrictions provided in the Limited Liability Companies Act, Securities Market Act and Tax Exemption Act, the Trust may purchase its own shares when the trading price of the share is undervalued in relation to the net assets and, correspondingly, sell its shareholdings when the share is overvalued.

### ***Section 5. Making investment decisions***

The following decisions concerning the Trust's investment operations shall be made by the Trust's Board of Directors:

- (i) Acquisition or assignment of the Trust's investment objects if the contract price exceeds ten per cent of the Trust's entire capital;
- (ii) Acquisition or assignment of real estate;
- (iii) Deciding on taking out liabilities; and
- (iv) Entering into service agreements related to the acquisition and management of the Trust's investments or amending them.

The Trust's Board of Directors may authorise the CEO and the management company to make the decisions concerning investment operations referred to in sections ii) – iv) within certain limits. The CEO or a person appointed by him or her is responsible for other investment decisions and the operational management of investment operations, unless otherwise provided in the legislation applicable to the Trust.

### ***Section 6. Changes to the share capital and listing***

The Trust may change its share capital in the manner provided in the Limited Liability Companies Act, whereby the number of shares outstanding may be increased or decreased, depending on the content of the decision.

If the Trust increases its share capital by issuing new shares, the new shares can be subscribed for against a contribution in kind. Only such assets in which the company's assets are invested according to Section 4 may be assigned to the Trust as a contribution in kind. The Trust will acquire a statement on the value of the contribution in kind from an approved auditor in advance.

The Trust will apply for its shares to be made subject to trading in a regulated marketplace within the European Economic Area or subject to multilateral trading at the latest in the third tax year from the launch of the Real Estate Investment Trust operations.

### ***Section 7. Measurement, valuation and publication of the value of the Trust's real estate assets***

The values of the real estate and real estate securities subject to other than public or multilateral trading owned by the Trust are measured at least on a monthly basis and published at least on a quarterly basis and always when a change in the financial position of the Real Estate Investment Trust or changes in the condition of the real estate have a material impact on the value of the real estate and real estate securities owned by the Real Estate Investment Trust. Real estate and real estate securities subject to other than public or multilateral trading shall be valued when the Trust buys and sells them. Assets assigned to the Trust are also valued when the assets are received as a contribution in kind in connection with a subscription.

The assets are measured at fair value according to the following principles. Investment assets are originally valued at acquisition cost. The acquisition cost of self-developed or constructed investment assets consists of construction costs accumulated by the completion date, capitalised liability expenses and other expenses. Fair value is used in the measurement and valuation after the original recognition. Fair value is the amount of money for which the assets could be exchanged between informed parties willing to enter into the transaction and independent of each other. If a reliable market price is not available, the value may be determined by means of an apartment price measurement model developed by Orava Funds plc. The valuation of the Trust's assets meets the measurement criteria of IFRS and International Valuation Standards (IVS) and the criteria of good property valuation practice (Authorised Property Valuer (AKA)).

An external expert audits the Trust's measurement process, calculation methods and reporting once a year. In addition to the auditing, the Trust has the material used for the determination of asset value inspected by an external expert at least once a year. The external valuer used in the determination of the value of the assets shall be a property valuer approved by the Finland Chamber of Commerce or a firm of authorised public accountants.

For a special reason, the Trust may value apartments in other than its own use, at other than fair value, or decide not to use a property valuer or a firm of authorised public accountants, in which case the Trust shall justify its conduct in the Board of Directors' report or in the notes to the financial statements.

### ***Section 8. Criteria for calculating and publishing the value of the Trust and its share***

The value of the Trust is calculated so that the Trust's liabilities are deducted from the Trust's assets. The value of the Trust and its share is indicated in euros. The value of the share is obtained by dividing the value of the Trust by the number of shares less the number of shares possessed by the company.

The latest published value determined in accordance with Section 7 will be complied with in the valuation of real estate. Other assets under Section 4 included in the Trust are valued according to their valid market value. With regard to shares and equity-linked instruments, the market price is their latest available closing price. With regard to interest-bearing instruments it is the latest trading price or in a market guarantee system the average value of bid quotes. With regard to fund units the market price is defined as the latest trading price and with regard to money market fund units the latest confirmed value. Receivables are valued at their likely assignment price. Cash and cash equivalents and liabilities are measured at nominal value.

Other liquid funds comparable to cash are measured at fair value according to the principles confirmed by the Trust's Board of Directors. Derivative contracts are measured at their market value, at the latest available closing price.

The interest accrued on cash and cash equivalents is taken into account as an addition to the Trust's assets and the interest accrued on liabilities as a deduction from the Trust's assets.

The result of the Trust's business operations is calculated on a monthly basis. The Trust's revenue is made up of rental income, compensation for use, capital gains and changes in unrealised value. The management fees and other expenses incurred for the Trust's operations are deducted from the revenue and other operating income. The result of the Trust's business operations is published at least on a quarterly basis.

The values of the Trust and its share are calculated on a monthly basis and published at least on a quarterly basis.

Before the share has been made subject to public or multilateral trading on the Trust's application, the value of the share is calculated at least on a quarterly basis. The value and number of shares are published at the latest on the 15th of the following month on the Trust's website and they are also available from the Trust.

### ***Section 9. Distribution of profit***

The Trust distributes at least 90 per cent of the profit for the period excluding unrealised value changes as dividends,

unless otherwise provided in the provisions of the Limited Liability Companies Act that limit the distribution of profit on the basis of the amount of the Trust's non-restricted shareholders' equity or solvency.

#### ***Section 10. The Trust's duty of disclosure and publication of information about the Trust***

The Trust's duty of disclosure and publication of information are determined in accordance with the Real Estate Funds Act.

#### ***Section 11. Management service and the fees paid for it***

The Trust has agreed on management services and rights of use with Orava Funds plc in the manner defined in more detail in a separate agreement on management services. The management services and rights of use comprise the establishment of the Trust and the organisation of its operations, staffing of the organisation as part of the business organisation of Orava Funds plc, the business idea and its development, the right to use the logo and brand, the processes and guidelines for the Trust's investment operations and support activities, and the right to use the information systems related to the management of the Trust.

As compensation for the aforementioned management services, the Trust pays Orava Funds plc a fee of 0.6 per cent per annum of the value of the Trust's assets determined in accordance with Section 8. The fee is determined on a quarterly basis, and the value is considered to be the latest fair value of the assets according to IFRS in the previous quarter. The management fee is invoiced on a quarterly basis on the 15th day of the first month of each quarter.

As a performance-based management fee, the Trust pays Orava Funds plc twenty per cent (20%) of the Trust's annual return exceeding the hurdle rate of six per cent (6%). The performance-based management fee is calculated on the basis of earnings per share for the financial period and the number of shares at the end of the financial period. Before listing, earnings per share for the financial period are calculated on the basis of net assets per share closing and opening the financial period and the dividends paid for the share during the financial period. After listing, the stock exchange price of the share shall be used in the calculation instead of net assets per share, if the stock exchange price of the share is lower than net assets per share. The performance-based management fee is only paid if the closing stock exchange price for the financial period is higher than the highest dividend, issue and split-adjusted closing stock exchange price for the previous financial periods.

The performance-related management fee is invoiced on an annual basis on the 15th day of the first month of the financial period so that at least half of the performance-related fee is paid in money and the Trust has the right to pay half in the Trust's shares. Net assets per share on the closing date and, after listing, the stock exchange price are used as the value of the share.

Any potential value added tax valid at any given time is added to the aforementioned fees.

The Trust is itself responsible for the organisation of its operations to the extent that Orava Funds plc does not offer in the management service as described above. The Trust may organise the operations itself or acquire the services needed from Orava Funds plc or an external party.

#### ***Section 12. Organisation of real estate management and maintenance services***

The Trust acquires the services it needs mainly from external parties specialising in management and maintenance services for apartments, but it may also organise the operations itself.

#### ***Section 13. Risks and risk management***

Risk management is an integral part of the Trust's operations. Risk management refers to a systematic process allowing the identification, assessment and management of risks due to factors external to the Trust and the Trust's own operations.

The Trust's Board of Directors confirms the Risk Management Principles which define the objectives and general procedures of risk management as well as the related tasks and responsibilities. The CEO is responsible for the coordination of the risk management. The business organisation is primarily responsible for the identification and assessment of any risks affecting its operations.

The risks involved in the Trust's business operations are regularly assessed as part of the Trust's annual planning and strategy process, the preparation and decision-making process concerning agreements related to the acquisition of investment assets and other agreements, and other operational activities.

The risk management system is based on monthly reporting which monitors the development of the fair value of investment assets, the financial position, revenue, profitability, sales, trade receivables, expenses and, through them, the result trend of the Trust. The monthly internal reporting is implemented at the meetings of the Trust's management as part of their business review.

The knowledge and skill of the Trust's Board of Directors and management and their partners in implementing and managing investments play a crucial role from the point of view of the return on the Trust. Two material risks are related to this:

**Acquisition risk:** It may be challenging and difficult for the Trust to acquire investment objects that meet the Trust's goals. It is also uncertain whether the objects potentially acquired from the market are suited to the Trust's strategy.

**Rental income risk:** A significant part of the management work is to make the residential portfolio acquired generate returns according to the set goals. Forecasting market rents is difficult and lower market rents may be realised than forecasted, in which case the return on the Trust will decline.

Other significant risks include:

**A non-diversified portfolio**

It is possible that apartments cannot be acquired for the Trust in the planned areas; instead, the acquisition area may turn out to be considerably smaller than planned and less diversified.

**Management risk**

The Trust's success is affected by the expertise of its management and Board of Directors. It is possible that persons change or the expertise of persons involved in the operations becomes outdated or their ability to manage their tasks deteriorates.

**Liquidity risk**

The Trust may acquire apartments whose liquidity is relatively low as investment objects. It is possible that the liquidity deteriorates and becomes exceptionally low, in which case apartments cannot be sold at a time when it would be in the interests of the Trust to do so.

**Partner risk**

The operations of the Trust are also in material respects based on its partners. The ability of the partners to manage their tasks may deteriorate, they may discontinue their operations or be declared bankrupt.

**Damage risk**

It is possible that apartments acquired by the Trust are destroyed and the insurance company does not indemnify the damage. It is also possible that tenants cause particularly high damage to apartments, which causes costs that cannot be collected from the tenants.

**Interest rate risk**

Market interest rates vary, and it is difficult to predict future interest rates on the basis of the interest rates of the past few years. A rapid and radical change in market interest rates and margins may have a negative impact on the Trust's business operations.

**General economic risks**

There can be no guarantees that the general economy will grow or that the prices of apartments will rise in the future. The value of real estate typically follows cyclical fluctuations. Many factors affect the value of real estate, such as interest rates, inflation, economic growth, the business environment, availability of credit, taxation and building activity.

**Share valuation risk**

It is possible that the market price of the Trust's share deviates considerably from the value of the net assets per share. The investor may have to sell his or her shares on the stock exchange at a price that is lower than the net assets per share.

**Share liquidity risk**

It is possible that the share in the Trust has such poor liquidity that the sale of shares becomes time-consuming or even impossible.

**Legislation risk**

The Trust has been built on the basis of valid laws, and it is one of the first trusts according to the Tax Exemption Acts. It is possible that the laws change or that new laws will enter into force.

#### Lack of history

The Trust was established just before the launch of the Trust's operations, and the investor has not had the opportunity to assess the return on investment or the success of the Trust on the basis of previous returns. The Trust, its partners or their background parties are not responsible for the non-achievement of the anticipated returns or the risks involved in investment.

The objective of risk management is to minimise the detrimental effects of risks on the Trust's results.

The risk management methods include risk avoidance, risk elimination and diminishing the likelihood of risks materialising.

It is sought to manage risks through risk surveys, systematic monitoring and market analyses.

#### ***Section 14. Amendment of the rules for real estate investment operations***

The General Meeting decides on the amendment of the rules for real estate investment operations according to a proposal by the Board of Directors. The General Meeting may issue an authorisation to the Board of Directors to amend the rules for real estate investment operations within the limits of the authorisation referred to in the decision.

Amendments to the rules enter into force after a month from their approval by the Finnish Financial Supervisory Authority and their communication to shareholders by publishing the information in the manner required in the case of information falling within the sphere of the Trust's duty of disclosure in accordance with Section 10. Before the share has become subject to public or multilateral trading according to the Trust's application, the amended rules are communicated to the shareholders by e-mail to the addresses in the Trust's shareholder list and on the Trust's website, and they are also available from the Trust.

#### ***Section 15. Applicable law***

The operations of the Trust are governed by Finnish law.

**THE COMPANY**

Orava Asuinkiinteistörähdasto Oyj  
Kanavaranta 7 C 20  
FI-00160 Helsinki  
Finland

**LEAD MANAGER**

Danske Bank Oyj  
Hiililaiturinkuja 2  
FI-00180 Helsinki  
Finland

**LEGAL ADVISER TO THE COMPANY**

Castrén & Snellman Attorneys Ltd  
Eteläesplanadi 14  
FI-00130 Helsinki  
Finland

**AUDITOR**

PricewaterhouseCoopers Oy  
Itämerentori 2  
FI-00100 Helsinki  
Finland