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Sponda Plc

Stock Exchange Release 29 February 2016, 14:30

Board of Directors of Sponda decided on a rights offering

The Board of Directors of Sponda Plc ("Sponda" or the "Company") has today, on 29 February 2016, based on the authorization granted by the Extraordinary General Meeting on 29 February 2016, resolved on a rights offering (the "Offering") of EUR 220.8 million.

Sponda is offering in the Offering at maximum 56,615,092 new shares ("Offer Shares") to the Company's shareholders for subscription in proportion to their current shareholding in the Company. The Offer Shares to be issued in the Offering represent a maximum of approximately 20.0 per cent of the total shares and voting rights in the Company prior to the Offering and approximately 16.7 per cent of the total shares and voting rights after the Offering, assuming that the Offering is subscribed in full.

The subscription price for the Offer Shares is EUR 3.90 per Offer Share. The subscription period will commence on 7 March 2016 at 9:30 am (Finnish time) and end on 23 March 2016 at 4:30 pm (Finnish time).

Assuming that all of the Offer Shares are subscribed for in the Offering, the Company will raise net proceeds of approximately 218.6 million euros from the Offering. Sponda intends to use the net proceeds from the Offering to a partial repayment of the bridge loan raised for the acquisition of the Forum properties.

Sponda's shareholders that are registered in the Company's shareholders' register maintained by Euroclear Finland Ltd on the record date of the Offering of 2 March 2016, shall receive for each existing share in the Company held on the record date one (1) freely transferable subscription right ("Subscription Right") in the form of a book-entry entitling them to subscribe for Offer Shares. Five (5) Subscription Rights will entitle the holder of the rights to subscribe for one (1) Offer Share. Fractions of Offer Shares cannot be subscribed for. The Subscription Rights are freely transferable and subject to trading on Nasdaq Helsinki Ltd (the "Helsinki Stock Exchange") from 7 March 2016 to 17 March 2016. The Offer Shares will not entitle to possible dividend, which will be paid on 1 April 2016 according to the proposal for the Annual General Meeting to be held on 21 March 2016.

Forum Fastighets Kb has committed to subscribe for any Offer Shares that remain unsubscribed for in the Offering.

The ex-rights date for the Offering is 1 March 2016. Sponda has submitted a Finnish language prospectus for the approval of the Finnish Financial Supervisory Authority. This prospectus will be published on or about 4 March 2016.

Sponda expects to publish a stock exchange release regarding the preliminary results of the Offering on or about 24 March 2016 and one regarding the final results on or about 31 March 2016. Trading of interim shares corresponding to the Offer Shares will commence on or about 24 March 2016. Trading in the Offer Shares will commence on or about 1 April 2016.

The terms and conditions of the Offering are set out in the appendix to this release.

Danske Bank A/S, Helsinki Branch acts as the Sole Global Coordinator and Joint Bookrunner of the Offering and UBS Limited acts as the Joint Bookrunner of the Offering (together the "Joint Bookrunners"). Krogerus Attorneys Ltd acts as the legal adviser to Sponda in respect of Finnish law and Shearman & Sterling (London) LLP acts as the Company's international counsel. Castrén & Snellman Attorneys Ltd acts as the legal adviser to the Joint Bookrunners.

The Company has agreed with the Joint Bookrunners that it will not, subject to certain exceptions, during the period of time that will end on the date that falls 180 days from when the Offer Shares have been admitted to trading on the Helsinki Stock Exchange, issue, sell or otherwise dispose shares or enter into agreements corresponding to disposal, without the prior written notice of the Joint Bookrunners, except for the Offer Shares issued in the Offering.

Helsinki 29 February 2016
Sponda Plc
Board of Directors

Additional information: Kari Inkinen, President and CEO, tel. +358 20 431 3311

DISCLAIMER

The information contained herein is not for publication or distribution, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, New Zealand, South Africa, Singapore or the United States. The issue, exercise or sales of securities in the Offering are subject to specific legal or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

The information contained herein shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the securities referred to herein in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. Investors must neither accept any offer for, nor acquire, any securities to which this document refers, unless they do so on the basis of the information contained in the applicable prospectus published by the Company.

These written materials do not constitute an offer for sale of securities in the United States, nor may the securities be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended, and the rules and regulations thereunder. There is no intention to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

The Company has not authorised any offer to the public of securities in any member state of the European Economic Area other than Finland. With respect to each member state of the European Economic Area other than Finland which has implemented the Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of securities requiring publication of a prospectus in any Relevant Member State. As a result, the securities may only be offered in Relevant Member States (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or (b) in any other circumstances falling within Article 3(2) of the Prospectus Directive. For the purposes of this paragraph, the expression "an offer of securities to the public" means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to exercise, purchase or subscribe the securities, as the same may be varied by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including

the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The information contained herein shall not constitute a public offering of shares in the United Kingdom. This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as "relevant persons"). Any investment activity to which this document relates will be only available to, and will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The information contained in this document is for background purposes only and does not purport to be full or complete. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this document on its completeness, accuracy or fairness. The information in this document is subject to change. Any subscription for securities should be made solely on the basis of the information contained in the offering circular to be issued by the company in due course.

This document contains certain forward-looking statements. These forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to these uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as at the date of this document. The company disclaims any obligation to update any forward-looking statements contained in this document, except as required pursuant to applicable law.

APPENDIX Terms and conditions of the Offering

TERMS AND CONDITIONS OF THE OFFERING

Background

On 29 February 2016, the Extraordinary General Meeting of Sponda Plc (the "**Company**") authorised the Board of Directors of the Company to decide on the issuance of a maximum of 80,000,000 shares through a rights offering whereby the shareholders have the right to subscribe for the new shares in proportion to their current shareholdings in the Company. The authorisation is valid until 31 August 2016.

On 29 February 2016, based on the aforementioned authorisation, the Company's Board of Directors decided on the issuance of a maximum of 56,615,092 new shares in the Company (the "**Offer Shares**") in compliance with the shareholders' pre-emptive subscription right (the "**Offering**") in accordance with these terms and conditions.

The Offer Shares offered in the Offering represent approximately 20.0 per cent of all the shares and votes in the Company before the Offering and approximately 16.7 per cent of all the shares and votes in the Company after the Offering, assuming that all Offer Shares offered in the Offering are fully subscribed for.

Forum Fastighets Kb has committed to subscribe for any Offer Shares that remain unsubscribed for in the Offering (the "**Additional Subscription Commitment**").

Danske Bank A/S, Helsinki Branch will be acting as the sole global coordinator and joint bookrunner (the "**Sole Global Coordinator and Joint Bookrunner**") of the Offering and UBS Limited as a joint bookrunner (the "**Joint Bookrunner**", together with the Sole Global Coordinator and Joint Bookrunner the "**Joint Bookrunners**").

Terms and Conditions of the Offering

Subscription Right

The Offer Shares will be offered to the Company's shareholders for subscription in proportion to their shareholding in the Company.

Each shareholder who is registered in the Company's shareholders' register maintained by Euroclear Finland Ltd on 2 March 2016, the record date of the Offering (the "**Record Date**"), shall automatically receive for each one (1) Share held on the Record Date one (1) freely transferable subscription right in the form of a book-entry (the "**Subscription Right**") (ISIN code FI4000197868).

A shareholder or other person or corporation to whom the Subscription Rights have been transferred has the right to subscribe for one (1) Offer Share per every five (5) Subscription Rights. Fractions of Offer Shares cannot be subscribed for.

Unsubscribed Shares

In the event that not all the Offer Shares have been subscribed for during the subscription period of the Offering, the unsubscribed Offer Shares will be allocated to Forum Fastighets Kb to the Subscription Price in accordance with the Additional Subscription Commitment issued by the same.

Subscription Price

The subscription price for the Offer Shares is EUR 3.90 per share (the "**Subscription Price**"). The Subscription Price will be recorded in its entirety in the reserve for invested unrestricted equity of the Company.

The Subscription Price is based on the assessment and decision by the Company's Board of Directors which aims at minimising the dilution of equity and profit per share and, on the other hand, to secure the completion of the Offering. The use of the maximum subscription price set out in the Additional Subscription Commitment is in the economic interest of the Company. When comparing the Subscription Price to the share price of the Company's share quoted in Nasdaq Helsinki Ltd (the "**Helsinki Stock Exchange**") it should be noted that the Offer Shares are not entitled to the potential dividend that would be paid on 1 April 2016 as proposed to the Annual General Meeting to be held on 21 March 2016.

Subscription Period

The Subscription Period will commence on 7 March 2016 at 9:30 a.m. Finnish time on and expire on 23 March 2016 at 4:30 p.m. Finnish time (the "**Subscription Period**"). Account operators may impose a deadline for subscription that is earlier than the expiry of the Subscription Period.

Subscription of Offer Shares and Fees

A holder of subscription rights may participate in the Offering by subscribing Offer Shares by using the Subscription Rights on the shareholder's book-entry account and by paying the Subscription Price therefor. In order to participate in the Offering, holders of Subscription Rights must submit their subscription orders in accordance with the instructions given by Danske Bank or their own book-entry account operator or custodian. Holders of Subscription Rights who do not receive instructions from their account operator can contact Danske Bank.

The holder of a Subscription Right submitting a subscription order needs to have a book-entry account with a Finnish account operator or an account operator operating in Finland and inform the number of such book-entry account in the subscription order. Personal identity code, number of the book-entry account and other personal data required for the subscription order may be given also to other parties executing the order or participating in the assignment.

Subscription orders can be submitted in the following subscription places:

- Danske Bank Plc's offices (excluding corporate offices) in Finland during normal business hours; Information on the offices offering subscription services is available by phone using Danske Bank's Investment Line, 9:00 a.m. to 8:00 p.m. Monday to Friday and 10:00 a.m. to 4:00 p.m. Saturday (Finnish time), tel. +358 10 1054 63151 (local network charge/mobile call charge), by e-mail at the address sijoituslinja@danskebank.fi or online at www.danskebank.fi;
- Danske Bank Plc's Private Banking offices in Finland (for Danske Bank Plc's Private Banking customers only);
- Danske Bank's Investment Line with Danske Bank's bank codes by phone, 9:00 a.m. to 8:00 p.m. Monday to Friday and 10:00 a.m. to 4:00 p.m. Saturday (Finnish time), tel. +358 200 2000 (local network charge/mobile call charge). The Danske Bank Investment Line calls are recorded;
- Danske Bank Plc's eBanking service with bank codes for private customers at www.danskebank.fi. Commitment by phone using Danske Bank's Investment Line or by the eBanking service requires a valid eBanking agreement with Danske Bank. Commitments must be paid using an account in the name of the investor giving the Commitment;
- Danske Bank corporate eBanking services in the Markets Online module for Business Online customers, and
- with account operators who have an agreement with Danske Bank regarding receipt of subscriptions.

The Subscription Price must be paid in full when making the subscription in accordance with the instructions given by Danske Bank, the book-entry account operator or the custodian.

Those shareholders or other investors participating in the Offering whose shares or Subscription Rights are registered in the name of a nominee should submit a subscription order in accordance with the instructions of the nominee.

Incomplete or erroneous subscription assignments may be rejected. A subscription order may be rejected if the subscription is not made or if the Subscription Price of the Offer Shares is not paid in accordance with these terms and conditions. In such a situation, the Subscription Price paid will be refunded to the subscriber. No interest will be paid on the refunded Subscription Prices.

Any exercise of the Subscription Rights is irrevocable and may not be modified or cancelled other than as set forth in section "*Cancellation of Subscriptions under Certain Circumstances*" of these terms and conditions.

Any Subscription Rights remaining unexercised at the end of the Subscription Period on 23 March 2016 at 4:30 p.m. will expire without any compensation.

Subscription and Payment of Offer Shares on the Basis of the Additional Subscription Commitment

If the Additional Subscription Commitment is exercised, the Offer Shares will be subscribed for pursuant to the Additional Subscription Commitment by paying the Subscription Price in accordance with the instructions issued by the Joint Bookrunners.

Cancellation of Subscriptions under Certain Circumstances

If the prospectus for the Offering (the "**Finnish Offering Circular**") is supplemented or corrected due to a mistake or inaccuracy or material new information that could be of material relevance to the investors, any subscribers who have already agreed to subscribe for Offer Shares before the related correction or supplement is published, shall have the right to withdraw their subscription in accordance with the Finnish Securities Market Act (746/2012, as amended). Subscribers are entitled to cancel their subscriptions within two (2) business days from the publication of the supplement or correction. In addition, the use of the cancellation right requires that the error, omission or material new information has become known prior to the trading in the interim shares representing the Offer Shares has begun or prior to the delivery of the Offer Shares to the subscribers of the Offer Shares on the basis of the Additional Subscription Commitment. A cancellation of a subscription applies to the subscription being cancelled in its entirety. The right of and the procedure regarding the cancellation of the subscriptions will be announced together with any such supplement to the Finnish Offering Circular through a stock exchange release. The sale or transfer of a Subscription Right cannot be cancelled.

Subscription Rights Trading Period

Holders of Subscription Rights may sell their Subscription Rights at any time prior to the end of the public trading of the Subscription Rights. The Subscription Rights are subject to trading on the Helsinki Stock Exchange from 7 March 2016 at 10:00 a.m. Finnish time to 17 March 2016 at 6:25 p.m. Finnish time. Subscription Rights may be sold or purchased by giving a sell or purchase assignment to one's own book-entry account operator or to any securities broker.

Approval of Subscriptions

The Company's Board of Directors will approve all subscriptions made pursuant to the Subscription Rights and in accordance with these terms and conditions of the Offering that have been made in accordance with the laws and regulations applicable to the Offering.

In the event not all the Offer Shares offered in the Offering have been subscribed for pursuant to the exercise of the Subscription Rights, the Company's Board of Directors will decide on the allocation of the unsubscribed Offer Shares to the issuer of the Additional Subscription Commitment.

The Board of Directors of the Company will decide on the approval of the subscriptions on or about 31 March 2016. The Company will publish the final results of the Offering in a stock exchange release on or about 31 March 2016.

Registration of the Offer Shares to Book-Entry Accounts

The Offer Shares subscribed for in the Offering pursuant to the Subscription Rights will be recorded on the subscriber's book-entry account after the registration of the subscription as interim shares corresponding to the Offer Shares. The interim shares will become subject to trading on the Helsinki Stock Exchange under the ISIN code FI4000197876 on or about 24 March 2016 and will be combined with the Company's existing class of shares (ISIN code FI0009006829) on or about 1 April 2016. The Offer Shares subscribed for and approved pursuant to the Additional Subscription Commitment will be entered into the book-entry account of the issuer of the Additional Subscription Commitment as of the registration of the Offer Shares with the Trade Register, on or about 1 April 2016. Trading in the Offer Shares will commence on Helsinki Stock Exchange on or about 1 April 2016.

Shareholders' Rights

The Offer Shares will carry the right to receive full dividends and other distribution of funds by the Company, if any, and to other shareholder rights in the Company as of the registration of the Offer Shares with the Trade Register

and in the shareholders' register of Company, on or about 1 April 2016. The Offer Shares will not entitle to dividend for the financial year 2015 resolved by the Annual General Meeting to be held on 21 March 2016 which will be paid on 1 April 2016 according to the proposal of the Board of Directors.

Payments and Expenses

No transfer tax or service fees are payable on the subscription for Offer Shares. Book-entry account operators, custodians and securities brokers, who exercise assignments regarding the Subscription Rights, may charge a brokerage fee for these assignments in accordance with their own price lists. Book-entry account operators and custodians also charge a fee for the maintenance of the book-entry account and the deposit of shares in accordance with their price list.

Information

The documents referred to in Chapter 5(21) of the Finnish Limited Liability Companies Act are available for review from the beginning of the Subscription Period at the head office of the Company at the address Korkeavuorenkatu 45, FI-00130 Helsinki.

Governing Law and Dispute Resolution

The Offering and the Offer Shares shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by the court of competent jurisdiction in Finland.

Lock-up

The Company has agreed with the Joint Bookrunners that it will not, during the period of time that will end on the date that falls 180 days from when the Offer Shares have been admitted to trading on the Helsinki Stock Exchange, issue, sell or otherwise assign Shares or enter into agreements equivalent to assignment without the prior written notice of the Joint Bookrunners, except for the Offer Shares issued in the Offering and certain other exceptions in respect of the Company.

Other Matters

The Company's Board of Directors will decide on other matters related to the Offering and practical measures required by them.