

RAVEN PROPERTY GROUP LIMITED

Incorporated in Guernsey

Company number 43371

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("Raven" or the "Company")

**RAVEN PROPERTY GROUP**

COMPANY UPDATE – ARRANGEMENTS TO ALLOW RAVEN TO DISPOSE OF THE RUSSIAN BUSINESS TO THE RUSSIAN MANAGEMENT TEAM AND PROPOSED CANCELLATION OF THE LISTINGS IN THE COMPANY'S SHARES

The Board of Raven is deeply saddened by the events in Ukraine and sincerely hopes for a peaceful resolution as soon as possible. The events which began on 24 February 2022 and the subsequent impact of sanctions have made it impracticable for the business to continue in its current form and the Board announces that it has entered into an arrangement to allow it to divest itself of its Russian business to Prestino Investments Ltd, a Cypriot company, to be owned and controlled by Raven's Russian management team, led by Igor Bogorodov ("the Transaction"). The Board believes this to be the most effective way to meet any further sanction and counter sanction requirements. In light of the Transaction and the matters set out in this announcement including the conditionality surrounding the exercise of the put option, it is the Board's intention that the listings of the Company's shares be cancelled.

The Transaction

The Transaction is structured as a put option for nominal cost in the Company's favour, to allow it to dispose of the entire issued ordinary share capital of Raven Russia (Holdings) Cyprus Limited ("RRHCL") (being the existing owner of all of the Group's Russian assets and related debt) to its Russian management team, for nominal consideration.

RPG's ability to exercise the put option will be conditional, *inter alia*, on the Company's cancellation of the London listing of its ordinary shares and the subsequent completion of the disposal will be conditional upon satisfaction of any required regulatory and other approvals. There is no binding obligation on the Company to exercise the option and its exercise is solely at the discretion of the Company. In the event the option is exercised, the Company would retain an economic interest in RRHCL via existing unsecured loans of £41 million and Rub1.1 billion to RRHCL and non voting preference shares of £678 million, attracting a coupon of 8%, 15% and 10% per annum respectively and with a term of ten years until maturity. The preference shares are not convertible and will be issued to the Company as part of a restructuring of RRHCL's balance sheet, converting the total of its existing share premium account to preference shares by way of a bonus issue. The denomination of the instruments is as noted above. As explained later in this announcement, due to the current circumstances in Russia, the introduction of international sanctions and Russian counter sanctions, exchange controls limiting the movement and conversion of roubles to hard currency and the impact that is having and will continue to have on the Russian economy, the Company is unable to assess the current value of these loans and preference shares or the ability of RRHCL to service these loans or preference shares in the future at this time.

Following the exercise of the put option RPG will hold the loan and preference share assets above along with any cash balances. Its principal commitment will be its own preference shares.

Suspension of listings

Prior to this restructuring, the unaudited balance sheet of RRHCL at 31 December 2021 had net assets equivalent to £437 million, including the loans and share premium account noted above and unaudited net operating income for the year to 31 December 2021 equivalent to £108 million. The Russian business has

collected 97% of all rents due in the year to date and remains 97% let at today's date. It is also expected that all debt service obligations will be met at the quarter end should sanctions allow for payment. However, as intimated in the announcement of 2 March 2022, sanctions and counter sanctions are severely limiting the Company's ability to access funds from its Russian subsidiaries and exchange controls are limiting the ability to convert roubles into alternative currencies, even at the current punitive exchange rates. The uncertainty around the impact of those international sanctions and any Russian counter sanctions on the Russian economy make any estimate of the current net asset value of the Company and RRHCL or any assessment of their future income profile unfeasible at this time. This situation will persist both pre and post the announcement of the Transaction and following the exercise of the put option unless there is a significant lifting of sanctions.

As a result of the Company's inability to accurately assess its current financial position and inform the market accordingly, the Company requested and was granted a suspension of its ordinary shares and preference shares to trading on the London Stock Exchange effective at 7.30a.m. this morning. Similar suspensions will apply to the Company's listings on TISE, JSE and MOEX.

De-listing of ordinary and preference shares

As noted above, RPG's ability to exercise the put option is conditional, *inter alia*, on cancellation of the London listing of the Company's ordinary shares. Consequently, the Board intends, as soon as practicable, to prepare and send circulars to go to both ordinary shareholders and preference shareholders and to convene meetings to propose the required resolutions to cancel the London listings of both share classes ("De-listings"). It will also look to cancel the secondary listings the Company's shares have on TISE, JSE and Moex. Shareholders should note that, if the de-listing of the ordinary shares proceeds, shareholders will not be able to vote on the exercise of the put option by the Company. The Circulars will include further information on the Transaction and loan and preference share instruments in RRHCL.

The Directors have confirmed their support for the Transaction and the De-listings. The Company has discussed the De-listings in detail with its major shareholders and expects their support at the relevant meetings.

Given the fundamental change in the Company's business and current political uncertainties, the Board has delayed the issue of the audited financial statements for the year ended 31 December 2021 until further notice.

In light of the above, it remains unlikely that the Company will pay the preference share coupon for the quarter ending 31 March 2022 and this will accumulate in accordance with the terms of the instrument. A further announcement will be made prior to the scheduled payment date.

Richard Jewson, Chairman said:

"In these extraordinary times it has become necessary to take extraordinary measures in order to protect all employees and stakeholders in our business. The combination of volatile markets and the continual risk of sanctions and counter sanctions necessitates this Transaction. We hope and pray for peace."

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THE PERSON RESPONSIBLE FOR ARRANGING FOR THE RELEASE OF THIS ANNOUNCEMENT ON BEHALF OF THE COMPANY IS BENN GARNHAM, COMPANY SECRETARY.

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About Raven Property Group

Raven Property Group Limited was founded in 2005 to invest in class A warehouse complexes in Russia and lease to Russian and International tenants. Its Ordinary Shares and Preference Shares are listed on the Main Market of the London Stock Exchange and admitted to the Official List of the UK Listing Authority and the Official List of The International Stock Exchange ("TISE"). Its Ordinary Shares also have a secondary listing on the main board of the Johannesburg Stock Exchange and the Moscow Stock Exchange. The Group operates out of offices in Guernsey, Moscow and Cyprus and has an investment portfolio of circa 1.9 million square metres of Grade "A" warehouses in Moscow, St Petersburg, Rostov-on-Don, Novosibirsk and Nizhny Novgorod and 49,000 square metres of commercial office space in St Petersburg. For further information visit the Company's website: www.theravenpropertygroup.com