

Orava Residential REIT plc

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ORAVA RESIDENTIAL REIT IS CONTINUING THE PREPARATIONS OF STRUCTURAL CHANGES – FINANCIAL SUPERVISORY AUTHORITY HAS MADE THE DECISION ON APPLYING THE ACT ON ALTERNATIVE INVESTMENT FUND MANAGERS REQUESTED BY THE COMPANY

As part of its efficiency programme, Orava Residential REIT plc has made preparations to streamline the company structure. This would be achieved by converting the company from a real estate investment trust into a listed real property investment company. In that case, the company would be similarly structured as the other real property investment companies on the main list. According to the Board of Directors, the streamlining would bring cost savings, clarify the regulation applying to the company and allow the company to organise its operations more efficiently. To carry out the streamlining, the company has requested the Financial Supervisory Authority to issue a decision on whether applying the Act on Alternative Investment Fund Managers would end after the company has introduced the planned measures. The main measures planned by Orava Residential REIT are as follows:

- The Articles of Association would be changed so that there would no longer be any references to the real estate investment trust in the company name or in the definition of the line of business.
- the existing rules for real estate investment operations would be revoked
- the Board of Directors would approve a new strategy, under which the company would, in addition to investment activities, also focus on industrial activities (including apartment rental operations and project development).

According to the decision issued by the Financial Supervisory Authority on 9 May 2018, the company would no longer be considered an alternative investment fund referred to in the Act on Alternative Investment Fund Managers after it has introduced the planned measures. The decision issued by the Financial Supervisory Authority is public. In the company's view, this is an important decision because it allows Orava Residential REIT to streamline its structure and improve its operational efficiency.

An extraordinary general meeting will make the final decision on the matter at the proposal of the Board of Directors. After the decision issued by the Financial Supervisory Authority, the Board of Directors will continue the preparation of the matter with the aim of introducing changes that serve the interests of all shareholders and help to make the company structure more efficient. After preparing its proposal, the Board of Directors will convene an extraordinary general meeting.

Helsinki, 16 May 2018

Orava Residential REIT plc

Board of Directors

Additional information:

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