

Nordecon AS
REPORT OF THE SUPERVISORY BOARD
REGARDING FINANCIAL YEAR 2023

At the meeting of the supervisory board on 19 April 2024 the supervisory board of Nordecon AS (hereinafter also “Company”) reviewed the 2023 annual report of the Company, which includes the management report and the annual accounts and to which the independent sworn auditor’s report and the management board’s profit allocation proposal have been attached. The supervisory board decided to submit the consolidated annual accounts of the Company for the financial year 2023 as submitted by the management board to the general meeting of shareholders for approval.

The supervisory board has been formed and it has organised its activities in accordance with the articles of association of the Company and the legal acts of the Republic of Estonia.

In 2023, the supervisory board had in total 7 meetings and three times the supervisory board adopted resolutions without calling a meeting by consensus of the supervisory board members. The resolutions of the supervisory board address, among others, the following significant topics.

At the supervisory board meeting held on **8 February 2023**, the management board gave an overview to the supervisory board about the preliminary unaudited economic results of the Nordecon AS group for the year 2022 and the supervisory board approved the 2023 budget of the Nordecon AS group, the strategy of the Nordecon AS group and forecast for the years 2023-2027. The supervisory board also decided to approve the transfer of immovables (properties no 75403, 3649804, 131304 and 3649904) and parking spaces (parking lot at Väike-Turu 3) belonging to the Company to Embach Ehitus OÜ at the prices and within time specified in the minutes of the decision. In addition, the supervisory board decided to increase the credit facility of Eurocon OÜ and for the new term elected audit committee members Andri Hõbemägi (term 06.02.2023 to 05.02.2026), Vello Kahro (term 06.02.2023 to 05.02.2026), Andre Luman (term 06.02.2023 to 05.02.2026), Sandor Liive (term 06.02.2023 to 05.02.2026) and approved the activities carried out and decisions made by the audit committee so far.

On **3 April 2023**, the supervisory board made a resolution without advance notice and record of vote which is permitted under § 323 (6) of the Commercial Code if all the members of the supervisory board agree to and sign the resolution. The supervisory board gave consent to transfer an immovable Pikksilma tn 11 belonging to the Company at the price specified in the resolution. All the members of the supervisory board approved the resolution and signed it digitally.

At the supervisory board meeting held on **20 April 2023**, the supervisory board decided to submit the consolidated annual accounts of Nordecon AS for 2022 and the proposal for the distribution of profit, as submitted by the management board, which provided that dividend is not paid to the shareholders, to the general meeting of shareholders for approval; to approve the agenda of the general meeting of shareholders of Nordecon AS together with the draft resolutions as submitted; to order the management board to call the general meeting of shareholders on 23.05.2023; to approve the report on the activities of the supervisory board in 2022 and the supervisory board’s evaluation of the auditor’s activity in 2022. As the objectives set for the 2022 financial year were not achieved, the supervisory board decided to not pay the performance fee to the management board members and took note of the overview presented by the management board about the economic results and budget discharge of the group in the 1st quarter of 2023. The supervisory board decided to extend the powers of management board member Maret Tambek until 30 April 2026, management board member Priit Luman until 30 April 2026 and appoint a new management board member Tarmo Pohlak

from 5 June 2023 to 4 June 2026. The supervisory board approved the new structure of the Company as of 5 June 2023, took note of the Company's decision to merge subsidiaries AS Tariston and Kaurits OÜ and approved the management board's proposal to extend the overdraft and the guarantee limit with Swedbank AS.

On **30 May 2023**, the supervisory board made a resolution without advance notice and record of vote which is permitted under § 323 (6) of the Commercial Code if all the members of the supervisory board agree to and sign the resolution. The supervisory board elected, from among themselves, Toomas Luman as the chairman of the supervisory board. All the members of the supervisory board approved the resolution and signed it digitally.

At the supervisory board meeting held on **6 September 2023**, the supervisory board took note of the management board's overview of the group's economic results and budget discharge for the 7 months of 2023 and the group's economic results forecast for 2023 prepared by the management board. In addition, the supervisory board approved the management board's proposal to increase the share capital of Eurocon OÜ at a share premium, the management board's proposal to extend the overdraft with Coop Pank AS and the overdraft and the guarantee limit with Swedbank AS and the management board's proposal to increase the credit facilities of Eurocon OÜ and Kalda Kodu OÜ. The supervisory board also gave the management board consent and powers to establish a personal right of use in favor of Elektrilevi OÜ to the Tehas property in Paide.

At the supervisory board meeting held on **1 November 2023**, the management board provided an overview of the group's economic results and budget discharge for the 9 months of 2023. The supervisory board approved the investment budget and the grants budget of the Nordecon AS group for the year 2024 as submitted by the management board. The supervisory board decided to extend loan agreements signed with companies of the group, establish a new interest rate, increase the credit facility of Nordecon Statyba UAB and give the management board powers to enter into corresponding amendments to loan agreements with the group's subsidiaries. In addition, the supervisory board established a new intra-group guarantee limit for the Company, extended the warranty limit and gave the management board approval and powers to transfer the immovable Kivimäe tn 27 belonging to the Company at the price stated in the minutes of the decision.

On **7 November 2023**, the supervisory board made a resolution without advance notice and record of vote which is permitted under § 323 (6) of the Commercial Code if all the members of the supervisory board agree to and sign the resolution. In connection with the expiration of the chairman of the management board Gerd Müller powers from 7 January 2024 and regarding his wish not to continue as the Company's chairman of the management board the supervisory board decided to recall Gerd Müller as the Company's chairman of the management board as of 8 January 2024. The supervisory board decided to appoint Maret Tambek as acting chairman of the management board from 8 January 2024 until the appointment of the new chairman of the management board. The supervisory board also gave the management board approval to transfer the Company's 52% partnership in Nordecon Betoon OÜ (registry code 10647027) at the price and conditions specified in the decision and to set the agenda of extraordinary general meeting of Company's shareholders with the draft decision. All the members of the supervisory board approved the resolution and signed it digitally.

Toomas Luman
Chairman of the Supervisory Board
19 April 2024