



Arco Vara AS Annual General Meeting of Shareholders

www.arcovara.com



May
2021



Regulations

- Questions to the rapporteur, suggestions and dissenting opinions shall be submitted in writing
- Requests to speak shall be made in writing to the chair of the meeting before the item is considered
- The length of the speech is up to 5 minutes



Agenda

- 1) Approval of the annual report for 2020
- 2) Distribution of profit and dividend payment
- 3) Approval of dividend policy
- 4) Increase of share capital



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Overview of 2020

GOALS

- Revenue 13.5m€ / Net profit 0.7m€
- Smooth CEO change
- Issuance of usage permit for Iztok Parkside
- To start construction of Stage 4/5 of Kodulahe
- To purchase a new development property in Tallinn

RESULTS

- Revenue 14.1m€ / Net profit 1.0m€
- The CEO changed
- The usage permit for Iztok Parkside issued
- The construction of Stage 4/5 of Kodulahe has started
- A new development property was purchased in Q1 2021



Objectives for 2021

- Revenue 15m€ / Net profit 1.5m€
- Final sale of Kodukalda development
- Start of construction of Kodulahe Rannakalda
- Purchase of a new land plot in Sofia
- Initiation of a detailed plan in Paldiski road 124b



Overview of Ongoing Developments



KODU  KALDA



KODULAHE KVARTAL

STAGE 4/5





KODULAHE KVARTAL
RANNAKALDA



Objectives for 2022-2025

FOR INVESTORS

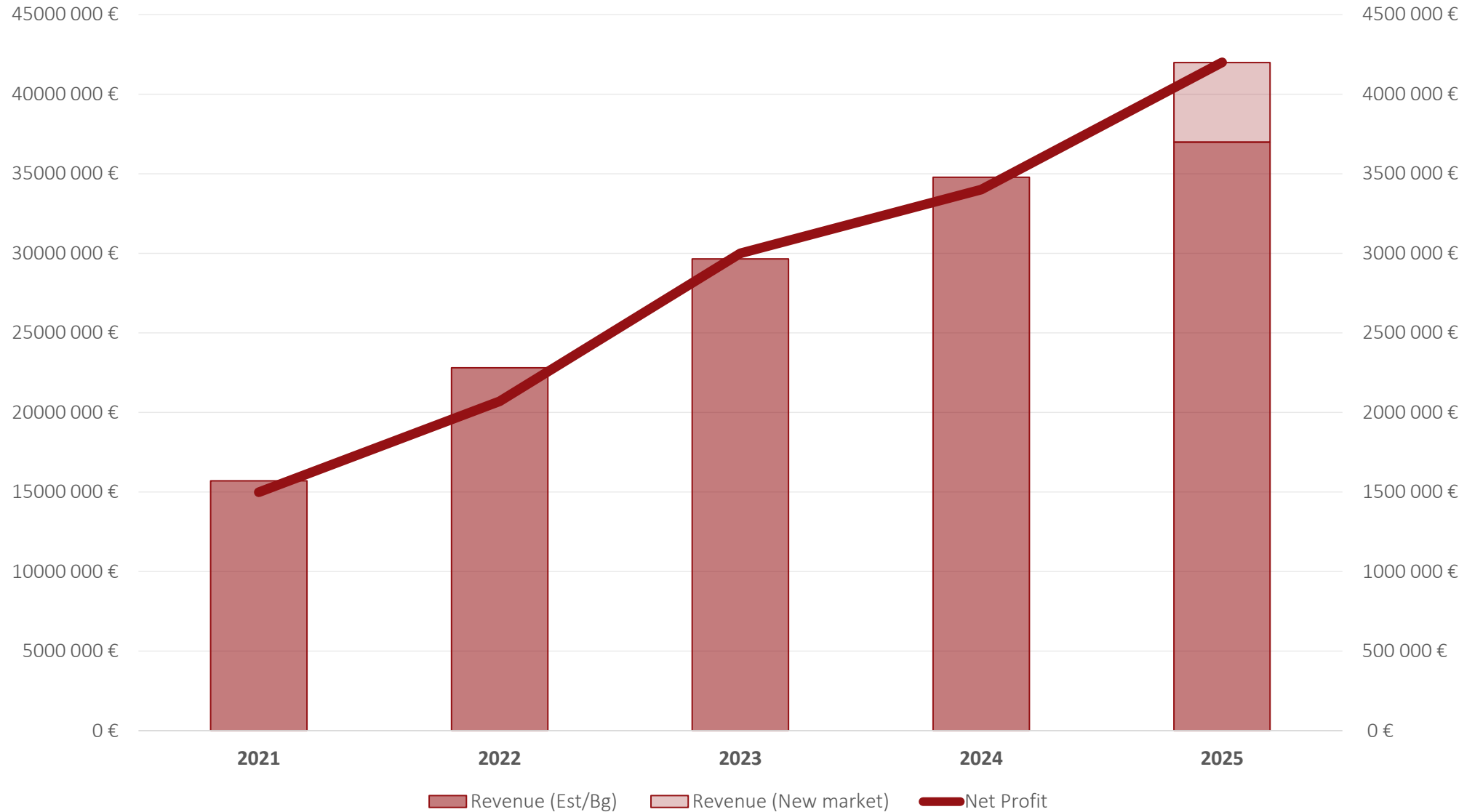
- ROE of projects 20% per year
- Increase of revenue at least 20% per year
- Dividend of at least 6 cents per share
- Entering a third market

FOR CLIENTS

- Homes that will be enjoyed for years
- The most reliable real estate developer
- Plans thought to the last detail
- Outstanding home environments

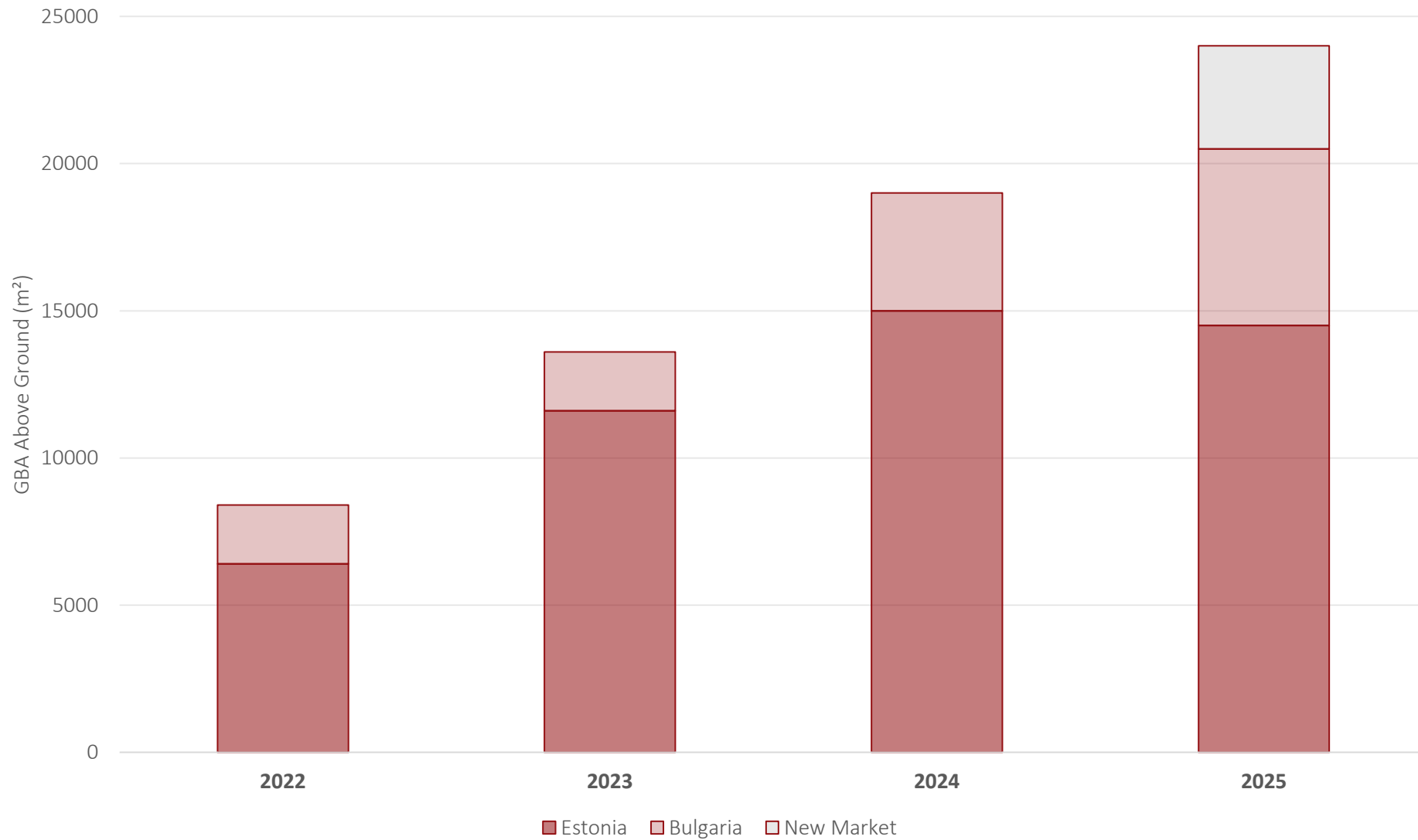


Objectives on Graph





Objectives on Graph





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Approval of the Annual Report for 2020

- To approve the annual report of Arco Vara AS for 2020





Distribution of Profit and Dividend Payment

- To allocate the net profit for the year ended on 31 December 2020 in the amount of 1012 thousand EUR to retained earnings;
 - To pay dividends to the shareholders 0.06 euros per share. 390,000 new shares to be issued will also be taken into account when paying the dividend. The dividend will be paid out in 4 instalments as follows:
 - 0.03 euros per share will be paid to the shareholders on 15 June 2021 by transfer to the shareholder's bank account. The list of shareholders entitled to respective dividends (record date) shall be fixed on 8 June 2021.
 - 0.01 euros per share will be paid to the shareholders on 15 September 2021 by transfer to the shareholder's bank account. The respective dividend record date is on 8 September 2021.
 - 0.01 euros per share will be paid to the shareholders on 15 December 2021 by transfer to the shareholder's bank account. The respective dividend record date is on 8 December 2021.
 - 0.01 euros per share will be paid to the shareholders on 15 March 2022 by transfer to the shareholder's bank account. The respective dividend record date is on 8 March 2022.



Approval of Dividend Policy

- To approve the dividend policy of Arco Vara AS until the end of 2023. As of the second quarter of 2021, a dividend of at least 0.01 euros per share will be paid to shareholders in each quarter and additional pay out based on audited net profit of the previous financial year.



Increase of Share Capital

- To increase the share capital of Arco Vara AS in accordance with the resolution of the general meeting of 10 May 2016 as follows:
 - To issue 390,000 new ordinary shares with a nominal value of 0.7 euros per share.
 - The issue price of one new share is 0.7 euros.
 - The new amount of the share capital is 6,571,856.90 euros.
 - According to the terms and conditions of the convertible bond, issued on the basis of the Management Board Member's motivation scheme, the new shares are deemed to be subscribed and paid by Tarmo Sild. For the shares, subscribed for in 2019, 273 000 euros have been paid on 17 April 2020 by OÜ Alarmo Kapital to whom Tarmo Sild transferred his right to obtain the shares.
 - Existing shareholders will not acquire any rights in relation to the new shares to be issued, including the pre-emptive right to subscribe for the new shares in accordance with § 345 subsection 1 of the Commercial Code.



Thank you!



Miko-Ove Niinemäe
Arco Vara AS
CEO