

Nordecon AS
REPORT OF THE SUPERVISORY BOARD
REGARDING FINANCIAL YEAR 2022

At the meeting of the supervisory board on 20 April 2023 the supervisory board of Nordecon AS (hereinafter also the Company) reviewed the 2022 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 2022 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 2022, 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 **9 February 2022**, the management board gave an overview to the supervisory board about the preliminary unaudited economic results of the Nordecon AS group for the year 2021 and the supervisory board approved the 2022 budget of the Nordecon AS group.

At the supervisory board meeting held on **21 April 2022**, the supervisory board decided to submit the consolidated annual accounts of Nordecon AS for 2021 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 25.02.2022; to approve the report on the activities of the supervisory board in 2021 and the supervisory board's evaluation of the auditor's activity in 2021. As the objectives set for the 2021 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 2022.

On **25 May 2022**, 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 to Embach Ehitus OÜ the following immovables: Muuluka 1 (register part number 7492050), Muuluka 1a (register part number 166003), Tammepärja 11/13/15 (register part number 7490550), Tammepärja T11 (register part number 7491750) and Vaarika 1a (register part number 7492150). In addition, the supervisory board decided to increase the credit facility of SWENCN AB. All the members of the supervisory board approved the resolution and signed it digitally.

On **14 July 2022**, 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 granted its consent to the management board to commence the development of the Kivimäe 27 immovable, to apply for a loan and conclude the respective agreements; the supervisory board also granted its consent to commence the development of the Rääma 7 immovable, to apply for a loan and conclude the respective agreements. In addition,

the supervisory board granted its consent to the management board to increase the share capital of Swencn OÜ by 1 euro to 2,501 euros by issuing one new share with the nominal value 1 euro. For the purposes of restoring the share capital, the supervisory board approved a monetary contribution in the amount of 140,000 euros of which 1 euro is the increase of share capital and 139,999 euros is premium. All the members of the supervisory board approved the resolution and signed it digitally.

On **28 July 2022**, 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 recalled procurator Avo Ambur as a result of which the term of office of Avo Ambur as the procurator of the company terminated on 31 July 2022 (included). All the members of the supervisory board approved the resolution and signed it digitally.

At the supervisory board meeting held on **7 September 2022**, 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 2022 and the group's economic results forecast for 2022 prepared by the management board. In addition, the supervisory board approved the management board's proposal to extend the overdraft with Coop Pank AS and the overdraft and the guarantee limit with Swedbank AS.

At the supervisory board meeting held on **2 November 2022**, the management board provided an overview of the group's economic results and budget discharge for the 9 months of 2022. The supervisory board approved the investment budget and the grants budget of the Nordecon AS group for the year 2023 as submitted by the management board. The supervisory board recalled procurator Ando Voogma as a result of which the term of office of Ando Voogma as the procurator of the company terminated on 30 December 2022 (included). In addition, the supervisory board granted its consent for the transfer of the activities of the road construction unit of Nordecon AS with reduced staff to Tariston AS as of 01.01.2023 and approved the new structure of Nordecon AS as of 01.01.2023.

Toomas Luman
Chairman of the Supervisory Board
20 April 2023