

Nordecon AS
REPORT OF THE SUPERVISORY BOARD
REGARDING FINANCIAL YEAR 2021

At the meeting of the supervisory board of 21 April 2022 the supervisory board of Nordecon AS (hereinafter also the Company) reviewed the 2021 annual report of the Company, which includes the activity 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 approve the 2021 annual report of the Company.

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 the year 2021, the supervisory board had in total 4 meetings and once 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 matters.

At the meeting of the supervisory board of **10 February 2021** the management board gave an overview to the supervisory board about Nordecon AS group's preliminary unaudited economic results for the year 2020. The supervisory board approved the budget of Nordecon AS group for the year 2021, taking into account, among other things, the proposal of the chairman of the supervisory board; the management board's proposal for the extension of the overdraft limit of SWENCN AB and the new internal accounting rules of Nordecon AS. The supervisory board also approved the extension of the overdraft limit with Luminor Bank AS and the extension of the overdraft and warranty limit with Swedbank AS and granted consent to the management board of Nordecon to transfer immovable No. 17614350 at Särje tn 24a to the apartment association of Särje tn 24 and Särje tn 26 (registry code 80359376).

At the meeting of the supervisory board of **28 April 2021**, the supervisory board approved the 2020 consolidated annual report of Nordecon AS as presented by the management board; the 2020 profit distribution proposal which provided the distribution of profit as dividends at 0.06 euros per share; the agenda of the annual general meeting of shareholders of Nordecon AS together with the draft resolutions as presented; notice of the annual general meeting of the shareholders regarding the adoption of resolutions without calling a meeting; report on the activity of the supervisory board in 2020 and the supervisory board's evaluation of the auditor's activity in 2020. Due to the fact that the objectives set for the 2020 financial year were not achieved, the supervisory board decided to not pay the performance fee to the members of the management board and took note of the management board's overview of the group's economic results for the 1st quarter of 2021 and budget discharge. Additionally, the supervisory board approved the sale of the following immovables to the group's subsidiary Embach Ehitus OÜ: Haki tee 4a registered immovable (register part number 5541603); Siili tn 4 registered immovable (register part number 36650) with the term 01.10.2021 and Raja tn 24 registered immovable (register part number 4792703) with the term 30.10.2022. The supervisory board also granted consent to the management board to invest in the software development of Bauwise OÜ and thereby acquire a shareholding in Bauwise OÜ and for the negotiation and conclusion of the respective investment agreement.

At the meeting of the supervisory board of **8 September 2021**, the supervisory board took note of the overview of the group's economic results for the 7 months of 2021 and budget discharge as presented by the management board, the forecast for the 2021 economic results of the group prepared by the

management board, an overview of the reorganisation of SWENCN AB and an overview of the group's court cases. Additionally, the supervisory board approved the management board's proposal to refinance the loans in Luminor Bank AS by Coop Pank AS and establish securities for the benefit of Coop Pank AS and the management board's proposal to extend the resolution on the transfer of the Siili tn 4 immovable until 31.10.2021.

On **29 September 2021** the supervisory board adopted a resolution without advance notice and record of vote which is permitted pursuant to § 323 (6) of the Commercial Code if all the members of the supervisory board agree to and sign the resolution. The supervisory board approved the 2021 working plan approved by the audit committee on 21.07.2021. All the members of the supervisory board agreed to the resolution and signed it digitally.

At the meeting of the supervisory board of **3 November 2021**, the management board gave an overview of the group's economic results for the 9 months of 2021 and budget discharge. The supervisory board approved the investment budget and the grants budget of Nordecon AS group for the year 2022 as presented by the management board. With regard to Nordecon AS group's internal loan limits, the supervisory board decided to extend the loan agreements until 31.12.2023 and increase the loan limits pursuant to the proposal submitted by the management board and extend the group's internal warranty limit until 31.12.2023. The supervisory board also granted consent to the management board to conclude the respective loan agreement amendments with the subsidiaries.

Toomas Luman
Chairman of the Supervisory Board
21.04.2022