



ARCO  
VARA

# Invest in the Heart of Tallinn

Bond Issuance

September 2025



# Important information

This investor presentation, as it may be amended, restated, supplemented or otherwise modified from time to time (the "Presentation"), has been prepared in connection with an offering of unsecured bonds of AS Arco Vara (the "Issuer") and is intended solely for the use of the persons to whom this Presentation has been delivered either by the Issuer, by AS Redgate Capital or by AS LHV Pank (the "Arrangers") on behalf of the Issuer for the purpose of considering a possible investment by the recipient.

The Issuer is establishing a bond prospectus and, within this prospectus, is contemplating the issuance of up to EUR 15 000 000 unsecured bonds ("Offer Notes"). The bonds will be targeted at retail and qualified investors in Estonia and to investors in certain EEA member states who are qualified investors, as defined under Article 2(e) of Regulation (EU) 2017/1129, as amended from time to time (the "Prospectus Regulation"). The Offer Notes will be listed on the Baltic Bond Main List of the Nasdaq Tallinn Stock Exchange (the "Nasdaq Tallinn").

This Presentation does not constitute or comprise a prospectus or a base prospectus for the purposes of Prospectus Regulation, and has not been submitted to, reviewed by, confirmed, registered or approved by any regulatory or supervisory authority of any jurisdiction. The Issuer will establish a bond prospectus in Republic of Estonia (in Estonian language) that will be made available to qualified investors in EEA member states upon request.

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THE INFORMATION WITH RESPECT TO ANY PROJECTIONS PRESENTED HEREIN IS BASED ON A NUMBER OF ASSUMPTIONS ABOUT FUTURE EVENTS AND IS SUBJECT TO SIGNIFICANT ECONOMIC AND COMPETITIVE UNCERTAINTY AND OTHER CONTINGENCIES, NONE OF WHICH CAN BE PREDICTED WITH ANY CERTAINTY AND SOME OF WHICH ARE BEYOND THE CONTROL OF THE ISSUER. THERE CAN BE NO ASSURANCES THAT THE PROJECTIONS WILL BE REALISED, AND ACTUAL RESULTS MAY BE HIGHER OR LOWER THAN THOSE INDICATED. THE ISSUER DOES NOT NOR ITS SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, ARRANGERS, ADVISORS OR AFFILIATES, OR ANY REPRESENTATIVES OR AFFILIATES OF THE FOREGOING, ASSUMES RESPONSIBILITY FOR THE ACCURACY OF THE PROJECTIONS PRESENTED HEREIN.

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An aerial photograph of a city, likely Helsinki, showing a dense urban landscape with various buildings and green spaces. A large red rectangular overlay is positioned in the center of the image, containing white text. The text reads "Arco Vara Overview" in a large, bold, sans-serif font, followed by "Building the future, creating value" in a slightly smaller, regular sans-serif font. The background shows a mix of modern and older buildings, with a prominent tall chimney in the distance. The foreground features a large, modern apartment complex with a dark facade and many windows, situated on a hillside with greenery.

# Arco Vara Overview

Building the future, creating value



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VARA



# About Arco Vara

Arco Vara makes property owners wealthier by creating innovative, sustainable, and desirable living environments.

- Over 30 years of experience in real estate development – on the market since 1992
- More than 2,800 completed homes and 1,200+ new developments in Estonia and Bulgaria
- A strong development portfolio and a holistic approach
- Dedicated to enhancing quality of life and fostering community growth
- Our 360-degree real estate journey – combining development, construction, sales, and customer service – ensures the best home-buying experience
- Under the Arco Vara franchise, the first real estate agency in Estonia was established, and today Arco Vara offices also operate in Latvia and Bulgaria



2

countries

30+

years of experience

2 800+

Completed homes

380 000+

developed m<sup>2</sup>





# Building the future, creating value

We create modern, sustainable,  
and desirable living environments  
where clients can shape their  
dream home





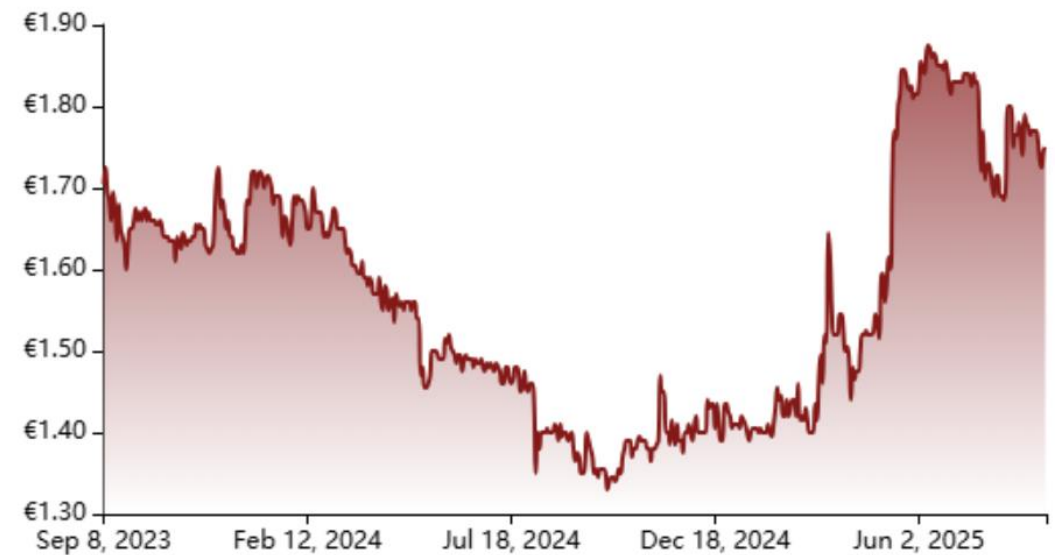
# A strong listed company

Arco Vara AS is one of 33 companies listed on the Baltic Stock Exchange.

Arco Vara AS has been listed on the Main List of the Tallinn Stock Exchange since 2007, which means for almost 20 years.

- Trust on financial markets and strong capital flow
- Supervision by the Financial Supervisory Authority and audits by a Big4 firm ensure the highest level of control and transparency
- Public reporting and transparent financials – all reports easily accessible
- A corporate governance model aligned with international practices and adaptable to market changes

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# Group structure

As of 30.06.25

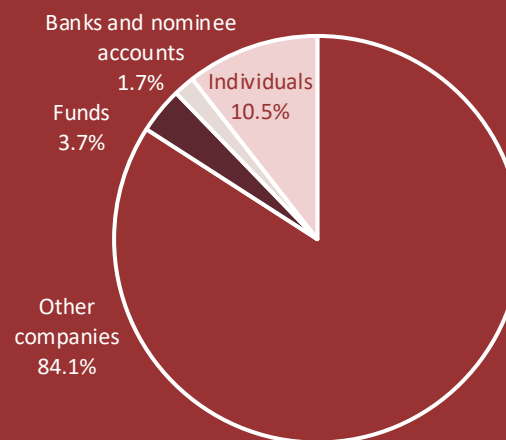
## Arco Vara AS subsidiaries

Kodulahe Kvartal OÜ	100%
Arco Spordi OÜ	100%
Kodukalda OÜ	100%
Arcojärve OÜ	100%
Kerberon OÜ	100%
Arco Tarc OÜ	100%
Arco L Torn OÜ	100%
Arco L Torn II OÜ	100%
Arco L Factory OÜ	100%
Grupi Halduse OÜ	100%
Arco Vara Bulgaria EOOD	100%
Arco Invest EOOD	100%
Iztok Parkside EOOD	100%
Botanica Lozen EOOD	100%
Arco Manastirski EOOD	100%
Arco Riverside EOOD	100%

# Shareholders

As of 30.06.25

Name	No of Shares	Share, %
Alarmo Kapital OÜ	8 685 031	50.00%
Luther Factory OÜ	3 309 999	19.06%
Luther Factory Holding OÜ	1 570 001	9.04%
FIREBIRD REPUBLICS FUND LTD 1	329 357	1.90%
Aia Tänav OÜ	229 000	1.32%
MARKO TEIMANN	200 029	1.15%
FIREBIRD AVRORA FUND, LTD.	176 703	1.02%
Other shareholders	2 868 247	16.51%
<b>Total</b>	<b>17 368 367</b>	<b>100%</b>



As of 30.06.2026, total shareholders of Arco Vara

**7 531**

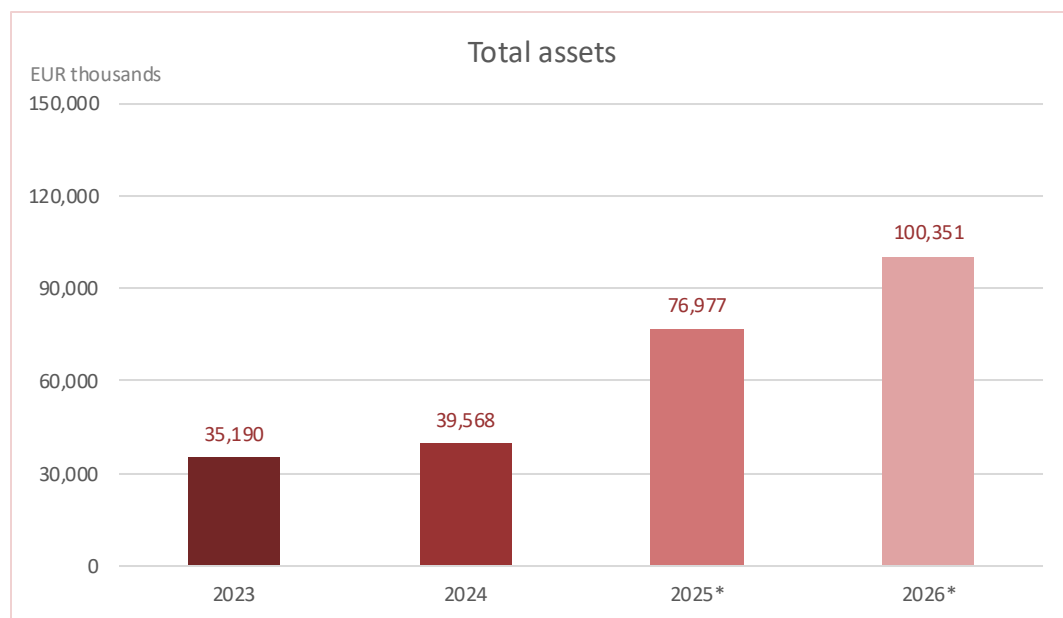
Including individual shareholders

**6 923**

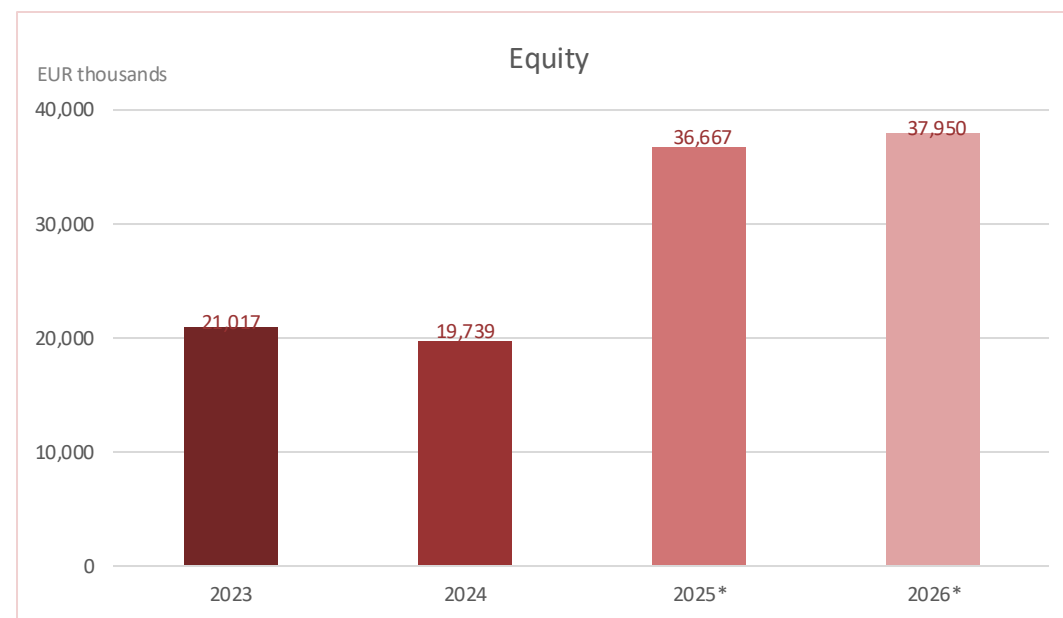


# Arco Vara financial overview: Strong financial position

In 2025, the Group's total assets nearly doubled compared to the end of 2024. The main driver of asset growth was the acquisition of new development projects, including the Luther Quarter and the Spordi 3a/3b development.



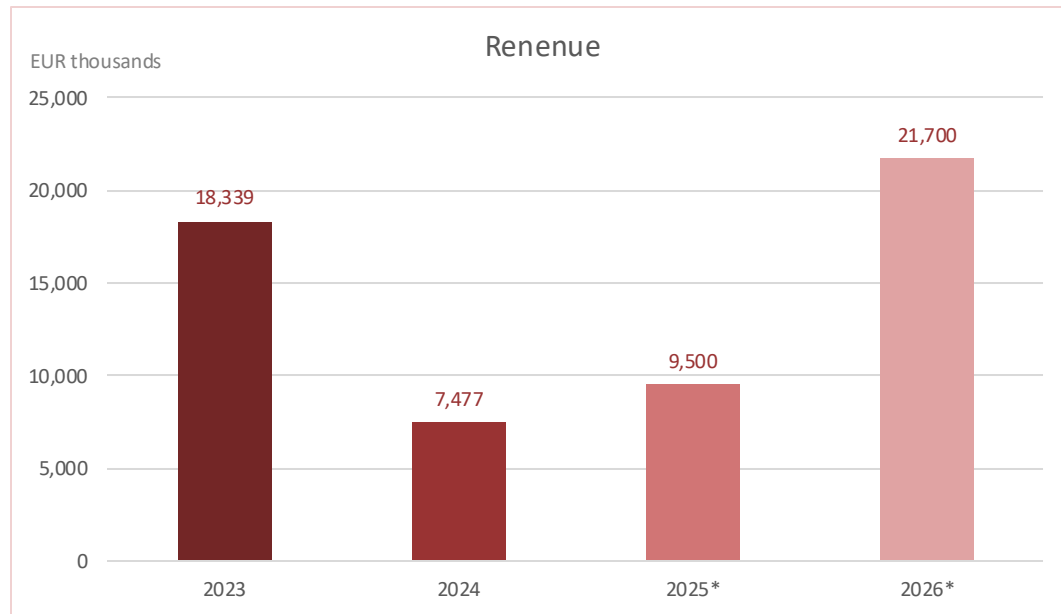
The consolidated balance sheet of Arco Vara AS remains very strong, maintaining over the years an approximately balanced ratio of equity to interest-bearing liabilities at 50/50 (47/53 as of 30 June 2025).



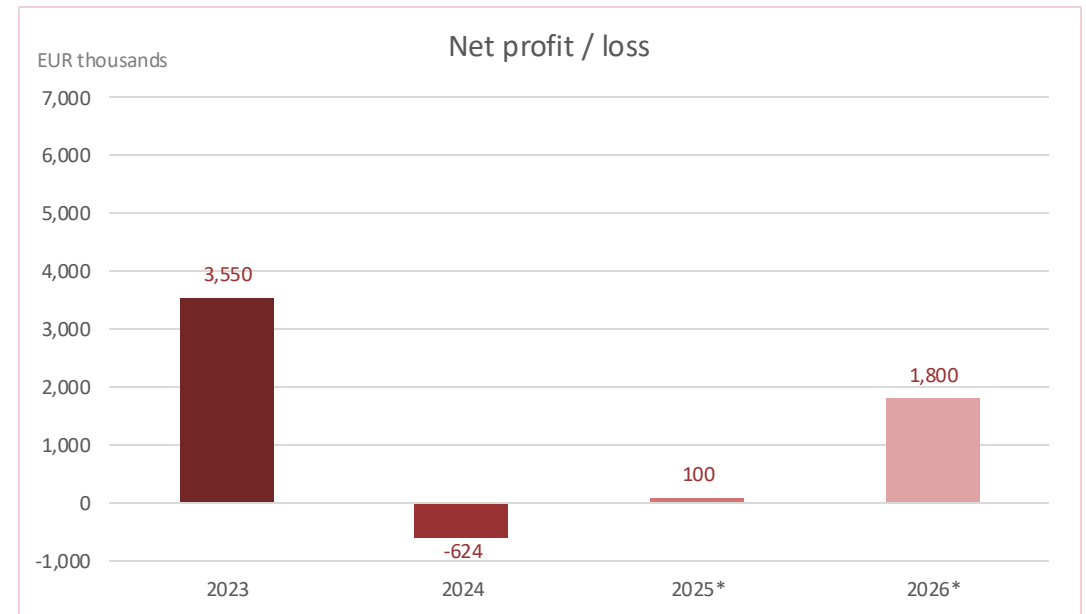
*\*forecast*

# Arco Vara financial overview : Strong sales potential in the coming years

In 2025, Arco Vara's sales performance has been strong – most completed houses have been successfully sold, and the stock of available apartments remains low. Sales to date have generated sufficient revenues to cover all expenses, and the company plans to close the year on a stable footing without incurring losses.



By 2026, Arco Vara forecasts sales revenue of €21.7 million, driven by the completion of the Spordi 3a/3b and the next stage of the Kodulahe Quarter – the Soodi 6 - development projects. The net profit for the following year is projected to be approximately €1.8 million.

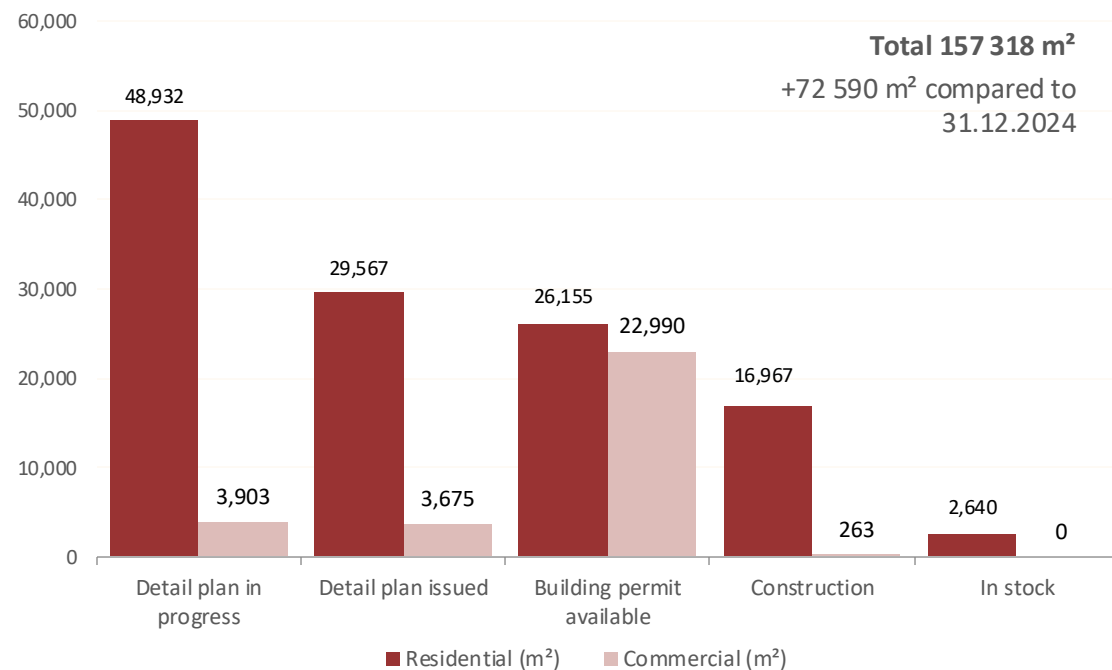


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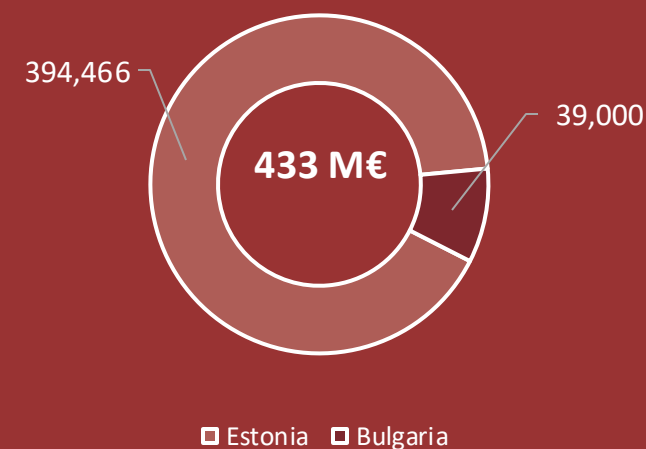
# Arco Vara development volumes

Development volumes as of 30.06.2025 (gross m<sup>2</sup>)



# 10 projects currently under development in various stages

Development revenue of development projects upon completion as of 30.06.2025 (kEUR)



# Arco Vara active projects

As of 30.06.2025



Project name  
**Padel venue**

Address  
Helme 18, Tallinn

Product main type  
Sportshall

Project stage  
Rented out

Area of plot m<sup>2</sup>  
5,712

GSA/GLA (above ground)  
1,983

No of units (above ground)/ available  
1/0



Project name  
**Kodulahe Rannakalda**

Address  
Lammi 8, Tallinn

Product main type  
Apartments, commercial spaces

Project stage  
Sale

Area of plot m<sup>2</sup>  
9,525

GSA/GLA (above ground)  
1,960

No of units (above ground)/ available  
113/16



Project name  
**Kuldlehe**

Address  
Lehiku road 11, Tallinn

Product main type  
Apartments

Project stage  
Sale

Area of plot m<sup>2</sup>  
5,219

GSA/GLA (above ground)  
558

No of units (above ground)/ available  
5/2



Project name  
**Stage 6 Kodulahe**

Address  
Soodi 6, Tallinn

Product main type  
Apartments, commercial spaces

Project stage  
Construction

Area of plot m<sup>2</sup>  
5,444

GSA/GLA (above ground)  
4,543

No of units (above ground)/ available  
66/51



Project name  
**Spordi 3a, 3b**

Address  
Spordi 3a, 3b, Tallinn

Product main type  
Apartments

Project stage  
Construction

Area of plot m<sup>2</sup>  
5,566

GSA/GLA (above ground)  
4,312

No of units (above ground)/ available  
56/50



# Arco Vara active projects

As of 30.06.2025



Project name

## Stage 1 Botanica Lozen

Address

Lozen, near Sofia

Product main type

Houses

Project stage

Construction

Area of plot m<sup>2</sup>

20,190

GSA/GLA (above ground)

5,485

No of units (above ground)/ available

16/7



Project name

## Stage 2&3 Botanica Lozen

Address

Lozen, near Sofia

Product main type

Houses

Project stage

Detail plan issued

Area of plot m<sup>2</sup>

27,260

GSA/GLA (above ground)

<11,309>

No of units (above ground)

<40>



Project name

## Arcojärve

Address

Paldiski mnt 124b, Tallinn

Product main type

Apartments, commercial spaces

Project stage

Detail plan in process

Area of plot m<sup>2</sup>

69,506

GSA/GLA (above ground)

<28,132>

No of units (above ground)

<430>



Project name

## Stage 7 Kodulahe

Address

Lammi 6, Tallinn

Product main type

Apartments, commercial spaces

Project stage

Detail plan in process

Area of plot m<sup>2</sup>

14,553

GSA/GLA (above ground)

<12,327>

No of units (above ground)

<182>



Project name

## Stage 1-5 Luther Quarter

Address

Luther Quarter, Tallinn

Product main type

Apartments, commercial spaces

Project stage

I-III Building permit issued,  
IV Detail plan in process

Area of plot m<sup>2</sup>

35,660

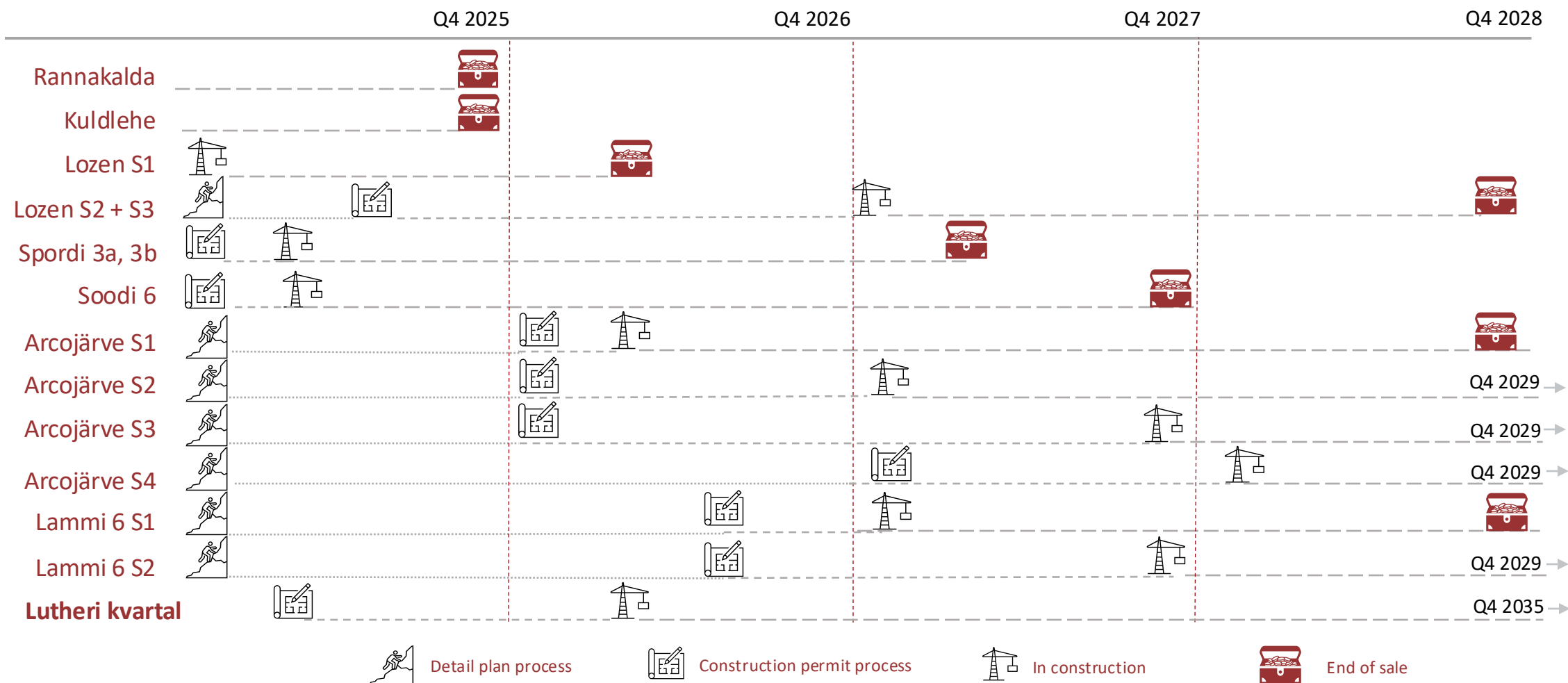
GSA/GLA (above ground)

<51,388>

No of units (above ground)

<513>

# Arco Vara development schedule 2025 - 2028





# Strong management



## Kristina Mustonen

Arco Vara AS CEO

14 years of experience in business management

CEO of Arco Vara AS since 2024

Previous experience at Maxima Eesti OÜ, Bauhof Group AS, and HKScan Estonia OÜ



## Darja Bolšakova

Arco Vara AS CFO

15 years of experience in finance

CFO of Arco Vara AS since 2025

Previous experience at BaltCap AS, Skinest Grupp AS, and SAGA Family Office



## Martin Proosa

Arco Vara AS head of development

9 years of experience in construction and real estate

With Arco Vara since 2020

Previous experience at Vilcon Ehitus OÜ



## Lauri Männiste

Arco Tarc CEO

20 years of experience in construction management

Involved with Arco Vara since 2016

Previous experience at Nordecon AS and Ramm Ehitus OÜ



## Elari Tamm

Arco Vara AS sales director

Over 20 years of experience in management and sales

With Arco Vara since 2015

Previous experience at Real Estate Agency Uus Maa OÜ



## Annika Altmäe

Arco Vara AS head of marketing

10 years of experience in marketing

With Arco Vara since 2025

Previous experience at Rahva Raamat AS and Magnum AS

# Supervisory board



## Kert Keskpaik

Investor, Chairman of the Supervisory Board of Arco Vara AS

Member of the Management Board of Albe Team Sports Club since 2001 Member of the Supervisory Board of Arco Vara AS since 2015, Chairman since 2025



## Tarmo Sild

Entrepreneur, Investor

Co-founder and CEO of Iute Group AS since 2008 Chairman of the Supervisory Board of Energbank SA CEO of Arco Vara AS from 2012 to 2019



## Allar Niinepuu

Entrepreneur, Investor

Co-founder and Chairman of the Supervisory Board of Iute Group AS since 2008 Member of the Supervisory Board of Arco Vara AS since 2013



## Steven Yaroslav Gorelik

Representative of Firebird P.E.A. LLC

Member of the Supervisory Board of Baltijas Apdrošināšanas Nams (LV) and Georgian Beverages Holdings (GG) Member of the Management Board of AS EPha G

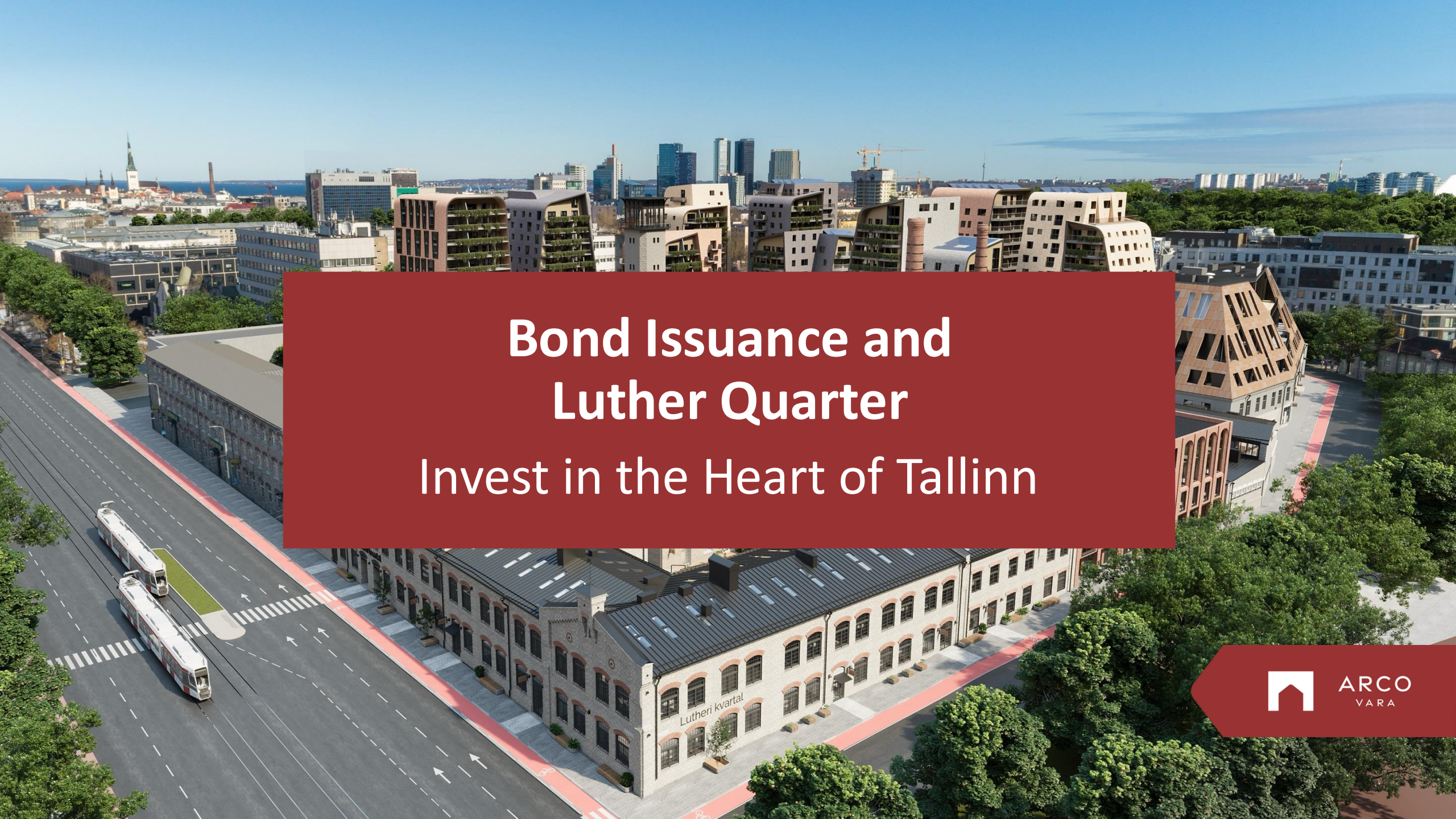


## Hillar-Peeter Luitsalu

With Arco Vara since 1993

Member of the Supervisory Board of Arco Vara AS since 2005 Member of the Management Board of Arco Vara AS from 1999 to 2004





# Bond Issuance and Luther Quarter Invest in the Heart of Tallinn



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# Summary of the terms

Issuer	Arco Vara AS
Bond	EUR 8.80 ARCO VARA VÕLAKIRI 25-2028
Type of security	Unsecured bonds
ISIN	EE0000002244
Type of placement	Public offering in Estonia, private placement in Latvia and Lithuania
Issue size	EUR 10,000,000, with an option to increase the amount to EUR 15,000,000
Nominal	EUR 100
Coupon rate	8.8% p.a
Coupon payments	Quarterly (24. September, 24. December, 24. March ja 24. June)
Subscription period	10 September 10:00 – 19 September 2025, 16:00* <i>*The account manager may set an earlier deadline for submitting a subscription order</i>
Issue date	24 September 2025
Maturity	24 September 2028
Admission to trading	Baltic Bond List, Nasdaq Tallinn
First trading date	25 September 2025 or a date close to it
Prospectus approved	08 September 2025 by the Financial Supervisory Authority
Covenants	Equity ratio of total assets $\geq$ 35% Shareholding in subsidiaries $\geq$ 75% Real estate shall not be sold or disposed of below market value
Arrangers	Redgate Capital and LHV
Legal advisor	Advokaadibüroo WIDEN

10 M€  
bond issue

3 YEARS  
maturity

8.8%  
coupon rate



# Why invest in Arco Vara bonds?

- Competitive annual yield of 8.8% p.a
- Tradable on the Nasdaq Tallinn Stock Exchange – you can sell the bonds at any time
- The bond is issued by the parent company of the group – meaning investors rely not on a single new development promise, but on the strength and balance sheet of the entire group
- Our bond is not just a financial instrument – it is an opportunity to contribute to the creation of a new urban quarter where you yourself may live and work in the future





# Advisors and Co-Managers of the Issuance





# Luther Quarter

Here, your investment doesn't just earn interest – it builds tomorrow



# About Luther quarter

The Luther Quarter will bring together homes, office and retail spaces, a food street, and a park. Historic industrial buildings will be seamlessly integrated with the newly created modern urban environment.

The goal is to create a vibrant, diverse, and open environment for everyone – not just new apartments.

Construction will begin in the first half of 2026, with the total project investment estimated at ca €200 million.

## Key figures

Total plot size	98,495 m <sup>2</sup>
Historic buildings	7 to be reconstructed
New buildings	9 towers, 8–12 floors each
Commercial space	Over 18,000 m <sup>2</sup>
Residential space	Over 32,000 m <sup>2</sup>
Apartments	454
Parking spaces	615



# Luther Quarter development timeline



2026

Construction of Luther Quarter begins  
First loft-style homes completed  
First food spots open



2028

Aparthotel opens  
Fine-dining restaurant opens



2029

Sports club begins operations



2030

Bookstore opens



2031

Food market opens  
Jazz club opens  
Half of the new buildings in the quarter completed



2033

Supermarket opens



2034

Sale of the last  
apartments begins



2035

Luther Quarter completed







**Register your interest today and be among the first to  
hear about the start of construction and pre-sales in  
the Luther Quarter**





An aerial photograph of a cityscape. In the foreground, there is a large, dark brown, multi-story apartment complex with many windows. Behind it, a dense forest of green trees covers a hillside. In the background, a city skyline is visible with various buildings, including a prominent white building with a red roof. The bottom of the image shows a wetland area with green reeds and a body of water.

# Macroeconomic Overview

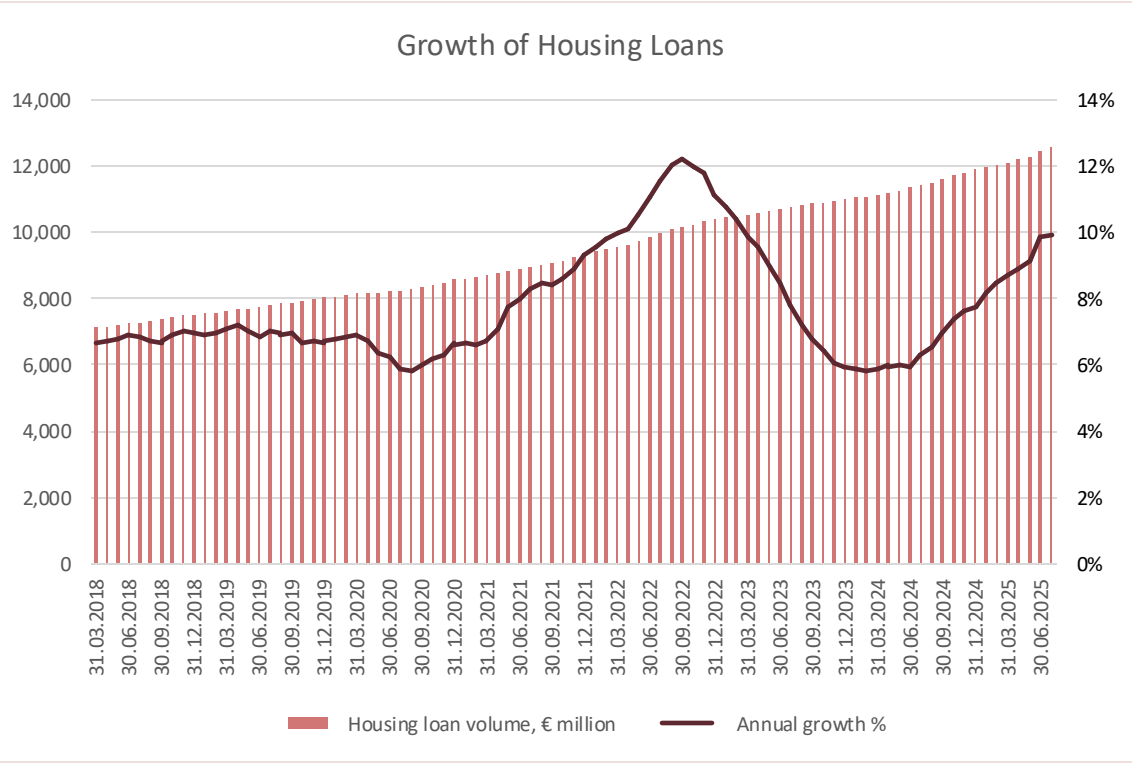


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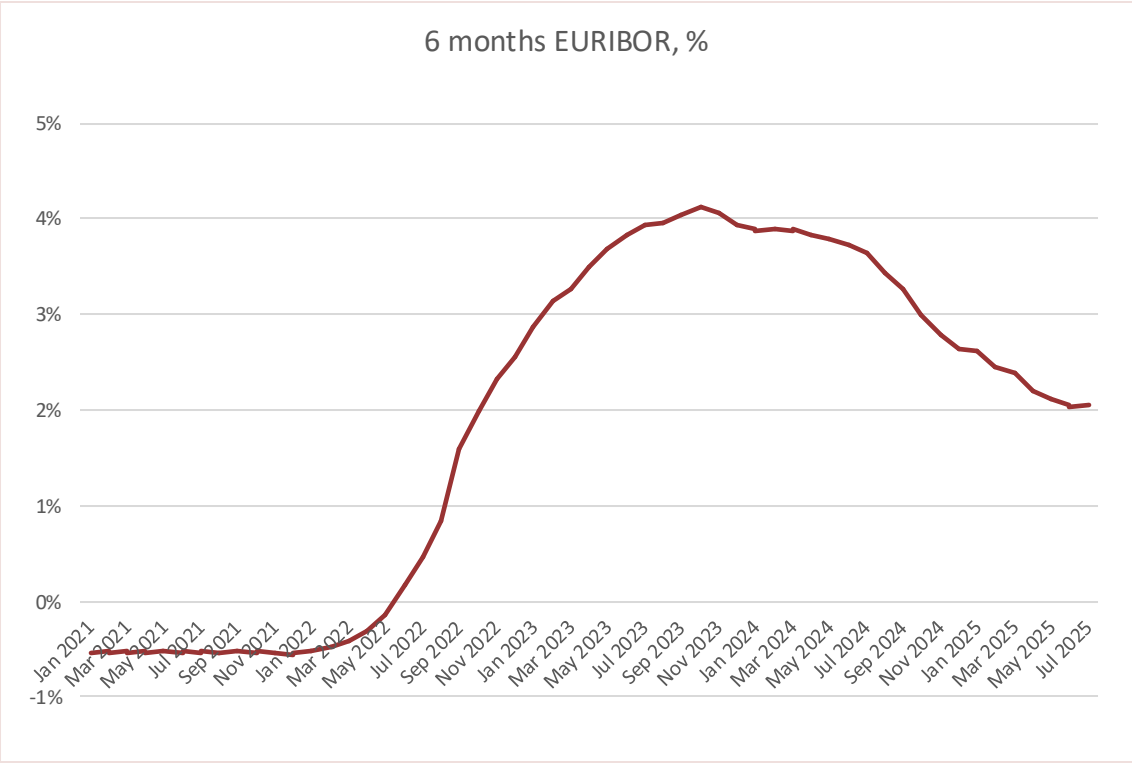


# Positive macroeconomic trends

The continuous growth of housing loan volumes indicates that demand for housing remains strong across market cycles.

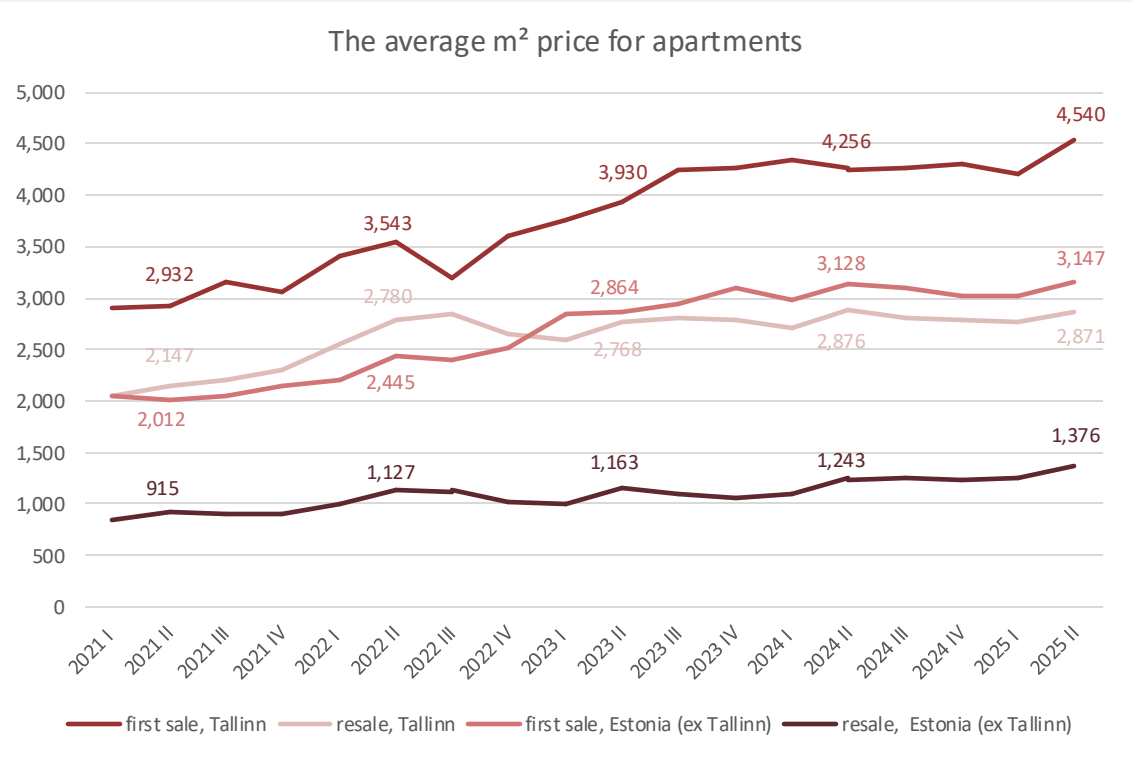


The decline in EURIBOR eases borrowing costs, supporting demand in the real estate market

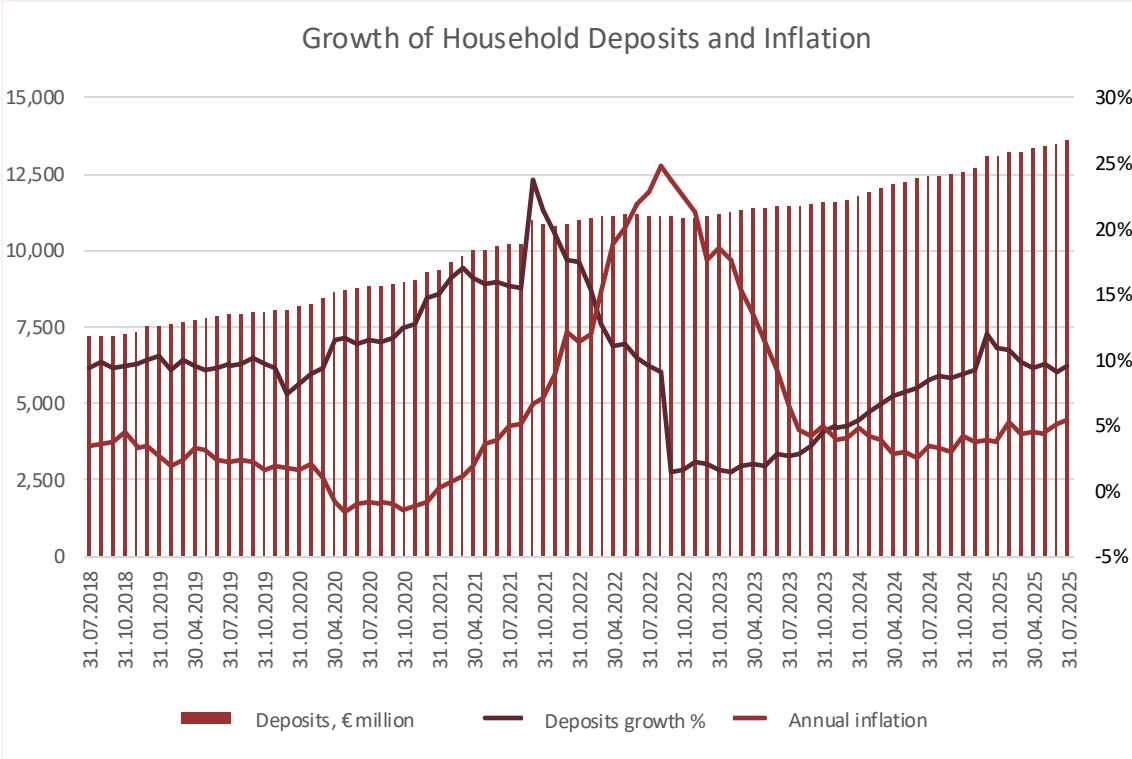


# Positive macroeconomic trends

Since the beginning of 2021, the price of new apartments in Tallinn has increased over 50%, confirming that the value of high-quality developments continues to grow even in a rising interest rate environment.



Since 2019, household deposits in Estonia have increased by more than €5 billion, creating a strong financial basis for purchasing new homes





# Thank you!



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