

**Nordecon AS**  
**REPORT OF THE SUPERVISORY BOARD**  
**REGARDING FINANCIAL YEAR 2018**

At the meeting of the supervisory board of 30 April 2019 the supervisory board of Nordecon AS reviewed the 2018 annual report of Nordecon AS, which includes the management report and the annual accounts and to which the sworn auditor's report and the profit allocation proposal have been attached. The supervisory board of Nordecon AS resolved to approve the 2018 annual report of Nordecon AS.

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

In the year 2018, the supervisory board had in total eleven (11) meetings, where, among other things, the following topics were discussed:

At the meeting of the supervisory board of 30 January 2018 the supervisory board granted consent to the management board for the transfer of the immovable property located at Väike-Turu 7, Tartu.

At the meeting of the supervisory board of 7 February 2018 the management board gave an overview of the preliminary economic results 2017 of Nordecon AS group. The supervisory board approved the budget of Nordecon AS group for the year 2018. The supervisory board approved the extension of the intra-group guarantee limits. The supervisory board approved the development and financing of Haraka 6 (Uus-Tammelinna), mortgaging the immovable properties located at Siili 4, Tartu and Raudsepa, Keila. The supervisory board approved the development and financing of the immovable property located at Nõmme tee 97, Tallinn. The supervisory board approved the extension of the overdraft limit provided by Luminor Bank AS and amendment/extension of the limit of the factoring agreement with Luminor Liising AS. The management board provided to the supervisory board an overview of the coverage of Nordecon in media during the year 2017. The supervisory board reviewed the draft of the price offer determination principles.

At the meeting of the supervisory board of 8 March 2018, the supervisory board decided to recall Erkki Suurorg from the position of the member of management board.

At the meeting of the supervisory board of 18 April 2018 the supervisory board approved the 2017 annual report and reviewed the profit allocation proposal. The supervisory board approved the agenda of the annual general meeting and supervisory board's proposal in respect of each item of the agenda.

At the meeting of the supervisory board of 2 May 2018 the management board introduced to the supervisory board the economic results of the Nordecon group for the 1st quarter and the status of the budget implementation and the turnover and profit forecast of Nordecon group for the year 2018. The supervisory board approved Nordecon AS's procedure for procurements and granted its consent to the management board for extending the overdraft with Swedbank AS and Luminor Bank AS.

At the meeting of the supervisory board of 29 June 2019, the supervisory board approved concluding share option agreements with management board members.

At the meeting of the supervisory board of 5 September 2019, the management board provided an overview to the supervisory board about the group's economic performance 2018 and the budget implementation in 7 months and introduced the group's turnover and profit forecast for 2018. The supervisory board approved the updated strategy of Nordecon for the years 2019–2022 and the management provided to the supervisory board an overview of the training programme for managers.



The supervisory board approved the development and financing of the immovable property located at Aruküla tee 8, Tartu, the sale of the immovable property located at Paldiski mnt 33, Keila and the establishment of a new mortgage for the benefit of Luminor Bank AS and Swedbank AS. The supervisory board approved the structural changes of Nordecon AS.

At the meeting of the supervisory board of 10 October 2018 the supervisory board granted consent for the sale of the immovable property located at Harju-Risti, Lääne-Harju rural municipality, Harju county and for the acquisition of 34% shareholding in Osaühing Kaurits.

The supervisory board approved the proposal of the management board according to which the subsidiary of Nordecon AS, Eurocon OÜ, shall acquire 50% in Technopolis-2 TOV.

At the meeting of the supervisory board of 14 November 2018 the management board presented to the supervisory board the economic results of the group for the first 9 months and the forecast of Nordecon group for the year 2018. The supervisory board approved the investment budget of the Nordecon AS group for the year 2019 and grants budget of Nordecon AS for the year 2019. The supervisory board granted consent for the transfer of the manufacturing and installation unit of Nordecon AS to Tariston AS as of 01.01.2019 and approved the new structure of Nordecon AS as of 01.01.2019. The management board provided to the supervisory board an overview of the activities in Sweden and Ukraine. The management board provided to the supervisory board an overview of pending legal disputes and status of claims.

At the meeting of the supervisory board of 30 November 2018 the supervisory board granted consent to the management board for the acquisition of 40% in OÜ SWENCN.

At the meeting of the supervisory board of 13 December 2018 the supervisory board granted consent for the increase of the loan limit to be provided to OÜ SWENCN, for the acquisition of 100% in SWENCN AB and for the increase of the share capital of SWENCN AB. The supervisory board approved the acquisition of 50% shareholding in Technopolis-2 TOV.

Toomas Luman  
Chairman of the supervisory board  
30 April 2019