

Nordecon AS
REPORT OF THE SUPERVISORY BOARD
REGARDING FINANCIAL YEAR 2019

At the meeting of the supervisory board of 16 April 2020 the supervisory board of Nordecon AS reviewed the 2019 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 2019 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 2019, the supervisory board had in total seven (7) meetings, where, among other things, the following topics were discussed:

At the meeting of the supervisory board of 10 January 2019 the supervisory board granted consent to the management board for the acquisition of an immovable property located at Võidujooksu 8c, Tallinn.

At the meeting of the supervisory board of 6 February 2019 the management board gave an overview of the Nordecon AS group' preliminary unaudited economic results for the year 2018. The supervisory board approved the budget of Nordecon AS group for the year 2019 and the budget of the general administrative expenses of Nordecon AS for the year 2019. The supervisory board approved the guarantee limit that shall be provided by Nordecon AS to Tariston AS as collateral for the performance of the leasing obligations. The supervisory board approved the extension of the overdraft limit provided by Luminor Bank AS and extension of the factoring agreement concluded with Luminor Liising AS. The supervisory board approved the new structure of Nordecon AS.

At the meeting of the supervisory board of 30 April 2019 the supervisory board approved the audited 2018 annual report and reviewed and approved 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. The supervisory board approved the extension of the overdraft facilities and increase of the overdraft limit provided by Swedbank AS. The management board introduced to the supervisory board the economic results of the Nordecon AS group for the 1st quarter and the status of the budget implementation. The supervisory board approved the financial forecast of Nordecon AS for the period 2019 -2023 and KPI-s of the divisions. The supervisory board extended the term of office of the audit committee members.

At the meeting of the supervisory board of 10 June 2019 the supervisory board approved the merger of Eston Ehitus AS' subsidiary Magasini 29 OÜ with Eston Ehitus AS.

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 and the budget implementation for the first 7 months of the year 2019 and introduced the group's turnover and profit forecast for year 2019. The management board presented to the supervisory board an overview of the need for additional investments into fixed assets and the supervisory board decided to amend the 2019 investment budget and to approve the volume of additional investments. The supervisory board granted consent to the management board for the sale of the immovable property located at Aruküla tee 30A, Tartu, to the Republic of Estonia. The supervisory board granted consent to the management board to increase the loan limited granted to SWENCN AB and to extend the term of the loan.



At the meeting of the supervisory board of 2 October 2019 the supervisory board resolved to grant consent to the management board for the acquisition of the immovable property located at Särje 22a, Tallinn, and for commencement of the development.

At the meeting of the supervisory board of 13 November 2019 the management board presented to the supervisory board the economic results of the Nordecon AS group for the first 9 months and the forecast of Nordecon group for the year 2019. The supervisory board approved the investment budget of the Nordecon AS group for the year 2020 and the grants budget of Nordecon AS for the year 2020. The supervisory board decided to extend the term and to increase the intragroup loan limits and authorised the management board to sign the respective amendments to the loan agreements with the subsidiaries. The supervisory board decided to extend the Nordecon AS intragroup guarantee limit.

Toomas Luman
Chairman of the supervisory board
16 April 2020