

## ARCO VARA AS

### PROTOCOL OF THE EXTRAORDINARY ANNUAL GENERAL MEETING

Arco Vara AS (registry code: 10261718; address 5 Rävåla Str, 10143 Tallinn) of which the shareholders held the extraordinary meeting on 27<sup>th</sup> December 2017 at the hall of Radisson Sky Blu Hotel "Hamburg", located at 3 Rävåla Str, Tallinn.

The meeting was declared open at 10.10 AM and terminated at 10.38 AM.

The share capital of Arco Vara AS shall be four million five hundred fifty-four thousand nine hundred eight decimal forty (4,554,908,40) EUR divided into zero decimal seven EUR (0.70) ordinary shares with one (1) vote each at the meeting. As of the end of the billing system business day of 20<sup>th</sup> December 2017 of the Nasdaq Eesti CSD the Arco Vara had an aggregate of shareholders of one thousand four hundred and six (1,406), the total number of votes allocated by shares was six million five hundred seven thousand twelve (6,507,012).

According to the list of the participants annexed to the hereby Protocol, there had been registered nineteen (19) shareholders to attend the meeting, holding a total of three million five hundred eighty-nine thousand one hundred fifty-eight (3,589,158) votes, making up to fifty-five decimal sixteen (55.16%) percent of all votes. The quorum requirement laid down in the Art. 297 (1) of the Commercial Code was met and the general meeting was valid.

Evelin Kanter (personal identification code: 48710280329) was elected the chairperson of the general meeting and Urve Saar (personal identification code: 47212060232) was elected as the secretary.

The chairperson gave an overview of the publication of the information concerning the agenda. The following information was available to shareholders as of 29<sup>th</sup> November 2017 at the seat of Arco Vara AS and via the website of Arco Vara AS in Estonian and English language: (i) proposals for decisions of the general meeting.

The chairperson also gave an overview of the rules of the meeting.

The agenda of the meeting was:

1. Increase of share capital of Arco Vara AS, public offering to existing shareholders and listing of new shares on the Baltic Main List of Nasdaq Tallinn Stock Exchange

No amendments were proposed at the meeting and the agenda was therefore adopted.

Agenda Item 1: Increase of share capital of Arco Vara AS, public offering to existing shareholders and listing of new shares on the Baltic Main List of Nasdaq Tallinn Stock Exchange

Draft resolution:

- To increase the share capital of Arco Vara AS (hereinafter "the Company") as follows:

- (a) The company will issue 2,670,000 new ordinary shares with a par value of EUR 0.7 per share.
- (b) The issue price of one new ordinary share is EUR 1.5, of which EUR 0.7 is the nominal value of the ordinary share and EUR 0.80 is the share premium.
- (c) The new amount of share capital shall be EUR 6,423,908.

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d) The subscription period (Subscription Period) of the new shares shall commence at 9:00 AM on 29<sup>th</sup> December 2017 and end at 4:00 PM on 15<sup>th</sup> January 2018, but the Management Board shall have the right to change, extend or shorten the Subscription Period.

e) The issuance is restricted to the existing shareholders of the Company and takes place exclusively in Estonia. Shareholders of the Company have a preferential right to subscribe for new shares. The persons entitled to exercise the preferential right shall be determined on the last day of the Subscription Period as of the end of the business day of the Nasdaq CSD Estonian Settlement System.

f) The Shares must be paid for in cash no later than three business days after the end of the Subscription Period, i.e. no later than 17<sup>th</sup> January 2018; the Management Board may specify the time period and procedure for payment.

g) When distributing Shares, the Management Board shall ensure the pre-emptive subscription of shares existing under the Company's existing Shareholders Law and shall comply with the principle of equal treatment of shareholders.

h) In the event that during the Subscription Period the Shares are subscribed for below the planned increase of the share capital, the Management Board of the Company shall have the right to cancel the shares not subscribed during the Subscription Period. The Executive Board may exercise this right within 15 days of the end of the subscription period.

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To organize the public offering of the aforementioned issued shares to the existing shareholders of the Company and the listing of the new shares on the Nasdaq CSD Estonian Settlement System.

Voting: The Agenda Item 1 was voted on.

Voting results:

Pro:	3,589,158	votes from	100% of the quorum
Contra:	0	votes from	0.00% of the quorum
Neutral:	0	votes from	0.00% of the quorum
Did not vote:	0	votes from	0.00% of the quorum

It was decided to:

- increase the share capital of Arco Vara AS as follows:

(a) The company will issue 2,670,000 new ordinary shares with a par value of EUR 0.7 per share.

(b) The issue price of one new ordinary share is EUR 1.5, of which EUR 0.7 is the nominal value of the ordinary share and EUR 0.80 is the share premium.

(c) The new amount of share capital shall be EUR 6,423,908.

(d) The subscription period (Subscription Period) of the new shares shall commence at 9:00 AM on 29<sup>th</sup> December 2017 and end at 4:00 PM on 15<sup>th</sup> January 2018, but the Management Board shall have the right to change, extend or shorten the Subscription Period.

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Questions and answers:

Question 1 (shareholder Jaanus Hellat): Are they going to spend all 3 millions to purchase the Lozen lot and the remaining amount is going to be spent on obligations concerning the Madrid house?

Answer: In simple words, the answer is the following: if we did not plan the Lozen development project, we would not increase the share capital either.

Question 2 (shareholder Jaanus Hellat): At the expense of shareholders who do not participate in the increase of share capital, will other shareholders be able to subscribe for more shares?

Answer: Only existing shareholders can subscribe and they can all subscribe as much as they can, in the event of an over-subscription of shares, we will act as set forth in the prospectus.

The voting was conducted by representatives of AS eCSD Expert. The voting was performed digitally by the shareholders with voting machines issued for entry in the list of shareholders.

No written dissenting opinions or suggestions were made at the meeting.

The protocol of the meeting and the credentials of the participants are annexed to this protocol.

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Chairperson

Secretary