

MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF ARCO VARA AS

The annual general meeting of shareholders of Arco Vara AS (registry code: 10261718; registered office at Maakri 19/1, Tallinn) was held on 14 May 2021 in the meeting room at Maakri 19/1, Tallinn on the 2nd floor.

The meeting was considered open at 9:30 AM and closed at 9:45 AM.

The share capital of Arco Vara AS is six million two hundred ninety-eight thousand eight hundred and fifty-six point nine (6,298,856.9 EUR) euros, divided into ordinary shares with a nominal value of zero point seven (0.70) euros, each of which carries one (1) vote at the meeting. At the end of the 07.05.2021 business day of the Nasdaq CSD Estonian settlement system, Arco Vara AS had a total of eight million nine hundred and ninety-eight thousand three hundred and sixty-seven (8,998,367) share-based votes.

According to the list of participants in the general meeting, annexed to these minutes, seven (7) shareholders registered for the general meeting with a total of six million five hundred five thousand five hundred ten (6,505,510) votes being represented, which forms a total of seventy-two point three percent (72.3%) of all votes. The quorum requirement provided for in § 297 (1) of the Commercial Code was met and the general meeting had a quorum.

Hannes Vallikivi (personal identity code 37402190227) was elected as the chair of the meeting and Tiina Malm (personal identity code 48107160214) was elected as the secretary.

The chair of the meeting gave an overview of the publication of materials related to the agenda. The following materials were available to shareholders as of 21.04.2021 at the location of Arco Vara AS and via the website of Arco Vara AS in Estonian and in English: (i) proposals for resolutions of the general meeting, (ii) annual report for 2020, (iii) report of the supervisory board for the financial year 2020.

The chair of the meeting also gave an overview of the rules of procedure of the meeting.

The agenda of the meeting included:

- 1. Approval of the annual report for 2020**
- 2. Distribution of profit and dividend payment**
- 3. Approval of dividend policy**
- 4. Increase of share capital**

No additions were made to the agenda at the meeting and the agenda was therefore deemed approved.

Agenda item 1 Approval of the annual report for 2020

The CEO of Arco Vara gave a brief overview of the goals for the financial year 2020 and the coming years.

Questions and answers:

The shareholders had no questions.

Draft decision: To approve the annual report of Arco Vara AS for 2020.

Voting: The proposal to approve the annual report of Arco Vara AS for 2020 was voted.

Voting results:

In favour:	6 505 510	votes	100.00% of the quorum
Against:	0	votes	0.00% of the quorum
Abstention:	0	votes	0.00% of the quorum
Nonvoting:	0	votes	0.00% of the quorum

It was decided: **To approve the annual report of Arco Vara AS for 2020.**

Agenda item 2 Distribution of profit and dividend payment**Questions and answers:**

The shareholders had no questions.

Draft decision:

To allocate the net profit for the year ended on 31 December 2020 in the amount of 1012 thousand EUR to retained earnings.

To pay dividends to the shareholders 0.06 euros per share. 390,000 new shares to be issued will also be taken into account when paying the dividend. The dividend will be paid out in 4 instalments as follows:

- 0.03 euros per share will be paid to the shareholders on 15 June 2021 by transfer to the shareholder's bank account. The list of shareholders entitled to respective dividends (dividend record date) shall be fixed on 8 June 2021.
- 0.01 euros per share will be paid to the shareholders on 15 September 2021 by transfer to the shareholder's bank account. The respective dividend record date is on 8 September 2021.
- 0.01 euros per share will be paid to the shareholders on 15 December 2021 by transfer to the shareholder's bank account. The respective dividend record date is on 8 December 2021.
- 0.01 euros per share will be paid to the shareholders on 15 March 2022 by transfer to the shareholder's bank account. The respective dividend record date is on 8 March 2022.

Voting:

The proposal to decide on the distribution of profits and the payment of dividends in accordance with the draft resolution was voted on.

Voting results:

In favour:	6 505 510	votes	100,00% of the quorum
Against:	0	votes	0,00% of the quorum
Abstention:	0	votes	0,00% of the quorum
Nonvoting:	0	votes	0,00% of the quorum

It was decided: To allocate the net profit for the year ended on 31 December 2020 in the amount of 1012 thousand EUR to retained earnings;

To pay dividends to the shareholders 0.06 euros per share. 390,000 new shares to be issued will also be taken into account when paying the dividend. The dividend will be paid out in 4 installments as follows:

- 0.03 euros per share will be paid to the shareholders on 15 June 2021 by transfer to the shareholder's bank account.

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- 0.01 euros per share will be paid to the shareholders on 15 December 2021 by transfer to the shareholder's bank account. The respective dividend record date is on 8 December 2021.
- 0.01 euros per share will be paid to the shareholders on 15 March 2022 by transfer to the shareholder's bank account. The respective dividend record date is on 8 March 2022.

Agenda item 3 Approval of dividend policy

Questions and answers:

The shareholders had no questions.

Draft decision: To approve the dividend policy of Arco Vara AS until the end of 2023. As of the second quarter of 2021, a dividend of at least 0.01 euros per share will be paid to shareholders in each quarter and additional pay out based on audited net profit of the previous financial year.

Voting: The proposal to approve the dividend policy in accordance with the draft resolution was voted on.

Voting results:

In favour:	6,505,510	votes	100,00% of the quorum
Against:	0	votes	0,00% of the quorum
Abstention:	0	votes	0,00% of the quorum
Nonvoting:	0	votes	0,00% of the quorum

It was decided: To approve the dividend policy of Arco Vara AS until the end of 2023. As of the second quarter of 2021, a dividend of at least 0.01 euros per share will be paid to shareholders in each quarter and additional pay out based on audited net profit of the previous financial year.

Agenda item 4 Increase of share capital

Questions and answers:

The shareholders had no questions.

Draft decision:

To increase the share capital of Arco Vara AS in accordance with the resolution of the general meeting of 10 May 2016 as follows:

- To issue 390,000 new ordinary shares with a nominal value of 0.7 euros per share.
- The issue price of one new share is 0.7 euros.
- The new amount of the share capital is 6,571,856.90 euros.
- According to the terms and conditions of the convertible bond, issued on the basis of the Management Board Member's motivation scheme, the new shares are deemed to be subscribed by Tarmo Sild. For the shares, subscribed for in 2019, 273 000 euros have been paid on 17 April 2020 by OÜ Alarmo Kapital to whom Tarmo Sild transferred his right to obtain the shares.
- Existing shareholders will not acquire any rights in relation to the new shares to be issued, including the pre-emptive right to subscribe for the new shares in accordance with § 345 subsection 1 of the Commercial Code.

Voting:

The proposal to increase the share capital of Arco Vara AS in accordance with the draft resolution was voted on.

Voting results:

In favour:	6,505,510	votes	100,00% of the quorum
Against:	0	votes	0,00% of the quorum
Abstention:	0	votes	0,00% of the quorum
Nonvoting:	0	votes	0,00% of the quorum

It was decided:

To increase the share capital of Arco Vara AS in accordance with the resolution of the general meeting of 10 May 2016 as follows:

- **To issue 390,000 new ordinary shares with a nominal value of 0.7 euros per share.**
- **The issue price of one new share is 0.7 euros.**
- **The new amount of the share capital is 6,571,856.90 euros.**
- **According to the terms and conditions of the convertible bond, issued on the basis of the Management Board Member's motivation scheme, the new shares are deemed to be subscribed by Tarmo Sild. For the shares, subscribed for in 2019, 273 000 euros have been paid on 17 April 2020 by OÜ Alarmo Kapital to whom Tarmo Sild transferred his right to obtain the shares.**
- **Existing shareholders will not acquire any rights in relation to the new shares to be issued, including the pre-emptive right to subscribe for the new shares in accordance with § 345 subsection 1 of the Commercial Code.**

Voting was conducted by the representatives of ARS Corporate Services OÜ. Voting took place electronically with voting machines issued to shareholders upon entry in the list of shareholders.

No written dissenting opinions or proposals were submitted at the meeting.

The list of participants and the proxies of the participants are attached to these minutes.

/ digitally signed /

Chair

/ digitally signed /

Secretary