

## **RESBUD SE**

Registry code: 14617750  
Narva mnt 5, 10117 Tallinn, Estonia

### **EXPLANATIONS OF THE MANAGEMENT BOARD**

on the necessity for excluding the right of pre-emption of shareholders to subscribe for new shares in conjunction with the increase of share capital (section 4 on the agenda of the general meeting)

9 April 2019

Pursuant to Subsection 345 (1) of the Commercial Code the management board of **RESBUD SE** (hereinafter Company), consisting of Bartosz Sebastian Stradomski (hereinafter Board), hereby provides a written explanation as to why it is necessary to exclude the pre-emptive subscription right of shareholders, and the reasoning of the issue price of shares.

Reason for the increase of the share capital is update of business strategy. In mid-2018 Resbud decided to change company business strategy. All activities regarding construction works were stopped. Resbud commenced business activity in financial advisor services (in particular with loan agreements). In march 2019 main shareholder has changed. New owners of the company are going to use Resbud as a holding company in area of construction works and trading goods. All the non-monetary contribution will be shares of companies involved in construction work or trading goods activity, located in European countries and Russia. Resbud won't be providing those services directly, it will use for it future subsidiaries acquired with new share issue. To complete this venture, new main shareholder must be provided with opportunity to contribute shares in Euroean and Russian companies. That's why board in notice of convening extraordinary general meeting of shareholders of RESBUD SE included to bar the pre – emptive subscription right.

The issue price of new shares was set as an amount of actual share value 0,11 EUR and 1/3 as share premium. This solution allows benefits to current shareholders (share price won't go down) and will provide additional resources to Resbud from premiums paid by new shareholders.

Bartosz Sebastian Stradomski  
member of the management board