

RESBUD SE

Registry code: 14617750

Harju maakond, Tallinn, Kesklinna linnaosa, Järvevana tee 9-40, 11314, 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 2 on the agenda of the general meeting)

26 November 2019

Pursuant to Subsection 345 (1) of the Estonian Commercial Code the management board of **RESBUD SE** (hereinafter **Company**), consisting of Bartosz Sebastian Stradomski (hereinafter **Management 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.

The reason for the increase of the share capital is future development of Company according to updated business strategy. In mid-2018 Resbud's shareholders decided to change the Company's business strategy. Previous business activity related to performing construction works were stopped. Resbud commenced business activity in financial advisor services (in particular with loan agreements). In March 2019 the main shareholder has changed. New owners of the Company are going to treat Resbud as a holding company for various individual companies in area of construction works, trading goods and others. The subject of all the non-monetary contributions will be shares of companies involved in construction work or trading goods activity, located in European countries and Russia. Resbud will not be providing those services directly, instead services will be provided by its future subsidiaries acquired with the new share issue. To complete this venture, the new main shareholder must be provided with opportunity to contribute shares in European and Russian companies. That's why Management 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.

The reason for excluding the right of pre-emption of shareholders to subscribe for new shares in conjunction with the increase of share capital remains the same as mention on 9 May 2019. The EGM convened on 18 December 2019 is a continuation of implementation of new business strategy, related to changing Resbud SE to a holding company.

Bartosz Sebastian Stradomski
President of the Management Board of RESBUD SE