



AS Merko Ehitus

EXTERNAL DISCLOSURE POLICY

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Introduction

AS Merko Ehitus (hereinafter „Merko“) shares are listed on NASDAQ OMX Tallinn. In its disclosure policy, Merko complies with Estonian law, the rules and regulations issued by NASDAQ OMX Tallinn, and guidelines issued by the Estonian Financial Supervisory Authority.

This disclosure policy describes the essential operating principles which Merko as a listed company observes when communicating with the capital markets and the media.

The purpose of the disclosure policy is to ensure access to simultaneously sufficient and accurate information on the company and its business operations to establish the price formation of securities issued by the company. Information is published without any undue delay and equitably.

The key principles in Merko’s communications are consistency, equitability, transparency, honesty and proactiveness.

Communication with the capital markets

According to the Estonian Securities Markets Act and NASDAQ OMX Tallinn mandatory rules and regulations for publicly traded companies, the disclosure obligation is divided into periodic and ongoing disclosure obligations. The periodic disclosure obligation refers to the issuing of interim reports, financial statements and annual reports.

The ongoing disclosure obligation, as provided for in the Securities Markets Act, refers to communication, where necessary, on matters which, according to the company's estimate, may have a material effect on the value of the company's securities or may be considered as important by current or potential investors.

Merko publishes information as required by the disclosure obligation without undue delay simultaneously to all stakeholders consistently and accurately.

In addition, Merko provides supplementary information which is of interest to investors as described in this disclosure policy. Merko undertakes active communications towards its stakeholders and aims to respond to the queries of investors, analysts and the media without undue delay.

1. Financial reports

Merko publishes information on its financial situation and strategy in its financial statements, annual report and interim reports according to a previously established schedule. The publication dates of the following financial year will be published before the end of each financial year.

2. Releases published by Merko

The communications published by Merko are divided into two types: stock exchange releases and press releases. The type of communication is determined on the basis of the importance of the information and on the target group.

a. Stock exchange releases

Merko discloses without undue delay all such resolutions, matters and events which, according to the company's assessment, may have a material effect on the value of the securities issued by the company or which are subject to disclosure under legal acts. Stock exchange releases are issued in Estonian and English.

Stock exchange releases are issued, for example, on the following matters:

- financial statements, interim reports
- amendment to previously published strategies and financial targets
- profit warnings
- major projects and construction contracts
- major investments and financial arrangements
- significant corporate reorganisations and partnership agreements
- significant reorganisation, streamlining or discontinuation of functions or operations
- proposals made by the Board of Directors' to the Annual General Meeting and the resolutions passed by the Annual General Meeting regarding, for example, the appointments of Board Members and Auditors

- significant legal actions, legal proceedings or authorities' actions

Information on a project is disclosed as a stock exchange release if the value of the contract price exceeds 3 million euros without VAT and, in case of a public procurement, without the contracting authority's reserve (the price limit established by Merko for construction contracts). We emphasize the fact that the said 3 million euro limit is not absolute, but a criterion for making it easier for investors to understand which projects Merko covers in its stock exchange releases. In certain cases, there may be a need to issue stock exchange releases on the contracts smaller than that amount, if these exert a significant influence on the price of the company's securities or are relevant to current and prospective investors.

In general, Merko discloses information only on concluded contracts, i.e. the information is released after the contract is signed. Merko generally discloses information only about contracts already entered into in order to protect business secrets, which, among other things, include information on offers, the content of such offers, and the course of negotiations etc. However, this procedure does not preclude public disclosure of information, in particularly in the case of public procurements, if material information on tenders is disclosed by the contracting entity prior to entering into the contract.

b. Press releases

Press releases aimed at general and professional media contain locally relevant information on events relating to Merko's business operations (construction process and completing the construction) which do not fulfil the criteria for a stock exchange release or inside information but which are assessed to be of news value or otherwise of general interest for the media. Merko publishes simultaneously with stock exchange releases, the press releases on financial results, which contain the summary of the results together with management's comments on the results.

3. Distribution channels and languages

All material information (information that falls under stock exchange release) regarding Merko is simultaneously published in Estonian and English via NASDAQ OMX Tallinn , in major media channels and on the company website group.merko.ee

Press releases that contain only locally relevant information and that are not required as per the laws or regulations to be released through stock exchange system are distributed directly by Merko to the major media channels. Press releases in Estonian, English and Russian are also available on the company website group.merko.ee. Press releases on financial results are published to media and on website after the stock exchange release is published.

4. Closed period

Prior to results publications (meaning Interim Reports) Merko has a so called closed period. During this period Merko in general is not meeting with analysts or investors or provide comments on Merko's financial state. Prior to the publication of Interim Reports the freeze period lasts from the end of the reporting period until the publication of the results.

5. Rumours, leaks and market assessments

As a rule, Merko does not comment on any rumours circulating in the public, share price performance or analysts' estimates. However, if rumours are likely to have, or have had, an effect on the price of Merko's securities, irrespective whether the information is true or false, Merko will issue a stock exchange release to rectify any rumours or essentially incorrect information. If information materially affecting the value of the company's securities has been prematurely leaked to the public, Merko will issue immediate stock exchange release and will consult with the Exchange regarding the potential need for temporarily suspend trading of the securities.