

AS Pro Kapital Grupp

CONSOLIDATED INTERIM REPORT
FOR III QUARTER AND 9 MONTHS OF 2023
(UNAUDITED)

Table of contents

| | |
|---|----|
| AS Pro Kapital Grupp in brief | 2 |
| Management report | 3 |
| Key highlights | 3 |
| Main events | 5 |
| Chairman's summary | 6 |
| Group structure | 10 |
| Overview of the development projects | 11 |
| Financing sources and policies | 19 |
| Shares and shareholders | 20 |
| Legal overview and developments | 22 |
| People | 23 |
| Risks | 23 |
| Management Board's confirmation of the management report | 24 |
| Consolidated financial statements | 25 |
| Consolidated interim statement of financial position | 25 |
| Consolidated interim statements of comprehensive income | 26 |
| Consolidated interim statements of cash flows | 27 |
| Consolidated interim statements of changes in equity | 28 |
| Notes to consolidated interim financial statements | 29 |
| Note 1. General information | 29 |
| Note 2. Basis of preparation | 29 |
| Note 3. Segment reporting | 30 |
| Note 4. Inventories | 31 |
| Note 5. Non-current receivables | 32 |
| Note 6. Property, plant, equipment and right-of use assets | 32 |
| Note 7. Investment property | 34 |
| Note 8. Current and non-current debt | 34 |
| Note 9. Customer advances | 37 |
| Note 10. Current payables | 37 |
| Note 11. Revenue | 37 |
| Note 12. Cost of sales | 38 |
| Note 13. Gross profit | 39 |
| Note 14. Administration expenses | 39 |
| Note 15. Other income and expenses | 39 |
| Note 16. Finance income and cost | 40 |
| Note 17. Earnings per share | 40 |
| Note 18. Shareholders meetings | 41 |
| Note 19. Transactions with related parties | 41 |
| Management Board's confirmation of the financial statements | 42 |

AS Pro Kapital Grupp in brief

AS Pro Kapital Grupp (hereinafter as “the Company” and/or “Pro Kapital”) is the leading real estate development company in the Baltics, with a commitment and passion for developing high quality, uniquely designed residential and commercial buildings. The Company was established in 1994, which makes Pro Kapital the first professional real estate development company in the Baltics with close to 30 years of experience. The key focus is on developing large-scale premium areas in the capitals of Baltic states – Tallinn, Riga and Vilnius, aimed at delivering maximum value for the stakeholders. Pro Kapital is the only real estate company with seven large ongoing and upcoming projects in its portfolio.

Pro Kapital has to date, successfully completed more than 300 thousand square meters of living and commercial premises. The Company is focused on delivering the highest quality. Forward looking business management is implemented through all operations across the value-chain, with inhouse competence. The Company can thereby ensure socially, economically and environmentally sustainable business growth.



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Management report

Key highlights

The **total revenue** of the Company in nine months of 2023 was 20 million euros compared to 61.6 million euros in the reference period. The total revenue of the third quarter was 3.9 million euros compared to 30.4 million euros in 2022.

The real estate sales revenues are recorded when premises are handed over to the buyer. Therefore, the revenues from sales of real estate depend on the completion of the residential developments. Nine months results include sales in Kindrali Houses project in Tallinn and River Breeze in Riga. The real estate sales of the reference period have been influenced by handing over completed apartments in Kalaranna District in Tallinn.

The **gross profit** for nine months of 2023 has decreased by 63% amounting to 6 million euros compared to 16.2 million euros in 2022. The gross profit in the third quarter was 1.5 million euros compared to 6.8 million euros in comparative period.

The **operating result** in nine months of 2023 was 1.7 million euros profit comparing to 12 million euros profit during the same period in 2022. The operating result for third quarter was 167 thousand euros profit compared to 5.6 million euros profit in the third quarter of 2022.

The **net result** for the nine months of 2023 was 1 million euros loss, comparing to 8.7 million euros profit in the reference period. The net result of the third quarter was 732 thousand euros loss compared to 4.5 million euros profit in 2022.

Cash generated in operating activities during nine months of 2023 was 9.5 million euros comparing to 19.6 million euros during the same period in 2022. In the third quarter the cash generated was 59 thousand euros compared to 14.6 million euros in 2022.

Net assets per share on 30 September 2023 totalled to 0.96 euro compared to 0.91 euros on 30 September 2022.

Key performance indicators

| | 2023 9M | 2022 9M | 2023 Q3 | 2022 Q3 | 2022 12M |
|--------------------------|---------|---------|---------|---------|----------|
| Revenue, th EUR | 19 969 | 61 628 | 3 857 | 30 434 | 65 654 |
| Gross profit, th EUR | 6 000 | 16 211 | 1 544 | 6 849 | 16 965 |
| Gross profit, % | 30% | 26% | 40% | 23% | 26% |
| Operating result, th EUR | 1 667 | 11 990 | 167 | 5 577 | 17 657 |
| Operating result, % | 8% | 19% | 4% | 18% | 27% |
| Net result, th EUR | -1 025 | 8 651 | -732 | 4 546 | 13 452 |
| Net result, % | -5% | 14% | -19% | 15% | 20% |
| Earnings per share, EUR | -0.02 | 0.15 | -0.01 | 0.08 | 0.24 |

| | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|-------------------------------------|------------|------------|------------|
| Total Assets, th EUR | 100 674 | 99 731 | 101 256 |
| Total Liabilities, th EUR | 46 376 | 48 237 | 45 933 |
| Total Equity, th EUR | 54 298 | 51 494 | 55 323 |
| Debt / Equity * | 0.85 | 0.94 | 0.83 |
| Return on Assets, % ** | -1% | 6.2% | 12.4% |
| Return on Equity, % *** | -1.9% | 28.3% | 27.4% |
| Net asset value per share, EUR **** | 0.96 | 0.91 | 0.98 |

*debt / equity = total debt / total equity

**return on assets = net profit/loss / total average assets

***return on equity = net profit/loss / total average equity

****net asset value per share = net equity / number of shares

Main events

On **24 January 2023** the Company announced about the decision to withdraw from the preliminary agreement of acquiring the hotel company PK Sicily in Italy.

On **18 April 2023** the Company announced that the next construction phase of the Kalaranna District has started. In this construction phase 4 new houses will be built on the plot of Kalaranna 8 with a total of 146 residential units and 4 business premises.

On **19 June 2023** the Shareholders of the Company approved the Audited Annual Report of the Company for the financial year of 2022 and elected Ernst&Young Baltic AS to be the auditor of the Company for the financial year of 2023. The Shareholders decided to prolong the term of office of Oscar Crameri as a member of the Supervisory Council until 5 July 2026 and elected Patrick Werner and Giovanni Bozzetti as members of Supervisory Council until 5 July 2026.

On **20 June 2023** the Company announced about its intentions to suggest the bondholders to change the terms and conditions of unsecured bonds. The proposal to the bondholders was to extend the bonds redemption term by 2+2 years.

On **24 July 2023** the Company announced about signing a preliminary agreement with an intention of buying 67.5% of the shares of Preatoni Nuda Proprieta S.R.L (registered office in Milan, Italy). With this agreement the company reserves its rights to buy the shares and initiates due diligence.

On **20 August 2023** the Company announced about proposition to investors to extend the redemption date of the unsecured bonds with ISIN EE3300001676, redemption date 31 October 2024 and total value of 9 685 426.80 euros by 2+2 years.

On **30 August 2023** the Company announced about requesting the approval from holders of secured bonds ISIN SE0013801172 listed in Nasdaq Stockholm in order to enable a partial early redemption of the Company's outstanding unsecured non-convertible bonds listed in Nasdaq Tallinn with ISIN EE3300001676.

On **18 September 2023** the Company announced about obtained approval from holders of secured bonds with ISIN SE0013801172 for partial early redemption of the Company's outstanding unsecured non-convertible bonds with ISIN EE3300001676 in amount equal to maximum 15 percent of the total outstanding amount under, being approximately 1.45 million euros.

On **22 September 2023** the Company announced about changes to the issue terms of unsecured bonds with ISIN EE3300001676. Redemption date has been postponed by 2+2 years, i.e new redemption date is 31 October 2026 with the condition that the issuer may unilaterally postpone the redemption date by two years, i.e to 31 October 2028 by making a respective announcement via Nasdaq Tallinn by 30 September 2026 at the latest. The new interest rate of 9% shall be fixed starting from 1 November 2024. The issuer will redeem 15% of the denomination value of all the bonds on 31 October 2024.

Chairman's summary

Q3 2023 marks as a continuation of the newly started developments of AS Pro Kapital Grupp.

Real estate development

In Tallinn, the decision taken earlier in the year on starting the construction and sales of Kalaranna 8 last stage, has proven to be the right one. As a reminder, this last and final stage consists of 4 residential buildings with 146 apartments and 4 commercial units. Furthermore, the decision on taking on the construction management in-house has proven to be the right step. The general contractors to this date seem to be suffering from the consequences of pandemic and the war and their pricing is simply not competitive vis-à-vis smaller contractors that we are able to engage directly. To date we have bought out the excavation/retainage works, underground monolithic concrete works and some smaller jobs the consequence of which has resulted in considerable cost savings. During Q3 we completed the underground excavation and retainage wall works and embarked on underground concrete works which will last into Q4 this year. In Q3 also the concrete panel elements agreement was executed and first buildings' panelling started going up at the end of the quarter. As of the end of Q3 we are totalling 44 total sales executed (40 apartments and 4 commercial units).

Within Kristiine City, we are actively advancing the design and permit procedures for the "Dunte" project located at Tondi Street 53. It is noteworthy that we have secured significant concessions from the State Landmark Preservation Committee. This includes the permission to expand the ground floor windows on the rear side of the facade into floor-to-ceiling openings. This adjustment enables us to craft more spacious residential units, to offer improved sunlight exposure and direct access to small private terraces.

Still in Kristiine City, we are evaluating the possibility of starting the construction in Uus Kindrali, where we already are holding a building permit and look forward to proceed in the development when the market shows signs of interest in such a project. We have contacted more than 500 prospective buyers, who had previously shown interest in the project, with an early bird offer and the initial feedback has been positive, with 2 000 - euro reservation fees in order to secure the units which are preferred by the buyers. Given this preliminary feedback from the market, we anticipate a very strong possibility of starting the construction site in the early part of 2024. In parallel with the presale efforts, we are actively engaging with construction management to be ready with necessary personnel.

In Riga, our sales of the esteemed River Breeze Residence, recipient of the Baltics Prestige Award for its exceptional architecture, persist. Adding to the 6 sales in the first semester, we concluded 3 more transactions during Q3, 2023. Overall, we are witnessing an upward trajectory in the real estate segment in Riga, specifically in connection with our project.

We possess a building permit for the City Oasis residential quarter, comprising approximately 330 apartments and spanning 32 500 square meters GBA, situated in Tallinas iela—a serene and verdant living environment in the heart of the city. We are poised to commence construction as soon as the market conditions align favourably for this extensive and ambitious undertaking.

Among the three capitals (Tallinn, Riga, Vilnius), Riga presents the most formidable challenges in terms of overall market conditions. Nonetheless, our outlook for the Latvian real estate sector remains optimistic in the long run.

In 2019 we completed five buildings in Šaltinių Namai Attico project in Vilnius with 115 apartments. Today we have only 4 apartments unsold, out of which one is a model unit. During Q2, we finalized the preparatory works for the start of construction the final phase with city villas (43 units) and a residential-commercial building. The agreement we signed with a company providing construction project management services was able to mobilize the site in Q3 and the excavation/ piling works have started.

Despite the geopolitical situation, Vilnius market is still quite active in the high-end segment and we look forward to the next stage of our high-end development.

The Company has also expanded its land portfolio in Vilnius, purchasing a school building in Naugarduko street for the price of 6.25 million euros. The school will be converted into a high-end residential property, consisting of circa 50 luxury apartments. An architectural competition was carried out for the purpose, and the winning studio has been in the process of designing and carrying out the building permit process with the city.

Hotel operations

Following two challenging years that significantly impacted the global tourism sector due to the pandemic, there is now a notable resurgence in demand within the hotel industry.

In Bad Kreuznach, we have achieved a significant operational break-even point despite a considerable portion of the rooms being inaccessible to the public during ongoing renovations. A few years back, we successfully refurbished half of the rooms along with some common areas. The remaining room renovations concluded by the end of Q1 2023, resulting in the availability of the entire room inventory (116 units) for sale. We are already witnessing an increase in the Average Daily Rate, and there are promising trends indicating that we are surpassing the budgeted proforma.

During Q3, we observe a consistent upward trend with each month's actual performance exceeding the budget. Notably, in July, the hotel was awarded a 4-star rating, a development that is expected to further enhance our performance.

Other matters

On 20 September 2023 we have extended the terms of 9.7 million euros of unsecured bonds issue, with an original maturity date of 31 October 2024. The terms have been revised and, in order to motivate the bondholders on the extension, the interest rate has been increased to 9% from the previous agreed rate of 8%. This minimal increase, despite the changed landscape in the financial and bond markets in the past years, shows the great confidence that the market has in the solidity of our Company. The extension applies to 85% of the principal amount, whereas the remaining 15% will be paid back at the original maturity date of 31 October 2024. The extension is structured for 2 years with the possibility of prolonging it for an extra 2 years should the Company deem it necessary to do so.

The real estate sector in the Baltic region has demonstrated remarkable resilience both during the pandemic and amid the current turbulent geopolitical climate. We remain optimistic about our ability to advance our portfolio of projects in line with market expectations, ensuring a consistent supply of high-quality properties for the local community. Recognizing the challenges of our times, we are committed to swift adaptation in an ever-changing and fast-paced world, particularly concerning construction works and the associated supply chain challenges and material costs. Despite these challenges, our outlook for the Baltic region remains highly positive, supported by the continuous backing of the market.

Economically, the Baltic region is positioned favourably, with Estonia, Latvia, and Lithuania having witnessed sustained growth in recent years. This growth has been fuelled by factors such as increased foreign investment, the expansion of the service sector, and a focus on export-oriented manufacturing. The region's proximity to Northern Europe and its EU membership have bolstered trade and investment. While

there has been a slowdown in sales activity due to rising inflation and increased lending rates, the close of Q3 confirms signs of stabilization. Data suggests that salary increments are gradually catching up with inflation rates, fostering market recovery.

Despite of the challenges posed by the global macroeconomic climate and the geopolitical unrest arising from the conflict in Ukraine, the positive indicators in the region remain resilient. As we navigate the dynamic landscape of the real estate sector, we continuously explore innovative strategies to anticipate future needs and stay ahead of the curve for our clientele. With a proactive approach to change and a vision that transcends limitations, we move forward, fully attuned to the evolving global panorama and prepared to seize every opportunity that arises.



Edoardo Preatoni
CEO
AS Pro Kapital Grupp
7 November 2023

Group structure

As at 30 September 2023



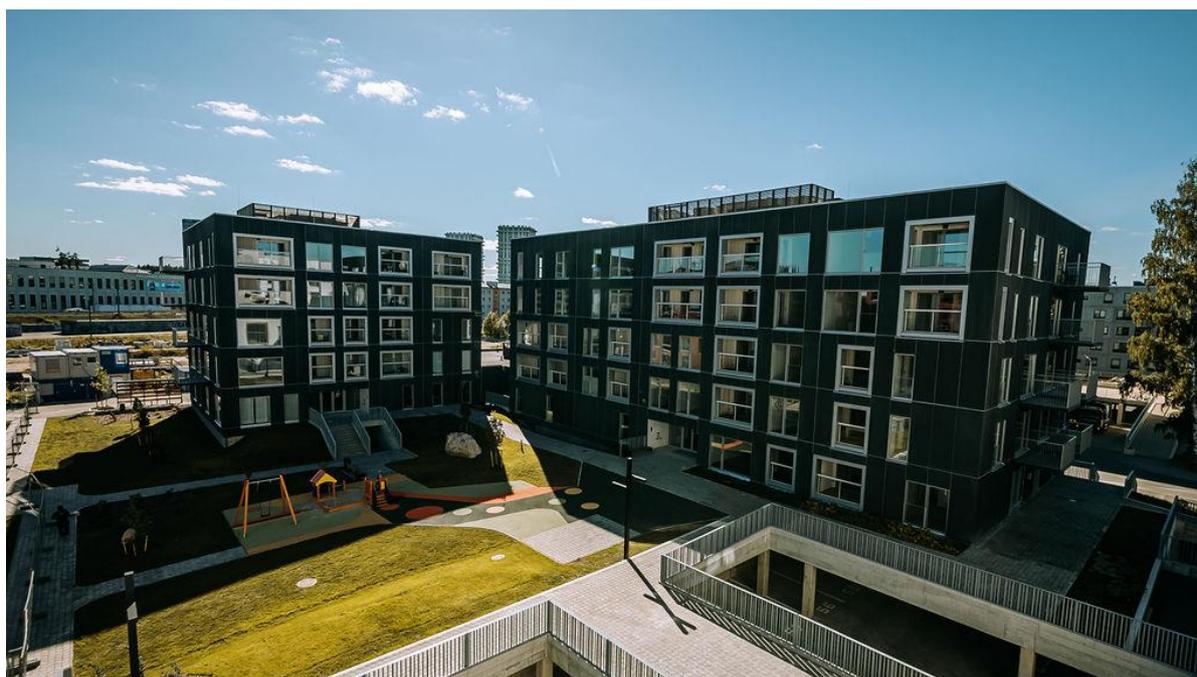
Overview of the development projects

Kristiine City in Tallinn

Kristiine City is one of the largest residential areas in the Baltic countries, located in the Kristiine borough, a residential area very close to the City Centre of Tallinn. The unique project plans exquisitely integrated historical red brick buildings with the modern architecture that will arise over the hill, at the very heart of the new quarter. The Kristiine City development will bring lively and elegant atmosphere to the historical barrack area. The residential area is developed mainly to offer green living environment to families and people who prefer living outside the very centre or the city.

Kindrali Houses in Kristiine City

Located among the private houses and apple orchards of Kristiine district, the modern Kindrali Houses project has a warm and cosy heart. Kindrali Houses form a part of the Kristiine City district which is undergoing rapid development near the city centre and offering versatile opportunities for residents of all ages. New five-storey apartment buildings are being built. The focus is on comfort, safety and living in harmony with the environment. The contemporary and Nordic appearance of the buildings is complemented by carefully selected high-quality materials and details in interior design. The buildings have both spacious five-room flats and ground floor studio apartments with separate entrances, as well as a washing room for the four-legged



friends. Kindrali Houses project has been completed and last apartments were handed over to the homeowners during the reporting period. There are no apartments left for sale.

Kalaranna in Tallinn

Kalaranna District is a unique sea-side residential district on the boarder of Tallinn's central city and old town. Located at Kalaranna 8, the development will have twelve 4-5 storey buildings on nearly six hectares. The area is being developed in two stages. An integral part of the residential quarter is well-thought-out landscape architecture and a beach promenade that largely preserves the existing natural environment. During the first phase of construction, eight buildings were completed with 239 apartments, commercial premises and an underground car park. The area includes the Kalaranna Park with versatile leisure opportunities and a Square connecting the buildings. The construction of the next phase with 4 houses has started. There are no apartments available for sale in the first stage of the development and the pre-sales of the next phase is ongoing. Kalaranna was nominated in the category of the "Best Development Project 2022" at Tallinn City Enterprise Centre's business awards competition.



Ülemiste 5, Tallinn

Ülemiste 5 will be developed for commercial use with gross leasable area of ca 14 thousand square meters. Located right next to Rail Baltica Ülemiste Terminal, this development project will play a significant role in establishing the new public transportation centre of Tallinn.

Kliversala in Riga

The district of Kliversala is located in the most picturesque and beautiful part of the centre of Riga. A land plot of almost five hectares in total, is located on the peninsula surrounded by the Daugava River and Agenskalna bay, facing the towers of Old Riga and the President Castle. The property will be developed as an integral residential quarter.



The River Breeze Residence and the neighbouring territory are a significant part of the long-term development strategy of the city of Riga, which will be carried out through the period until 2030. Mainly because the River Breeze Residence is located within the UNESCO heritage protection area it is thereby considered as a highly valuable territory.

The River Breeze Residence is the first residential building in Kliversala Quarter. The following stage - Blue Marine, named by its close proximity to the river and yacht port area – is waiting for start of construction.

Brīvības Business Quarter in Riga

Commercial property development of the modern office complex will be built on the site of a former factory. The area is located at one of the main transport arteries heading through the city – the Brīvības street – making it an attractive



commercial area. The first phase of the project foresees renovation of the existing industrial building into offices. The construction of new office and commercial buildings will be carried out as a second phase of the project. The site is ready for construction, existing building is conserved. The building permit has been issued and the Company will start with construction when market conditions are favourable.

City Oasis Quarter in Riga



City Oasis quarter lies in Tallinas street 5/7 and is a unique residential area in the central city of Riga, where new buildings, modern loft-style apartment buildings and also restored historical buildings can be found to create an extraordinary atmosphere in the area. The development foresees business premises on the first floors of the buildings. The building permit has been issued and the technical design is completed. Construction will start when market conditions are favourable.

Šaltinių Namai in Vilnius

Šaltinių Namai | Attico is a prestigious living area, surrounded by the nature in the most tranquil part of the Old Town, located within the UNESCO protection area. Šaltinių Namai | Attico is inspired by the baroque spirit of Vilnius Old Town and the tradition of Italian architecture in Lithuania. Homebuyers can choose from thoroughly planned apartments with exceptional views to spacious town houses. As an integral part of the landscape, this unique area has the first Italian courtyard garden in the city, designed by an Italian concept architect Gianmarco Cavagnino. To date we have completed five houses of the Šaltinių Namai | Attico project and are currently planning the following construction phase with city villas and a commercial building.



Naugarduko 5 in Vilnius

The promising property in the centre of Vilnius will complement our portfolio of high-class residential buildings with impressive panoramas of the old town of Vilnius from the hill on Naugarduko street. After reconstruction the building will blend in with the Šaltinių Namai | Attico quarter located nearby. The location with cultural attractions, educational and entertainment possibilities within a walking distance, makes the location particularly attractive both for homebuyers and businesses.



Segments and sales information

The Company's operations are divided across four geographical segments: Estonia, Latvia, Lithuania and Germany. In addition, the Company monitors its operations through the business activities: real estate sale and rent, hotel operations, maintenance of real estate and other services.

Revenue structure of nine months, in thousands of euros

| | EST | EST | LV | LV | LT | LT | GER | GER | Total | Total |
|--------------|--------------|---------------|--------------|--------------|------------|------------|--------------|--------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | 9M | 9M | 9M | 9M | 9M | 9M | 9M | 9M | 9M | 9M |
| Real estate | 9 726 | 56 860 | 5 644 | 1 673 | 25 | 340 | 0 | 0 | 15 395 | 58 873 |
| Rent | 0 | 1 | 174 | 105 | 78 | 18 | 0 | 0 | 252 | 124 |
| Hotel | 0 | 0 | 0 | 0 | 0 | 0 | 3 932 | 2 305 | 3 932 | 2 305 |
| Maintenance | 86 | 84 | 13 | 0 | 263 | 222 | 0 | 0 | 362 | 306 |
| Other | 5 | 7 | 11 | 8 | 12 | 4 | 0 | 0 | 28 | 20 |
| Total | 9 817 | 56 952 | 5 842 | 1 786 | 378 | 584 | 3 932 | 2 305 | 19 969 | 61 628 |

Revenue structure of the third quarter, in thousands of euros

| | EST | EST | LV | LV | LT | LT | GER | GER | Total | Total |
|--------------|-----------|---------------|--------------|------------|------------|-----------|--------------|------------|--------------|---------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | Q3 | Q3 | Q3 | Q3 | Q3 | Q3 | Q3 | Q3 | Q3 | Q3 |
| Real estate | 32 | 28 437 | 2 104 | 891 | 0 | 0 | 0 | 0 | 2 136 | 29 328 |
| Rent | 0 | 1 | 56 | 58 | 28 | 8 | 0 | 0 | 84 | 67 |
| Hotel | 0 | 0 | 0 | 0 | 0 | 0 | 1 480 | 927 | 1 480 | 927 |
| Maintenance | 29 | 32 | 2 | 0 | 119 | 72 | 0 | 0 | 150 | 104 |
| Other | 2 | 3 | 4 | 3 | 1 | 1 | 0 | 0 | 7 | 7 |
| Total | 63 | 28 473 | 2 166 | 952 | 148 | 81 | 1 480 | 927 | 3 857 | 30 433 |

The Company's operations in **Estonia** consist of the development and sales of residential and business premises, rental activity and maintenance of residential and business premises.

The share of the Estonian segment as a percentage of total revenues of the Company for the nine months in 2023 amounted to 49% compared to 92% during the same period last year.

During the reporting period the total of 66 apartments, 87 parking lots and 76 storage rooms were sold (2022 9M: 226 apartments, 238 parking lots and 170 storage rooms). At the end of the reporting period the stock consisting of 2 apartments, 28 storage rooms and 77 parking spaces in Tallinn were recorded as inventory. Both apartments

in stock serve as showrooms in Kalaranna District and Kindrali Houses developments and therefore are not available for sale.

The Company's operations in **Latvia** consist of development and sale of apartments in premium residential real estate property.

The share of the Latvian segment as a percentage of total revenues of the Company for the twelve months amounted to 29% comparing to 3% in the same period last year. During the reporting period 9 apartments, 12 storage rooms and 17 parking lots were sold (2022 9M: 6 apartments, 7 parking spaces and 6 storage rooms). At the end of the reporting period the stock consisting of 9 luxury apartments, 17 storage rooms and 40 parking lots were available for sale in Latvia.

The Company's operations in **Lithuania** mainly consist of development and sale of apartments in premium residential real estate properties.

The share of the Lithuanian segment as a percentage of total revenues of the Company for the twelve months amounted to 2% comparing to 1% during the same period last year. During the reporting period 3 storage rooms was sold in Lithuania (2022 9M: 1 apartment, 2 storage rooms and 4 parking lots). There were 4 apartments, 1 business premise, several storage rooms and parking lots in stock in Vilnius at the end of the reporting period.

The Company's operations in **Germany** consist of development and management of PK Parkhotel Kurhaus, located in Bad Kreuznach.

The share of the German segment as a percentage of total revenues of the Company for the nine months amounted to 20% comparing to 4% last year. The occupancy rate of 53% of PK Parkhotel Kurhaus has increased by 6% compared to 48% during the same period in 2022. Due to increased occupancy and higher room rates total revenues of nine months were 3.9 million euros compared to 2.3 million euros during the same period in 2022. Net result for nine months of 2023 was 250 thousand euros profit (2022 9M: 392 thousand euros loss). In 2022 there were ongoing renovation works in the hotel, therefore it was operating only with partial capacity. The renovation works have been finalised.

Other operative data of the third quarter and nine months

| | EST | EST | LV | LV | LT | LT | Total | Total |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2023 9M | 2022 9M |
| M ² sold* | 4 011 | 14 669 | 1 560 | 529 | 0 | 53 | 5 571 | 15 251 |
| Average price, m ² /EUR* | 2 271 | 2 940 | 3 243 | 2 827 | 0 | 4 905 | 2 543 | 2 936 |
| M ² under maintenance | 48 276 | 63 077 | 0 | 0 | 26 768 | 26 768 | 75 044 | 89 845 |

*Square meters do not include parking spaces nor storage rooms; prices are considered without value added tax

| | EST | EST | LV | LV | LT | LT | Total | Total |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2023 Q3 | 2022 Q3 |
| M ² sold* | 0 | 7 643 | 597 | 210 | 0 | 0 | 597 | 7 853 |
| Average price, m ² /EUR* | 0 | 2 293 | 3 210 | 3 040 | 0 | 0 | 3 210 | 2 313 |
| M ² under maintenance | 48 276 | 63 077 | 0 | 0 | 26 768 | 26 768 | 75 044 | 89 845 |

*Square meters do not include parking spaces nor storage rooms; prices are considered without value added tax

The average price for a square meter sold in Estonia has decreased in 2023 as it is influenced by a different type of the product – sales in Kristiine City were finalised during reporting period, while price in 2022 was influenced by the high-end product sales in Kalaranna.

Financing sources and policies

Pro Kapital pursues conservative financing policy. The objective of the Company is to use external financing in a manner that enables to avoid interest related risk during the low economic periods and to have sufficient additional external financing capacity when attractive business opportunities occur. The Company seeks to maintain such long-term debt levels that are in reasonable proportion to growth in operations and which preserve the Company's credit standing.

During the reporting period, the Company repaid 47 thousand euros of the bank loans and as at 30 September 2023, the total loan debt to the banks was 422 thousand euros (Note 8).

Bank loans taken by the Company are predominantly of middle-term duration, maturing within one to five years. Repayment schedule is mixed, both fixed for some loans and floating, depending on sales volumes for the others.

As at 30 September 2023 the Company had issued 28.5 million euros secured bonds with redemption date in February 2024 and 9.7 million euros unsecured bonds with redemption date in October 2026 (Note 8).

Shares and shareholders

As at 30 September 2023 Pro Kapital had issued 56 687 954 shares in total with the nominal value 0.20 euros. The registered share capital of the Company was 11 337 590.80 euros.

As at 30 September 2023 there were 1 097 shareholders registered in the shareholders' register. Many of the registered shareholders are nominee companies, which represent multiple non-resident investors.

Shareholders holding over 5% of the shares as at 30 September 2023 were as follows:

| Shareholders | Number of shares | Participation in % |
|----------------------------------|------------------|--------------------|
| Raiffeisen Bank International AG | 30 192 978 | 53.26% |
| Caceis Bank SA | 7 099 499 | 12.52% |
| Clearstream Banking AG | 5 980 450 | 10.55% |
| Svalbork Invest OÜ | 5 590 639 | 9.86% |
| Six Sis Ltd | 3 904 931 | 6.89% |

The largest shareholders of AS Pro Kapital Grupp are Ernesto Preatoni and his affiliates. Based on the information at the possession of AS Pro Kapital Grupp as of 30 September 2023 Ernesto Preatoni and his affiliates control 49.31% of shares of AS Pro Kapital Grupp. The following shares are considered as being controlled by Ernesto Preatoni because the Management Board believes that he is able to control the use of voting rights by the following persons:

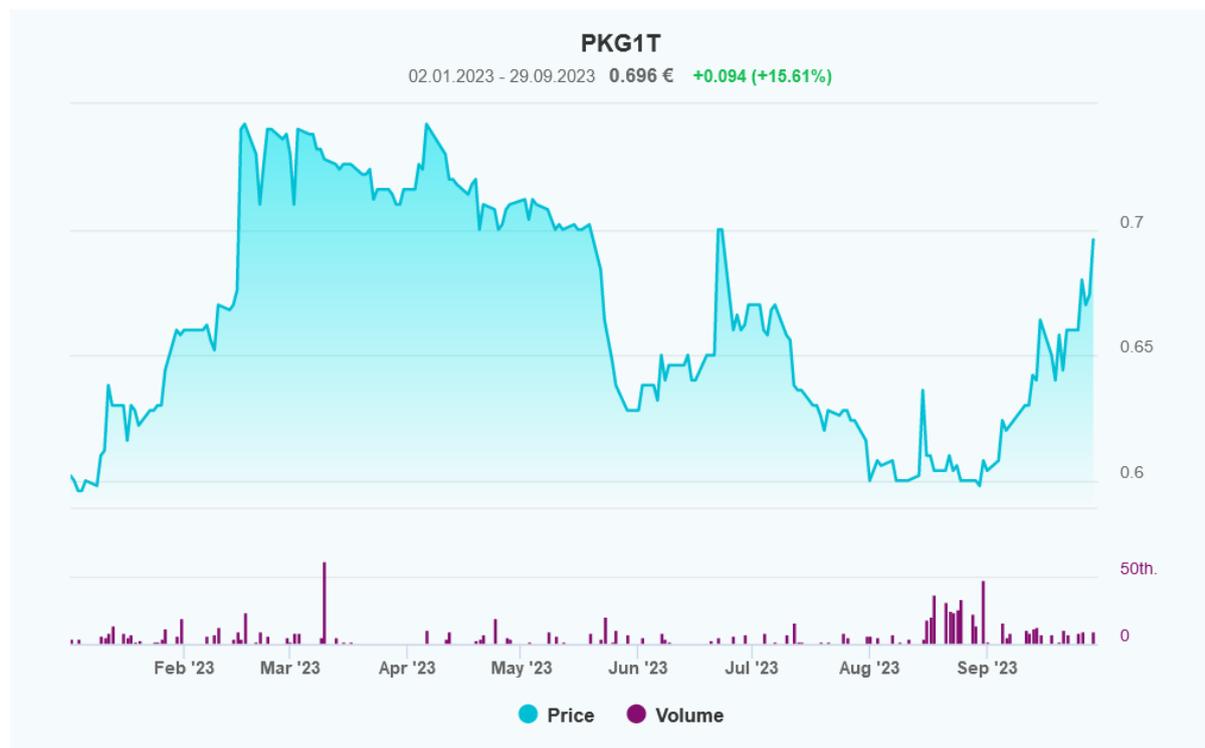
- OÜ Svalbork Invest, Estonian company controlled by Ernesto Preatoni which holds 5 590 639 shares representing 9.86% of the total shares of the Company.
- 19 853 439 shares representing 35.02% of the total shares of the Company held through a nominee account opened by Raiffeisen Bank International AG.
- 2 498 765 shares representing 4.41% of the total shares of the Company held through a nominee account opened by Clearstream Bank.
- 12 220 shares representing 0.02% of the total shares of the Company held through a nominee account opened by Nordea Bank.

The major shareholder has informed the Company that he is contributing in kind into a French company with his holding. Being a major shareholder in that French entity, Ernesto Preatoni remains still as a final beneficiary of the shares. Although the holding in AS Pro Kapital Grupp is less than 50%, the French company – Preatoni Group – will consolidate the reporting group and is to be considered an ultimate parent for AS Pro Kapital Grupp.

No Council Member nor Member of the Management Board is holding any shares of the company.

Earnings per share during the nine months of 2023 were -0.02 euros (2022 9M: 0.15 euros).

Trading price range and trading amounts of Pro Kapital Grupp shares, 1 January – 30 September 2023, NASDAQ Baltic Main List



Source: nasdaqbaltic.com

On 23 November 2012 the Company was listed on the secondary list of Tallinn's stock exchange. Starting from 19 November 2018 the shares of the Company are traded in the Main List of Tallinn's stock exchange. During the period 1 January – 30 September 2023 the shares were traded at the price range 0.60-0.74 euros, with the closing price of 0.67 euros per share on 30 September 2023. During the period 1.1 million of the Company's shares were traded with their turnover amounting to 697 thousand euros.

Legal overview and developments

To bring out better the events which might have material financial effect on the Company and its share price and not to burden the reporting with smaller litigation issues, the Company has set the policy to disclose in its reporting pending court litigation disputes which might have material financial effect on the Company and its share price. As per the policy all disputes which might have financial effect of at least 100 000 euros (at once or during the period of one financial year) are disclosed in the reporting.

AS Pro Kapital Eesti continues to be in litigation with the Land Board concerning the cadastral unit with the address Kalasadama 3, Tallinn, with 100% purpose of land under water, and the litigation relates to a claim for compensation. AS Pro Kapital Eesti is of the opinion that it has unjustly paid a portion of the purchase price and land tax from this cadastral unit. The company is claiming from the state compensation of 192 338 euros of land tax paid in excess during 1 January 2004-31 December 2018 as well as that the state compensate 681 816 euros of the purchase price overpaid by the company for that portion of land (including notary and state fees paid in excess = 675 546 + 2 034 + 4 236), the claim for compensation amounting to 874 152 euros in total in the principal sum plus 1 176 261.55 euros of interest in arrears.

AS Pro Kapital Eesti proposed to end the dispute with a settlement, which was not accepted by the other party, so the litigation continues.

Main contractor of one of the developments of Pro Kapital has started legal proceedings against Pro Kapital subsidiary. Contractor has filled the claim to court wanting to identify that Pro Kapital subsidiary does not have any penalty claims against the contractor and alternatively asks the court to reduce the penalty claims and seeks the payment of the balance of the invoices (in base amount of 587 932 euros, plus delay interest). Pro Kapital subsidiary is of opinion that contractor claim is baseless, the penalty claims are in accordance with the contract, are justified due to long delay in the completion of the construction, the penalty claims have already been reduced and the balance of the invoices has been paid via set-off with the penalty claim. The litigation continues. Pro Kapital is of opinion that this court case does not have any substantial negative impact on financial results of Pro Kapital. The construction invoices in question have been accounted for as costs of construction during construction already, thus any possible negative outcome of the court case will not increase the costs (except for the delay interest and court costs). In case of positive outcome of the court case Pro Kapital will receive additional income thought reflecting the penalty claims of ca 2 million euros.

People

As at 30 September 2023 the Company employed 80 people compared to 76 people on 30 September 2022. 44 of them were engaged in hotel and property maintenance services (39 on 30 September 2022). The number of employees does not include council members.

Risks

The most significant risks for the Company are related with the market, liquidity and financing.

Due to long-term orientation in business model the Company can survive turbulences in the markets. The Company is further pursuing long term strategic approach, enabling it to acquire properties for development when market is low and sell the developed properties at the peak of business cycle, thus naturally capitalising on market opportunities and hedging market risk. The size and the diversity of the Company's real estate portfolio allows to adjust itself according to the needs in the market.

Liquidity risks are managed on an ongoing basis, with increased focus on working capital dynamics and needs. Both careful roll-on basis cash planning, monitoring of development project cash flow and flexibility in everyday cash needs contribute to effective management of liquidity risks.

Risk of financing might prolong the Company's schedule of property development and cause the slow-down of realization of its real estate portfolio. The risk is managed through maintaining the continuity of funding and balancing through the use of bank overdrafts, bank loans, bonds and other debentures as well as expanding its investor base and attracting additional financing from outside of Estonia. The Company considers the main risk of events occurring in local banking market, in terms of less alternatives for financing real estate projects and increasing interest rates.

Significant business risk would occur with another crisis, the decrease of the substantial purchasing capability of the permanent residence, the increase of the interest rates for mortgage loans and other factors which could decrease the demand for real estate and have a negative impact to the Group operating activities, decreasing the sales and rent income as well the gain from development activities, property management service. The Company has valued possible business risks and has taken necessary measures to ensure the sustainability in its development.

Asset risks are covered by effective insurance contracts.

Management Board's confirmation of the management report

The Management Board confirms that the management report presents a true and fair view of any significant event, development of business activities and financial position as well as includes a description of the main risks and doubts. The interim report includes description of relevant transactions with related parties.

Edoardo Preatoni

Chief Executive Officer
and Member of the Management Board

7 November 2023

Consolidated financial statements

Consolidated interim statement of financial position

| in thousands of euros | Notes | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|--------------------------------------|-------|----------------|---------------|----------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | | 13 781 | 11 088 | 10 589 |
| Current receivables | | 4 965 | 1 648 | 955 |
| Prepaid expenses | | 0 | 0 | 64 |
| Inventories | 4 | 27 665 | 35 228 | 34 224 |
| Total current assets | | 46 411 | 47 964 | 45 832 |
| Non-current assets | | | | |
| Non-current receivables | 5 | 12 | 2 017 | 2 016 |
| Property, plant and equipment | 6 | 7 819 | 7 901 | 7 294 |
| Right-of-use assets | 6 | 198 | 229 | 195 |
| Investment property | 7 | 45 874 | 41 270 | 45 575 |
| Goodwill | | 262 | 262 | 262 |
| Intangible assets | | 98 | 88 | 82 |
| Total non-current assets | | 54 263 | 51 767 | 55 424 |
| TOTAL ASSETS | 3 | 100 674 | 99 731 | 101 256 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities | | | | |
| Current debt | 8 | 28 581 | 368 | 173 |
| Customer advances | 9 | 3 048 | 2 614 | 1 659 |
| Current payables | 10 | 3 236 | 4 308 | 4 626 |
| Tax liabilities | | 253 | 958 | 111 |
| Short-term provisions | | 5 | 662 | 5 |
| Total current liabilities | | 35 123 | 8 910 | 6 574 |
| Non-current liabilities | | | | |
| Non-current debt | 8 | 10 027 | 38 153 | 38 184 |
| Deferred income tax liabilities | | 1 136 | 1 138 | 1 130 |
| Long-term provisions | | 90 | 36 | 45 |
| Total non-current liabilities | | 11 253 | 39 327 | 39 359 |
| TOTAL LIABILITIES | | 46 376 | 48 237 | 45 933 |
| Equity | | | | |
| Share capital in nominal value | | 11 338 | 11 338 | 11 338 |
| Share premium | | 5 661 | 5 661 | 5 661 |
| Statutory reserve | | 1 134 | 1 134 | 1 134 |
| Revaluation reserve | | 2 012 | 2 984 | 2 012 |
| Retained earnings | | 34 153 | 30 377 | 35 178 |
| Total equity | | 54 298 | 51 494 | 55 323 |
| TOTAL LIABILITIES AND EQUITY | | 100 674 | 99 731 | 101 256 |

The accompanying notes are an integral part of these consolidated interim financial statements.

Consolidated interim statements of comprehensive income

| in thousands of euros | Notes | 2023 9M | 2022 9M | 2023 Q3 | 2022 Q3 | 2022 12M |
|--|-------|---------------|---------------|--------------|--------------|---------------|
| CONTINUING OPERATIONS | | | | | | |
| Operating income | | | | | | |
| Revenue | 11 | 19 969 | 61 628 | 3 857 | 30 434 | 65 654 |
| Cost of sales | 12 | -13 969 | -45 417 | -2 313 | -23 585 | -48 689 |
| Gross profit | 13 | 6 000 | 16 211 | 1 544 | 6 849 | 16 965 |
| Marketing expenses | | -486 | -345 | -187 | -108 | -498 |
| Administration expenses | 14 | -3 860 | -3 743 | -1 204 | -1 085 | -4 946 |
| Other operating income | 15 | 16 | 9 | 16 | 1 | 6 278 |
| Other operating expenses | 15 | -3 | -142 | -2 | -80 | -142 |
| Operating profit | | 1 667 | 11 190 | 167 | 5 577 | 17 657 |
| Finance income | 16 | 174 | 2 | 86 | 1 | 3 |
| Finance cost | 16 | -2 858 | -3 336 | -982 | -1 032 | -4 211 |
| Profit/loss before income tax | | -1 017 | 8 656 | -729 | 4 546 | 13 449 |
| Income tax | | -8 | -5 | -3 | 0 | 3 |
| Net profit/loss for the period | | -1 025 | 8 651 | -732 | 4 546 | 13 452 |
| Other comprehensive income, net of income tax | | | | | | |
| Net change in asset revaluation reserve | | 0 | 0 | 0 | 0 | -972 |
| Total comprehensive income for the period | | -1 025 | 8 651 | -732 | 4 546 | 12 480 |
| Earnings per share (Basic) € | 18 | -0.02 | 0.15 | -0.01 | 0.08 | 0.24 |

The accompanying notes are an integral part of these consolidated interim financial statements.

Consolidated interim statements of cash flows

| in thousands of euros | Note | 2023 9M | 2022 9M | 2023 Q3 | 2022 Q3 | 2022 12M |
|---|------|---------------|----------------|---------------|----------------|----------------|
| Cash flows from operating activities | | | | | | |
| Profit for the period | | -1 025 | 8 651 | -733 | 4 546 | 13 452 |
| Adjustments for: | | | | | | |
| Depreciation and amortisation of PPE, ROU and intangible assets | | 309 | 270 | 105 | 93 | 406 |
| Gain from disposal of investment property | | 0 | 0 | 0 | 0 | -2 329 |
| Change in fair value of property, plant, equipment | | 0 | 0 | 0 | 0 | 13 |
| Change in fair value of investment property | | 0 | 0 | 0 | 0 | -3 841 |
| Finance income and costs | 16 | 2 684 | 3 334 | 896 | 1 032 | 4 207 |
| Change in deferred tax assets and liabilities | | 6 | 5 | 2 | 2 | -3 |
| Other non-monetary changes (net amounts) | | 55 | 3 | 20 | 1 | 1 |
| Movements in working capital: | | | | | | |
| Change in receivables and prepayments | | 59 | -2 843 | -80 | -1 048 | -2 212 |
| Change in inventories | | 6 558 | 22 306 | -1 067 | 20 644 | 23 310 |
| Change in liabilities and prepayments | | 837 | -9 205 | 901 | -10 636 | -12 106 |
| Change in provisions | | 44 | -2 937 | 15 | 2 | -2 927 |
| Net cash generated by/ used in operating activities | | 9 527 | 19 584 | 59 | 14 635 | 17 971 |
| Cash flows from investing activities | | | | | | |
| Payments for property, plant, equipment | 6 | -713 | -1 303 | -133 | -460 | -1 777 |
| Payments for intangible assets | | -32 | -16 | -1 | -6 | -16 |
| Payments for investment property | 7 | -299 | -536 | -22 | -6 306 | -1 000 |
| Proceeds from disposal of PPE | | 0 | 8 | 0 | 0 | 8 |
| Payments for shares of subsidiaries | | -2 000 | 0 | -2 000 | 0 | 0 |
| Proceeds from disposal of investment property | | 0 | 0 | 0 | 0 | 2 329 |
| Interests received | | 120 | 0 | 66 | 0 | 1 |
| Net cash used in/ generated by investing activities | | -2 924 | -1 847 | -2 090 | -6 772 | -455 |
| Cash flows from financing activities | | | | | | |
| Redemption of convertible bonds | | 0 | -128 | 0 | -98 | -196 |
| Proceeds from borrowings | | 0 | 13 881 | 0 | 2 352 | 14 427 |
| Repayment of borrowings | | -47 | -25 939 | -10 | -12 485 | -26 641 |
| Repayment of lease liabilities | | -114 | -112 | -45 | -35 | -147 |
| Interests paid | | -3 236 | -3 977 | -1 594 | -1 717 | -3 996 |
| Deposits paid | | -14 | 0 | -14 | 0 | 0 |
| Net cash used in financing activities | | -3 411 | -16 275 | -1 663 | -11 983 | -16 553 |
| Net change in cash and cash equivalents | | 3 192 | 1 462 | -3 694 | -4 120 | 963 |
| Cash and cash equivalents at the beginning of the period | | 10 589 | 9 626 | 17 474 | 15 208 | 9 626 |
| Cash and cash equivalents at the end of the period | | 13 781 | 11 088 | 13 781 | 11 088 | 10 589 |

The accompanying notes are an integral part of these consolidated interim financial statements.

Consolidated interim statements of changes in equity

| in thousands of euros | Share capital | Share premium | Statutory reserve | Properties revaluation reserve | Retained earnings | Attributable to equity owners of the parent | Non-controlling interests | Total equity |
|--|---------------|---------------|-------------------|--------------------------------|-------------------|---|---------------------------|---------------|
| 1 January 2021 | 11 338 | 5 661 | 1 134 | 2 984 | -8 031 | 13 086 | -3 515 | 9 571 |
| Covering losses of previous period | 0 | -3 913 | -1 134 | 0 | 5 047 | 0 | 0 | 0 |
| Changes in non-controlling interest | 0 | 0 | 0 | 0 | 0 | 0 | 3 515 | 3 515 |
| Comprehensive profit for the period | 0 | 0 | 0 | 0 | 29 757 | 29 757 | 0 | 29 757 |
| 31 December 2021 | 11 338 | 1 748 | 0 | 2 984 | 26 773 | 42 843 | 0 | 42 843 |
| Allocation of profit of previous periods | 0 | 3 913 | 1 134 | 0 | -5 047 | 0 | 0 | 0 |
| Net profit for the period | 0 | 0 | 0 | 0 | 8 651 | 8 651 | 0 | 8 651 |
| 30 September 2022 | 11 338 | 1 748 | 1 134 | 2 984 | 30 377 | 51 494 | 0 | 51 494 |
| Net profit for the period | 0 | 0 | 0 | 0 | 4 801 | 4 801 | 0 | 4 801 |
| Comprehensive loss for the period | 0 | 0 | 0 | -972 | 0 | -972 | 0 | -972 |
| 31 December 2022 | 11 338 | 5 661 | 1 134 | 2 012 | 35 178 | 55 323 | 0 | 55 323 |
| Net loss for the period | 0 | 0 | 0 | 0 | -1 025 | -1 025 | 0 | -1 025 |
| 30 September 2023 | 11 338 | 5 661 | 1 134 | 2 012 | 34 153 | 54 298 | 0 | 54 298 |

The accompanying notes are an integral part of these consolidated interim financial statements.

Notes to consolidated interim financial statements

Note 1. General information

AS Pro Kapital Grupp (hereinafter also referred to as “the Parent Company”) is a holding company incorporated and operating in the Republic of Estonia. The main shareholders of the Parent Company are following:

| Shareholder | Country of incorporation | Ownership 30.09.2023 | Ownership 30.09.2022 | Ownership 31.12.2022 |
|----------------------------------|--------------------------|----------------------|----------------------|----------------------|
| Raiffeisen Bank International AG | Austria | 53.26% | 53.16% | 53.16% |
| Caceis Bank SA | France | 12.52% | 0% | 0% |
| Clearstream Banking AG | Germany | 10.55% | 22.15% | 22.38% |
| Svalbork Invest OÜ | Estonia | 9.86% | 9.86% | 9.86% |
| Six Sis Ltd | Switzerland | 6.89% | 6.91% | 6.91% |

For the purpose of comparable financial figures of these interim financial statements as at 30 September 2023, AS Pro Kapital Grupp is a holding company, which owns subsidiary groups in Estonia (Pro Kapital Eesti AS), Latvia (Pro Kapital Latvia PJSC), Lithuania (Pro Kapital Vilnius Real Estate UAB), and Germany (Pro Kapital Germany Holding OÜ) (hereinafter also referred to as „the Group“) and whose main fields of activity are to coordinate and control the development and implementation of the subsidiaries’ business strategies, to administrate the Group’s financial management, business reporting and to forward information to the investors.

For the comparable period of 2022, these interim financial statements represent the consolidated assets, liabilities, equity, results of operations and cash flows of the Parent Company and its subsidiaries.

Note 2. Basis of preparation

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 „Interim Financial Reporting” as adopted by the European Union. The consolidated interim financial statements do not include all of the information required by complete set of financial statements and should be read in conjunction with annual consolidated financial statements of the Company as at and for the year ended 31 December 2022.

The accounting policies applied by the Company in these consolidated interim financial statements are the same as those applied by the Company in its consolidated financial statements as at and for the year ended 31 December 2022.

Note 3. Segment reporting

| in thousands of euros | Parent | Estonia | Latvia | Lithuania | Germany | Internal transactions elimination | Total |
|---|---------------|--------------|--------------|-------------|--------------|-----------------------------------|---------------|
| 2023 9M | | | | | | | |
| Revenue | 0 | 9 818 | 5 846 | 378 | 4 342 | -415 | 19 969 |
| incl. sale of real estate | 0 | 9 726 | 5 644 | 25 | 0 | | 15 395 |
| incl. rental income | 0 | 0 | 174 | 78 | 360 | -360 | 252 |
| incl. hotel operations | 0 | 0 | 0 | 0 | 3 932 | | 3 932 |
| incl. maintenance services | 0 | 86 | 13 | 263 | 0 | | 362 |
| incl. other revenue | 0 | 6 | 15 | 12 | 50 | -55 | 28 |
| Other operating income and expenses (net) | -1 | 0 | 13 | 1 | 0 | 0 | 13 |
| Segment operating profit/loss | -2 168 | 1 540 | 2 149 | -282 | 399 | 29 | 1 667 |
| Financial income and expense (net) | -4 968 | 2 648 | -93 | -96 | -173 | -2 | -2 684 |
| Profit/loss before income tax | -7 136 | 4 188 | 2 056 | -378 | 226 | 27 | -1 017 |
| Income tax | 0 | 0 | 0 | -1 | -7 | 0 | -8 |
| Net profit/loss for the period | -7 136 | 4 188 | 2 056 | -379 | 219 | 27 | -1 025 |

30.09.2023

| | | | | | | | |
|-----------------------------------|---------|---------|--------|--------|-------|----------|---------|
| Assets | 65 425 | 162 217 | 25 724 | 15 411 | 9 231 | -177 334 | 100 674 |
| Liabilities | 158 946 | 4 494 | 13 918 | 3 820 | 6 716 | -141 518 | 46 376 |
| Acquisition of non-current assets | 0 | 66 | 108 | 3 | 676 | | 853 |
| Decrease of non-current assets | 0 | -15 | 0 | 0 | 0 | | -15 |
| Depreciation and amortisation | 0 | -20 | -35 | -28 | -210 | | -293 |

| in thousands of euros | Parent | Estonia | Latvia | Lithuania | Germany | Internal transactions elimination | Total |
|---|---------------|---------------|--------------|------------|--------------|-----------------------------------|---------------|
| 2022 9M | | | | | | | |
| Revenue | 0 | 56 952 | 1 791 | 584 | 2 671 | -370 | 61 628 |
| incl. sale of real estate | 0 | 56 860 | 1 673 | 340 | 0 | 0 | 58 873 |
| incl. rental income | 0 | 1 | 105 | 18 | 327 | -327 | 124 |
| incl. hotel operations | 0 | 0 | 0 | 0 | 2 305 | 0 | 2 305 |
| incl. maintenance services | 0 | 84 | 0 | 222 | 0 | 0 | 306 |
| incl. other revenue | 0 | 7 | 13 | 4 | 39 | -43 | 20 |
| Other operating income and expenses (net) | -2 | -127 | -4 | 0 | 0 | 0 | -133 |
| Segment operating profit/loss | -2 084 | 14 268 | 152 | -104 | -255 | 13 | 11 990 |
| Financial income and expenses (net) | -4 612 | 1 693 | -315 | 26 | -121 | -5 | -3 334 |
| Profit/loss before income tax | -6 696 | 15 961 | -163 | -78 | -376 | 8 | 8 656 |
| Income tax | 0 | 0 | 0 | 1 | -6 | 0 | -5 |
| Net profit/loss for the period | -6 696 | 15 961 | -163 | -77 | -382 | 0 | 8 651 |

30.09.2022

| | | | | | | | |
|-----------------------------------|---------|---------|--------|--------|-------|----------|--------|
| Assets | 59 340 | 153 225 | 26 708 | 15 769 | 7 830 | -163 141 | 99 731 |
| Liabilities | 144 423 | 7 061 | 19 155 | 3 519 | 5 683 | -131 604 | 48 237 |
| Acquisition of non-current assets | 3 | 19 | 24 | 67 | 1 271 | | 1 384 |
| Decrease of non-current assets | 0 | 0 | -14 | 0 | -30 | | -44 |
| Depreciation and amortisation | -4 | -34 | -31 | -25 | -175 | | -269 |

| in thousands of euros | Parent | Estonia | Latvia | Lithuania | Germany | Internal transactions elimination | Total |
|---|---------------|---------------|--------------|-------------|--------------|-----------------------------------|---------------|
| 2022 12M | | | | | | | |
| Revenue | 805 | 59 819 | 1 873 | 698 | 3 326 | -867 | 65 654 |
| <i>incl. sale of real estate</i> | 0 | 59 676 | 1 673 | 359 | 0 | | 61 708 |
| <i>incl. rental income</i> | 0 | 1 | 177 | 39 | 0 | 0 | 217 |
| <i>incl. hotel operations</i> | 0 | 0 | 0 | 0 | 3 270 | | 3 270 |
| <i>incl. maintenance services</i> | 0 | 120 | 5 | 295 | 0 | | 420 |
| <i>incl. other revenue</i> | 805 | 22 | 18 | 5 | 56 | -867 | 39 |
| Other operating income and expenses (net) | -2 | 6 549 | -523 | 0 | 112 | | 6 136 |
| Segment operating profit/loss | -1 818 | 20 771 | -547 | -352 | -412 | 15 | 17 657 |
| Financial income and expense (net) | -6 178 | 2 561 | -407 | -6 | -172 | -6 | -4 208 |
| Profit/Loss before income tax | -7 996 | 23 332 | -954 | -358 | -584 | 9 | 13 449 |
| Income tax | 0 | 0 | 0 | 1 | 2 | | 3 |
| Net profit/loss for the period | -7 996 | 23 332 | -954 | -357 | -582 | 9 | 13 452 |
| 31.12.2022 | | | | | | | |
| Assets | 57 567 | 157 409 | 25 954 | 15 537 | 8 420 | -163 631 | 101 256 |
| Liabilities | 143 951 | 3 874 | 16 204 | 3 568 | 6 124 | -127 788 | 45 933 |
| Acquisition of non-current assets | 3 | 20 | 24 | 129 | 1 744 | | 1 920 |
| Decrease of non-current assets | 0 | -10 | -14 | 0 | -30 | | -54 |
| Depreciation and amortisation | -5 | -45 | -43 | -35 | -277 | | -405 |

Note 4. Inventories

| in thousands of euros | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|--|---------------|---------------|---------------|
| Property held for sale | 6 259 | 11 588 | 9 313 |
| <i>incl. Kristina and Kindrali Houses, Tallinn</i> | 271 | 2 504 | 237 |
| <i>incl. Kalaranna, Tallinn</i> | 1 201 | 1 212 | 1 215 |
| <i>incl. River Breeze, Riga</i> | 3 182 | 6 171 | 6 171 |
| <i>incl. Šaltinių Namai (Attico), Vilnius</i> | 1 599 | 1 610 | 1 604 |
| <i>incl. other properties</i> | 6 | 91 | 86 |
| Works in progress | 21 215 | 23 531 | 24 854 |
| <i>incl. Kristiine City, Tallinn</i> | 0 | 5 867 | 7 182 |
| <i>incl. Kalaranna, Tallinn</i> | 8 599 | 5 191 | 5 192 |
| <i>incl. Šaltinių Namai (Attico), Vilnius</i> | 6 339 | 6 223 | 6 223 |
| <i>incl. Naugarduko, Vilnius</i> | 0 | 6 250 | 6 257 |
| Goods bought for resale | 84 | 64 | 57 |
| Prepayments for inventories | 107 | 45 | 0 |
| Total | 27 665 | 35 228 | 34 224 |

Property held for sale include completed real estate stock in Tallinn, Riga and Vilnius. Works in progress include properties being under development or waiting for development in the nearest future in Tallinn and Vilnius.

Properties are transferred from “works in progress” to “property held for sale” upon completion.

Works in progress include later development stage of the Kalaranna District project being currently under construction in Tallinn. The following phase of Šaltinių Namai is waiting for the start of development. New property has been purchased in Naugarduko Street in Vilnius, with a plan to start renovation works in 2023.

Note 5. Non-current receivables

| in thousands of euros | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|-------------------------------|------------|--------------|--------------|
| Finance leases | 12 | 17 | 16 |
| Other non-current receivables | 0 | 2 000 | 2 000 |
| Total | 12 | 2 017 | 2 016 |

The prepayment of 2 million euros for potential purchase of a new subsidiary PK Sicily that was recorded under non-current receivables as at 31 December 2022. Due to the decision to withdraw from purchase of the subsidiary the balance was reclassified to current receivables. Part of the prepayment has been repaid during reporting period.

Note 6. Property, plant, equipment and right-of use assets

Land and buildings held for providing services or for administrative purposes are stated at their revalued amounts being the fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period. On 30 June 2023 land and buildings comprised of hotel property in Bad Kreuznach, Germany and office premises in Tallinn, Estonia.

| In thousands of euros | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|--|--------------|--------------|--------------|
| Acquisition value of property, plant and equipment | 11 735 | 11 559 | 11 038 |
| Accumulated depreciation | -3 916 | -3 658 | -3 744 |
| Residual value of property, plant and equipment | 7 819 | 7 901 | 7 294 |

| in thousands of euros | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|--|------------|------------|------------|
| Acquisition value of right-of-use assets | 809 | 701 | 701 |
| Accumulated depreciation | -611 | -472 | -506 |
| Residual value of right-of-use assets | 198 | 229 | 195 |

On 1 January 2019 the Group recognised leases in total amount of 674 thousand euros as right-of-use assets using modified retrospective approach (initial application of

IFRS 16). Right-of-use assets comprise of land in Germany (rentable until end of heritable building right agreement) and Lithuania (rentable until sales of the properties), office premises in Latvia and Lithuania, machinery and equipment in the group.

| in thousands of euros | Land and buildings | Machinery and equipment | Other tangible assets | Prepay-ments | PPE total | Right-of-use assets |
|-------------------------------------|--------------------|-------------------------|-----------------------|--------------|---------------|---------------------|
| Acquisition value 31.12.2021 | 9 011 | 1 026 | 262 | 0 | 10 299 | 574 |
| Acquired | 1 234 | 9 | 9 | 0 | 843 | 62 |
| Sold | 0 | 0 | -14 | 0 | -14 | 0 |
| Written off | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisition value 30.09.2022 | 10 245 | 1 035 | 257 | 0 | 11 128 | 636 |
| Acquired | 350 | 123 | 0 | 0 | 473 | 0 |
| Change in fair value | -984 | 0 | 0 | 0 | -984 | 0 |
| Written off | 0 | 0 | -10 | 0 | -10 | 0 |
| Acquisition value 31.12.2022 | 9 611 | 1 156 | 271 | 0 | 11 038 | 701 |
| Acquired | 566 | 110 | 31 | 5 | 712 | 108 |
| Written off | 0 | 0 | -15 | 0 | -15 | 0 |
| Acquisition value 30.09.2023 | 10 177 | 1 266 | 287 | 5 | 11 735 | 809 |

| in thousands of euros | Land and buildings | Machinery and equipment | Other tangible assets | PPE total | Right-of-use assets |
|--|--------------------|-------------------------|-----------------------|--------------|---------------------|
| Accumulated depreciation 31.12.2021 | 2 385 | 935 | 225 | 3 545 | 372 |
| Depreciation charge for the period | 113 | 21 | 18 | 149 | 100 |
| Sold | 0 | -30 | 0 | -30 | 0 |
| Written off | 0 | 0 | -6 | -6 | 0 |
| Accumulated depreciation 30.09.2022 | 2 498 | 926 | 234 | 3 658 | 472 |
| Depreciation charge for the period | 73 | 16 | 7 | 96 | 34 |
| Sold | 0 | 0 | -10 | -10 | 0 |
| Accumulated depreciation 31.12.2022 | 2 571 | 942 | 230 | 3 744 | 506 |
| Depreciation charge for the period | 122 | 47 | 16 | 185 | 96 |
| Written off | 0 | 0 | -13 | -13 | 9 |
| Accumulated depreciation 30.09.2023 | 2 693 | 989 | 234 | 3 916 | 611 |

Note 7. Investment property

| in thousands of euros | Property held for increase in value |
|------------------------------|--|
| Balance at 31.12.2021 | 40 734 |
| Additions: | |
| Investments | 536 |
| Balance at 30.09.2022 | 41 270 |
| Additions: | |
| Investments | 464 |
| Changes in fair value | 6 170 |
| Disposals | -2 329 |
| Balance at 31.12.2022 | 45 575 |
| Additions: | |
| Investments | 299 |
| Balance at 30.09.2023 | 45 874 |

The fair value of the Company's investment properties has been derived on the basis of valuations carried out by Colliers International, an independent valuator, at the end of 2022. The valuations were performed by reference to recent market information by external valuator.

Note 8. Current and non-current debt

Current debt

| in thousands of euros | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|-------------------------------|---------------|------------|------------|
| Bank loans and overdrafts | 63 | 207 | 63 |
| Convertible bonds | 0 | 68 | 0 |
| Secured non-convertible bonds | 28 376 | 0 | 0 |
| Lease liabilities | 142 | 93 | 110 |
| Total | 28 581 | 368 | 173 |

Non-current debt

| in thousands of euros | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|---------------------------------|---------------|---------------|---------------|
| Bank loans and overdrafts | 359 | 484 | 406 |
| Secured non-convertible bonds | 0 | 28 089 | 28 157 |
| Unsecured non-convertible bonds | 9 551 | 9 438 | 9 466 |
| Lease liabilities | 117 | 142 | 155 |
| Total | 10 027 | 38 153 | 38 184 |

Creditors

| in thousands of euros | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|---|---------------|---------------|---------------|
| AS LHV Pank (EE) | 0 | 207 | 0 |
| Sparkasse (DE) | 422 | 484 | 469 |
| Convertible bonds, various investors (discounted value) | 0 | 68 | 0 |
| Secured bonds, various investors (discounted value) | 28 376 | 28 089 | 28 157 |
| Unsecured bonds, various investors (discounted value) | 9 551 | 9 438 | 9 466 |
| Lease agreements (related to right-of-use assets) | 259 | 235 | 265 |
| Total | 38 608 | 38 521 | 38 357 |

All agreements and liabilities are fixed in euros. The total interest and other financial cost (Note 16) for the reporting period was 2.6 million euros (2022 9M: 3.2 million euros).

Unsecured non-convertible bonds

3 459 081 unsecured non-convertible bonds with the total issue value of 9 685 426.80 euros were issued in three tranches in 2020 to substitute former convertible bonds. The new bonds carry annual fixed interest rate of 8% and they have been listed on Nasdaq Tallinn bond list since January 2021 and initially their maturing date was in October 2024. With the consent from bondholders, redemption date has been postponed by 2+2 years, i.e new redemption date is 31 October 2026 with the condition that the Company may unilaterally postpone the redemption date by two years, i.e to 31 October 2028 by making a respective announcement via Nasdaq Tallinn by 30 September 2026 at the latest. The new interest rate of 9% shall be fixed starting from 1 November 2024. The Company will redeem 15% of the denomination value of all the bonds on 31 October 2024.

The balance sheet value on the reporting date is 9.3 million euros, which consists of nominal value 9.7 million euros minus 0.4 million euros of refinancing costs.

Secured non-convertible bonds

In February 2020, the Company refinanced the senior secured bonds 2015/2020 in full by issuing new senior secured, called, fixed rate bonds 2020/2024 in total amount of 28.5 million euros. The New Bonds are similar to the Old Bonds: 285 bonds, with the value of 100 000 euros each, carry a fixed rate coupon 8% and mature in February 2024.

Remaining balance of the secured non-convertible bonds is 28.5 million euros on 30 September 2023. The balance sheet value is 27.9 million euros equalling to nominal value 28.5 million euros minus 0.6 million euros of refinancing costs which are being discounted over the effective period of the bonds (until the maturity period). According

to terms and conditions, the Company has to maintain the equity ratio above 35% at all times. As at the end of the reporting period the calculated equity ratio was 54.4%. The equity ratio is positively influenced, when construction is completed and revenues are recorded on the balance sheet.

Pledged assets in balance sheet value in thousands of euros

| Beneficiary | Collateral description | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|-------------------------------------|---|------------|------------|------------|
| Bank accounts | | | | |
| Nordic Trustee & Agency AB (Sweden) | Nordea Bank AB (Sweden) | 23 | 23 | 23 |
| Inventory | | | | |
| LHV Pank AS* | Kalaranna 8, 22, Tallinn | N/A | 6 387 | N/A |
| LHV Pank AS * | Rivi 6, Sammu 5, Sõjakooli 14/16, Tallinn | N/A | 18 380 | N/A |

*Loan has been repaid.

Share pledges to Nordic Trustee & Agency AB (NTA) related to secured bonds:

| | | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|--------------|---|---------------|---------------|---------------|
| NTA | Pro Kapital Germany Holdings OÜ | 12 | 11 | 12 |
| NTA | Pro Kapital Germany GmbH | 25 | 25 | 25 |
| NTA | PK Hotel Management Services GmbH | 116 | 116 | 116 |
| NTA | Pro Kapital Eesti AS | 16 880 | 16 880 | 16 880 |
| NTA | OÜ Ilmarise Kvartal | 3 | 3 | 3 |
| NTA | Pro Halduse OÜ | 26 | 26 | 26 |
| NTA | AS Tondi Kvartal | 160 | 160 | 160 |
| NTA | OÜ Marsi Elu | 20 | 20 | 20 |
| NTA | Kalaranna Kvartal OÜ | 3 | 3 | 3 |
| NTA | Dunte Arendus OÜ | 3 | 3 | 3 |
| NTA | Pro Kapital Latvia JSC | 12 948 | 9 960 | 12 948 |
| NTA | Kliversala SIA | 14 531 | 14 531 | 14 531 |
| NTA | Tallina Nekustamie Īpašumi SIA | 10 300 | 10 300 | 10 300 |
| NTA | Nekustamo Īpašumu sabiedrība Zvaigznes centrs SIA | 6 100 | 6 100 | 6 100 |
| NTA | Pro Kapital Vilnius Real estate UAB | 1 335 | 1 335 | 1 335 |
| NTA | In Vitam UAB | 3 | 3 | 3 |
| NTA | PK Invest UAB | 823 | 823 | 823 |
| Total | | 63 288 | 60 299 | 63 288 |

Note 9. Customer advances

| in thousands of euros | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|-----------------------------|--------------|--------------|--------------|
| Advances for real estate | 3 022 | 2 578 | 1 630 |
| Advances for hotel services | 26 | 36 | 30 |
| Total | 3 048 | 2 614 | 1 659 |

Customer advances are recorded in the financial statements from receiving deposit and instalment payments until the properties are handed over to customers. The advances have increased due to start of the new phase in Kalaranna District.

Note 10. Current payables

| in thousands of euros | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|-----------------------|--------------|--------------|--------------|
| Trade payables | 1 914 | 3 161 | 2 134 |
| Accrued expenses | 857 | 678 | 766 |
| Accrued interests | 447 | 452 | 1 211 |
| Payables to employees | 16 | 15 | 8 |
| Other | 2 | 1 | 507 |
| Total | 3 236 | 4 308 | 4 626 |

Note 11. Revenue

Segment revenue

| in thousands of euros | 2023 9M | 2022 9M | 2023 Q3 | 2022 Q3 | 2022 12M |
|--|---------------|---------------|--------------|---------------|---------------|
| Revenue from contracts with customers | | | | | |
| Revenue from sale of real estate | 15 395 | 58 873 | 2 135 | 29 328 | 61 708 |
| Hotel operating revenue | 3 932 | 2 305 | 1 480 | 927 | 3 270 |
| Revenue from maintenance and other services | 390 | 326 | 159 | 113 | 460 |
| Total revenue from contracts with customers | 19 717 | 61 504 | 3 774 | 30 368 | 65 438 |
| Rental income | 252 | 124 | 83 | 66 | 216 |
| Total | 19 969 | 61 628 | 3 857 | 30 434 | 65 654 |

Timing of revenue recognition

| in thousands of euros | 2023 9M | 2022 9M | 2023 Q3 | 2022 Q3 | 2021 12M |
|--|---------------|---------------|--------------|---------------|---------------|
| At a point in time | | | | | |
| Revenue from sale of real estate | 15 395 | 58 873 | 2 135 | 29 328 | 61 708 |
| Hotel operating revenue | 3 932 | 2 305 | 1 480 | 927 | 3 270 |
| Revenue from other services | 27 | 20 | 8 | 9 | 40 |
| Total revenue recognised at a point in time | 19 354 | 61 198 | 3 623 | 30 264 | 65 018 |
| Over time | | | | | |
| Rental income | 253 | 124 | 83 | 66 | 216 |
| Revenue from maintenance fees | 362 | 306 | 151 | 104 | 420 |
| Total | 19 969 | 61 628 | 3 857 | 30 434 | 65 654 |

Revenue from sale of real estate has decreased by 74% compared to reference period as all inventory in Kindrali Houses and Kalaranna District has been sold. Sales of available inventory have continued in Kliversala in Riga and in Šaltinių Namai in Vilnius. Revenue from hotel operations has increased significantly compared to the reference period as the renovation works that influenced the hotel revenues during 2022 have now been finalised and refurbished premises attract more guests.

Customer advances decrease when real right agreements are signed and real estate have been handed over to the customers and is the point in time when the Group is entitled for consideration and revenue from sale of real estate is recognised.

Note 12. Cost of sales

| in thousands of euros | 2023 9M | 2022 9M | 2023 Q3 | 2022 Q3 | 2022 12M |
|-----------------------------------|---------------|---------------|--------------|---------------|---------------|
| Cost of real estate sold | 10 852 | 43 185 | 1 217 | 22 758 | 45 420 |
| Cost of providing rental services | 69 | 48 | 25 | 20 | 66 |
| Cost of hotel operations | 2 826 | 2 017 | 970 | 755 | 2 977 |
| Cost of maintenance services | 211 | 164 | 100 | 52 | 221 |
| Cost of other services | 11 | 3 | 1 | 0 | 5 |
| Total | 13 969 | 45 417 | 2 313 | 23 585 | 48 689 |

Note 13. Gross profit

| in thousands of euros | 2023 9M | 2022 9M | 2023 Q3 | 2022 Q3 | 2022 12M |
|-----------------------|--------------|---------------|--------------|--------------|---------------|
| Real estate | 4 543 | 15 688 | 918 | 6 570 | 16 288 |
| Rental revenue | 183 | 76 | 58 | 46 | 150 |
| Hotel operating | 1 106 | 288 | 510 | 172 | 293 |
| Maintenance services | 151 | 142 | 51 | 52 | 199 |
| Other services | 17 | 17 | 7 | 9 | 35 |
| Total | 6 000 | 16 211 | 1 544 | 6 849 | 16 965 |

Note 14. Administration expenses

| in thousands of euros | 2023 9M | 2022 9M | 2023 Q3 | 2022 Q3 | 2022 12M |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Staff costs | 2 146 | 2 501 | 680 | 699 | 3 189 |
| Land and real estate taxes | 192 | 210 | 48 | 51 | 306 |
| Depreciation charge | 123 | 95 | 42 | 34 | 138 |
| Bad debt | 2 | 1 | 1 | 0 | 0 |
| Other | 1 397 | 936 | 433 | 301 | 1 313 |
| Total | 3 860 | 3 743 | 1 204 | 1 085 | 4 946 |

Note 15. Other income and expenses

Other income

| in thousands of euros | 2023 9M | 2022 9M | 2023 Q3 | 2022 Q3 | 2022 12M |
|---|-----------|----------|-----------|----------|--------------|
| Fines collected | 1 | 0 | 1 | 0 | 0 |
| Gain from fair value adjustments | 0 | 0 | 0 | 0 | 6 157 |
| Profit from sales of non-current assets | 0 | 8 | 0 | 0 | 0 |
| Other | 15 | 1 | 15 | 1 | 121 |
| Total | 16 | 9 | 16 | 1 | 6 278 |

Other expenses

| in thousands of euros | 2023 9M | 2022 9M | 2023 Q3 | 2022 Q3 | 2022 12M |
|---|----------|------------|----------|-----------|------------|
| Fines paid | 2 | 2 | 1 | 0 | 2 |
| Loss from write off of non-current assets | 0 | 8 | 0 | 0 | 0 |
| Other | 1 | 132 | 1 | 80 | 140 |
| Total | 3 | 142 | 2 | 80 | 142 |

Note 16. Finance income and cost

Finance income

| in thousands of euros | 2023 9M | 2022 9M | 2023 Q3 | 2022 Q3 | 2022 12M |
|------------------------|------------|----------|-----------|----------|----------|
| Interest income | 174 | 2 | 86 | 0 | 3 |
| Other financial income | 0 | 0 | 0 | 1 | 0 |
| Total | 174 | 2 | 86 | 1 | 3 |

Finance cost

| in thousands of euros | 2023 9M | 2022 9M | 2023 Q3 | 2022 Q3 | 2022 12M |
|--------------------------|--------------|--------------|------------|--------------|--------------|
| Interest expenses | 2 616 | 3 244 | 874 | 1 018 | 4 192 |
| Foreign currency loss | 0 | 1 | 0 | 0 | 0 |
| Other financial expenses | 242 | 91 | 108 | 14 | 19 |
| Total | 2 858 | 3 336 | 982 | 1 032 | 4 211 |

Note 17. Earnings per share

Earnings per share are calculated by dividing the net profit (loss) for the period which is attributable to the equity holders of the Parent with the weighted average number of the shares for the period.

Average number of shares:

| | | | |
|----------------|-----------------------|----------------------|--------------|
| For the period | 01.01.2023-30.09.2023 | (56 687 954x273/273) | =56 687 954 |
| For the period | 01.01.2022-30.09.2022 | (56 687 954x273/273) | = 56 687 954 |
| For the period | 01.07.2023-30.09.2023 | (56 687 954x92/92) | = 56 687 954 |
| For the period | 01.07.2022-30.09.2022 | (56 687 954x92/92) | =56 687 954 |
| For the period | 01.01.2022-31.12.2022 | (56 687 954x365/365) | =56 687 954 |

Indicative earnings per share from continuing operations:

| | | |
|----------------|-----------------------|---|
| For the period | 01.01.2023-30.09.2023 | -1 025 thousand euros/ 56 687 954 = -0.02 euros |
| For the period | 01.01.2022-30.09.2022 | 8 651 thousand euros/56 687 954 = 0.15 euros |
| For the period | 01.07.2023-30.09.2023 | -732 thousand euros/56 687 954 = -0.01 euros |
| For the period | 01.07.2022-30.09.2022 | 4 546 thousand euros/ 56 687 954 = 0.08 euros |
| For the period | 01.01.2022-31.12.2022 | 13 452 thousand euros/ 56 687 954 = 0.24 euros |

Note 18. Shareholders meetings

The annual shareholders meeting of AS Pro Kapital Grupp took place in 19 June 2023. Minutes of the annual shareholders meeting have been published on AS Pro Kapital Grupp web page www.prokapital.com.

Note 19. Transactions with related parties

Transactions with related parties are considered as transactions between the entities within the consolidated Group, its shareholders, the members of the Supervisory Council and the Management Board, their families and companies in which they hold majority interest or have significant influence.

Transactions with related parties

| in thousands of euros | 2023 9M | 2022 9M | 2022 12M |
|--|---------|---------|----------|
| Significant owners and owner related companies | | | |
| Revenues | 7 | 6 | 8 |
| Administrative expenses | 408 | 0 | 0 |
| Other shareholders / bondholders | | | |
| Interest expenses incurred | 666 | 669 | 892 |
| Redemption of convertible bonds | 0 | 128 | 196 |
| Interest payments | 775 | 791 | 794 |
| Members of the Management Board and Council | | | |
| Salaries and bonuses paid to management | 424 | 497 | 650 |

Receivables from related parties

| in thousands of euros | 2023 9M | 2022 9M | 2022 12M |
|--|---------|---------|----------|
| Significant owners and owner related companies | | | |
| Prepayments | 3 553 | 2 000 | 2 000 |

In 2022 the Company made a prepayment to purchase shares of PK Sicily SpA from a related party for 12 million euros. After performing a thorough due diligence to evaluate potential gain on transaction it was decided not to buy the shares of hotel company. The seller has to return the prepayment no later than three years from prepayment. The Group has the right to set the second rank pledge on the property to secure its receivable. 0.5 million euros have been repaid during the reporting period.

In July 2023 the Company signed a preliminary agreement with an intention of buying 67.5% of the shares of Preatoni Nuda Proprieta S.R.L (registered office in Milan, Italy) and made a prepayment to the seller. With the preliminary agreement the company reserved its rights to buy the shares and initiated due diligence.

| Shareholding in the Company % | 30.09.2023 | 30.09.2022 | 31.12.2022 |
|---|------------|------------|------------|
| Significant owner and owner related companies | 49.31% | 49.61% | 49.63% |
| Members of the Council and individuals related them | 0.00% | 0.08% | 0.05% |

Management Board's confirmation of the financial statements

The Management Board confirms the correctness and completeness of AS Pro Kapital Grupp consolidated interim report for nine months and the third quarter of 2023.

The consolidated interim report has been prepared in accordance with the International Financial Reporting Standards and gives a true and fair view of the company's financial position, its results of the operations and cash flows. AS Pro Kapital Group is a going concern.

Edoardo Preatoni Member of the Management Board 7 November 2023