

# AS Pro Kapital Grupp

CONSOLIDATED INTERIM REPORT  
FOR IV QUARTER AND 12 MONTHS OF 2021  
(UNAUDITED)

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## 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 over 25 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 250 thousand square meters of living and commercial premises and at least the same volume is yet to be developed. 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 of 2021 was 44.8 million euros, having increased by 133% compared to the reference period (2020 12M: 19.2 million euros). The total revenue of the fourth quarter was 23.7 million euros, which is 4.23 times more than 5.6 million euros during the same period in 2020.

The real estate sales revenues are recorded at the moment of handing over the premises to the buyer. Therefore, the revenues from sales of real estate depend on the completion of the residential developments. The real estate sales have been influenced by completion of Ratsuri Houses project, where all apartments were sold and handed over to new owners and start of handing over apartments in first buildings of Kalaranna project. The Company has continued with sales of completed developments - River Breeze Residence in Riga and Šaltinių Namai Attico development in Vilnius and with presales of ongoing development projects Kalaranna District and Kindrali Houses in Tallinn.

**The gross profit** in 2021 increased by 69% amounting to 11.4 million euros compared to 6.8 million euros in 2020. In the fourth quarter the gross profit figures were 5.3 million euros and 1.4 million euros respectively.

**The operating result** in 2021 has improved to 12.4 million euros profit comparing to 43.1 million euros loss during the same period in 2020. The operating result of the fourth quarter was 8.7 million euros profit comparing to 1.1 million euros loss in 2020.

**The net result** in 2021 was 29.8 million euros profit and in the fourth quarter 7.3 million euros profit, comparing to losses of 59.5 million euros and 48.4 million euros in the reference periods respectively. While the results of the reference period 2020 were influenced by the decrease in the value of investment property in the subsidiary AS Tallinna Moekombinaat, then positive results of the reporting period reflect positive effect of loss of control and derecognition of the above-mentioned subsidiary as well as increased sales revenues from property developments in Estonia.

**Cash generated from operating activities** during 2021 was 13.3 million euros comparing to 7.7 million euros used during the same period in 2020. In the fourth quarter of 2021 cash generated from operating activities was 11.9 million euros and 3.1 million euros were used during the same period in 2020.

Net assets per share on 31 December 2021 totalled to 0.76 euros compared to 0.17 euros on 31 December 2020.

### Key performance indicators (including discontinued operations)

	2021 12M	2020 12M	2021 Q4	2020 Q4
Revenue, th EUR	44 830	19 234	23 722	5 619
Gross profit, th EUR	11 424	6 775	5 321	1 404
Gross profit, %	25%	35%	22%	25%
Operating result, th EUR	12 380	-43 108	8 666	-44 244
Operating result, %	28%	-224%	37%	-787%
Net result, th EUR	29 757	-59 456	7 292	-48 371
Net result, %	66%	-309%	31%	-861%
Earnings per share, EUR	0.52	-0.98	0.13	-0.79
		<b>31.12.2021</b>	<b>31.12.2020</b>	
Total Assets, th EUR		116 027	179 048	
Total Liabilities, th EUR		73 184	169 477	
Total Equity, th EUR		42 843	9 571	
Debt / Equity *		1.71	17.71	
Return on Assets, % **		20.2%	-30.7%	
Return on Equity, % ***		113.5	-150.8%	
Net asset value per share, EUR ****		0.76	0.17	

\*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 **19 January 2021** the Company announced about publishing a listing prospectus in respect of its unsecured, callable, fixed rate non-convertible bonds “EUR 8.00 PRO KAPITAL GRUPP VÕLAKIRI 20-2024” and applying for admission to trading of these bonds on Nasdaq OMX Tallinn bond list. The prospectus was approved by the Estonian Financial Supervisory Authority in January 2021. The first day of trading was on **27 January 2021**.

On **3 February 2021** the Company announced about OÜ Marsi Elu, a company belonging to the AS Pro Kapital Grupp group, and Oma Ehitaja AS signing a contract for the construction of three five-storey building complexes (Kindrali Houses) located in Kristiine City, in Tondi, Estonia. The construction will be carried out in two stages with total cost of 20 million euros including the VAT. In the first construction phase 129 apartments and in the following 66 apartments with parking spaces under the houses and above-ground will be completed. Completion of the first two building complexes is planned for the summer of 2022 at the latest.

On **8 March 2021** the Company announced about redemption of 24 572 PKG6 convertible bonds in total nominal value of 15 726.08 euros and issue value of 68 801.60 euros.

On **29 January 2021** the Company announced about Tallinn District Court ruling from 29 January 2021, which decided not to satisfy the appeals of AS Tallinna Moekombinaat (TMK) and its three creditors - Elkorall OÜ, OÜ Kristiine KVH and AS Merko Ehitus Eesti - against the ruling in which Harju County Court decided to terminate the reorganization proceedings. On **15 February 2021** the Company announced about AS Tallinna Moekombinaat, the subsidiary of AS Pro Kapital Grupp, contesting the ruling of Tallinn District Court and its decision to file an appeal to the Supreme Court of Estonia. On **26 April 2021** the Company announced about the Supreme Court decision not to take AS Tallinna Moekombinaat appeal into proceedings. Without the reorganisation proceedings AS Tallinna Moekombinaat is not capable of fulfilling its obligations and has become permanently insolvent. On **2 June 2021** Harju County Court declared bankruptcy of AS Tallinna Moekombinaat. As a result, the Company deconsolidated the subsidiary from its financial accounts.

On **25 May 2021** the Company announced about redemption of 5 400 PKG7 convertible bonds in total nominal value of 3 456 euros and issue value of 15 120 euros.

On **10 June 2021** the Company announced that holders of secured bonds planned to waive temporary covenant failure and have signed a standstill letter. On **15 June 2021**

the Company initiated a written procedure to approve waivers regarding its secured bonds 2020/2024 and on **5 July 2021** received confirmation that the waivers were approved by a requisite majority of the bondholders.

On **21 June 2021** the Company announced about the start of the second phase of construction of Kindrali Houses. Due to high demand for the residential premises in Kristiine City, OÜ Marsi Elu decided to speed up development process and notified Oma Ehitaja AS about the intention to start with the second construction phase i.e., third building of Kindrali Houses as per signed construction contract. In the second phase a residential building with 66 apartments will be built with estimated completion in February 2023. In total three buildings with 195 apartments will be built within this development project.

On **17 July 2021** the shareholders approved the audited annual report of AS Pro Kapital Grupp for the fiscal year of 2020 and elected Ernst & Young Baltic AS as the auditor for the financial year of 2021.

On **16 August 2021** the Company announced about redemption of 90 459 convertible bonds PKG1 in total nominal value of 904 590 Estonian Kroons and issue value of 253 285.20 euros.

On **31 August 2021** the Company announced the resignation of Allan Remmelkoor from the Management Board of AS Pro Kapital Group and Boards and Councils from all group subsidiaries. Paolo Vittorio Michelozzi was nominated as a member of the Supervisory Council of AS Tondi Kvartal and Oscar Crameri to Supervisory Council of AS Pro Kapital Latvia. Angelika Annus was nominated as Member of the Management Board of AS Pro Kapital Grupp, AS Pro Kapital Eesti, AS Tondi Kvartal, OÜ Marsi Elu, OÜ Kalaranna Kvartal and OÜ Dunte Arendus.

On **30 December 2021** the Company announced that the term in office of Paolo Michelozzi was ending in AS Pro Kapital Grupp and the Supervisory Council appointed Edoardo Axel Preatoni as the CEO of the group from 1 January 2022. Paolo Michelozzi continues to support the company in the role of Chief Operating Officer and as a Management Board member of AS Pro Kapital Grupp subsidiaries.

## Chairman's summary

The fourth quarter of 2021 has confirmed the positive trend seen in the previous quarter. The overall market is healthy and we are seeing a solid and steady demand for our projects. The construction market still poses some challenging issues, mainly due to complications related to Covid-19 and relative problems in the supply chain and increase in cost of materials due to lower overall supply, which makes it harder to fix a price for the works with the construction companies.

### Real estate development

In Tallinn, we have continued construction of Kindrali Houses and Kalaranna projects. In the third quarter of 2021 we started handing over apartments in Kalaranna project, where completion of eight buildings with the total of 240 apartments will be achieved. Today we are handing over apartments in the fifth and sixth building and we have reservations or presales concluded for all business premises and for 99% of apartments in this phase of the project. Last year we started construction of the new project Kindrali Houses in Kristiine City, where three building-complexes with the total of 195 apartments will be raised. In this project we had booked or presold more than half of the apartments before signing the construction agreement. Today we have no apartment available in Kindrali.

In Riga we are selling our ready luxury product River Breeze Residence and started the tendering process for the further development of Kliversala Residential Quarter - Blue Marine. We have invited several construction companies to the tender and are in the process of identifying the best option, subject to the offers we will receive. Latvian real estate sector is lagging its' neighbouring countries (Estonia and Lithuania) due to what we see as contingent reasons that will have little impact on our long-term value creation strategy. However, it is undeniable that the market is currently moving at a slower pace compared to the other Baltic Republics. This comes with some short-term challenges, but we believe that this untapped potential could also be favourable should we decide to expand our land portfolio in the area, by giving us the chance to buy at a lower price relative to the other Baltic capitals.

In Vilnius, we only have 4 unsold apartments in our Šaltiniu Namai Attico project. The real estate market has had a great run in 2021 and we saw a great deal of interest for our luxury properties, achieving some of the highest prices per sq.m2 in all the local market. We just started the tendering process for the following phase of city villas and a commercial building and we can start construction works this summer.



## Hotel operations

The Covid-19 pandemic had a strong impact on all the tourism sector, but luckily the German government has provided a great deal of support in terms of subsidies provided to PK Parkhotel Kurhaus in Bad Kreuznach.

The current restrictions are still based on the “2G+ model”, meaning that all the hotel guest who have 2 doses of vaccines still must present daily negative Covid tests. This clearly complicates the job of selling rooms and we decided to turn this problem into an opportunity, by speeding up the process of renovation of the second half of the rooms (first half has been renovated 5 years ago), doing works in a period where we will not disturb our guests due to the lower occupation of the hotel.

The works will also have the added benefit of converting an unused area into 7 standard rooms and creation of a luxurious suite with private sauna and terrace, which will greatly improve the overall prestige of the hotel.

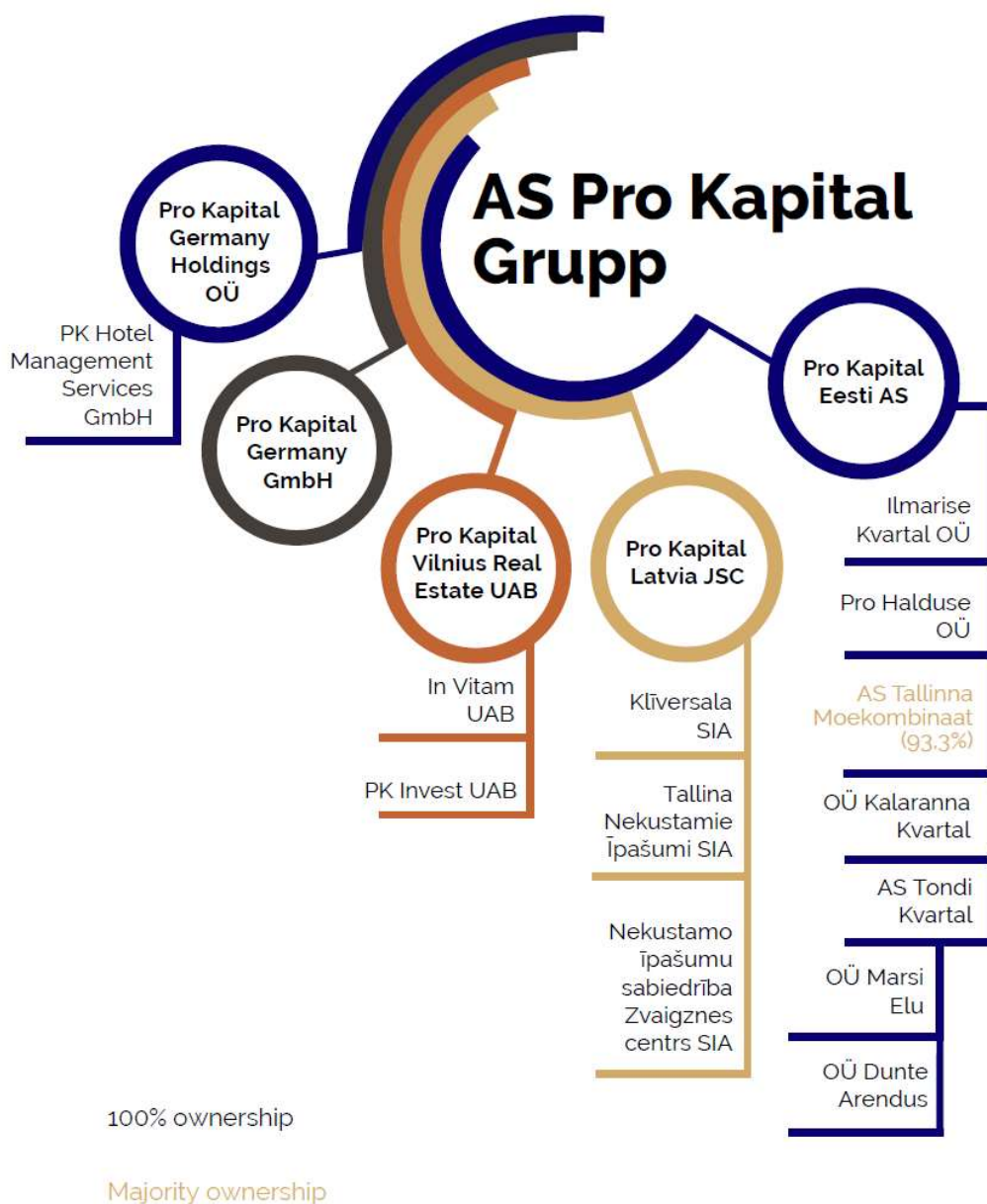
In the following months we plan on continuing the construction works of ongoing developments and prepare for the upcoming phases. The real estate development is going well, the market is strong and we will continue implementing our strategy of creating long-term value for our shareholders and for the communities that we aim to develop in a sustainable, comfortable and aesthetically pleasing way.



Edoardo Preatoni  
CEO  
AS Pro Kapital Grupp  
28 February 2022

## Group structure\*

As at 31 December 2021



\* On 2 June 2021 bankruptcy of AS Tallinna Moekombinaat, the subsidiary of Pro Kapital Eesti AS, was declared and the group lost control over the subsidiary.

## 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.

### *Ratsuri Houses in Kristiine City*

The project Ratsuri Houses has been named after its history as a horse stable which received a new look being united with a modern New Holland style building. Ratsuri Houses was renovated and constructed by OÜ Vanalinna Ehitus. The construction included the reconstruction of a 20th-century, two-storey stables building on Talli 5 (former Marsi 5) property, the construction of an extension and partially underground car park. The project was completed in spring 2021. Ratsuri Houses have a total of 39 apartments – 17 in the former stables and 22 in the modern New Holland style building. All apartments were reserved or presold already prior to the end of construction. The apartments were handed over during March-April 2021.



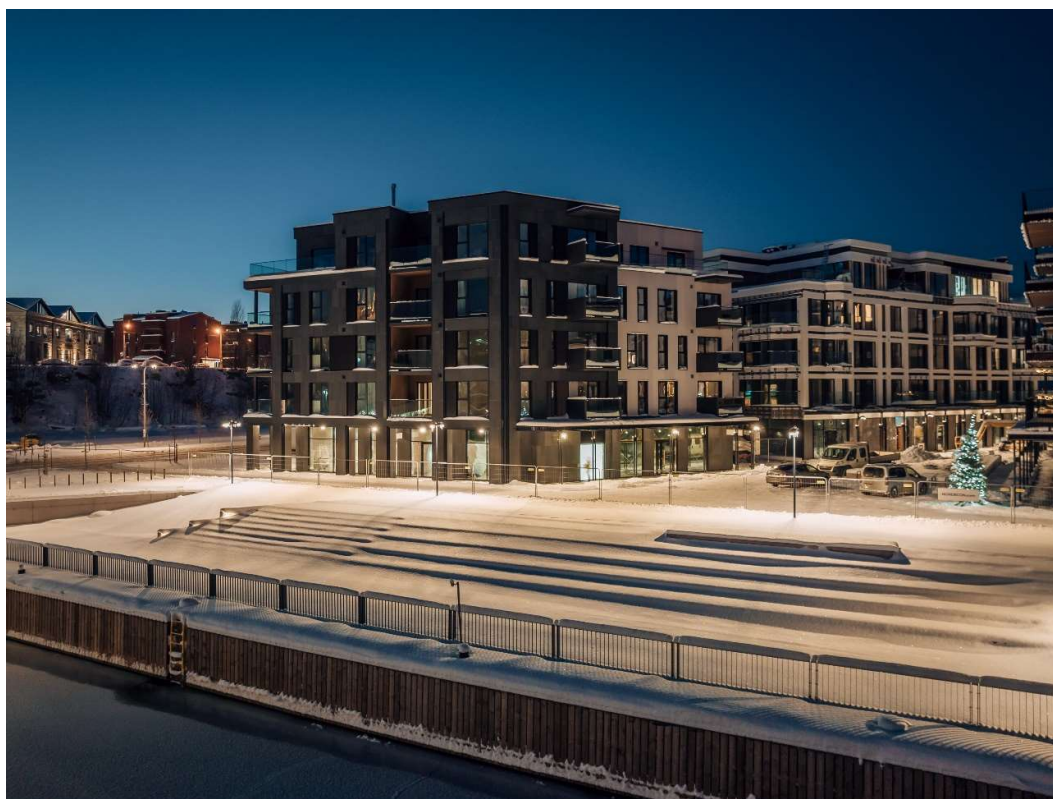
### *Kindrali Houses in Kristiine City*

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. Two first buildings are scheduled for completion in summer 2022 and the third one for the first quarter in 2023. To date all apartments have been reserved or presold.



## 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 will be completed with 240 apartments, commercial premises and an underground car park. The area will include the Kalaranna Park with versatile leisure opportunities and a Square connecting the buildings. Four first buildings are completed and we have handed over most of the apartments. To date, 99% of apartments have been reserved or presold in the first stage of the development.

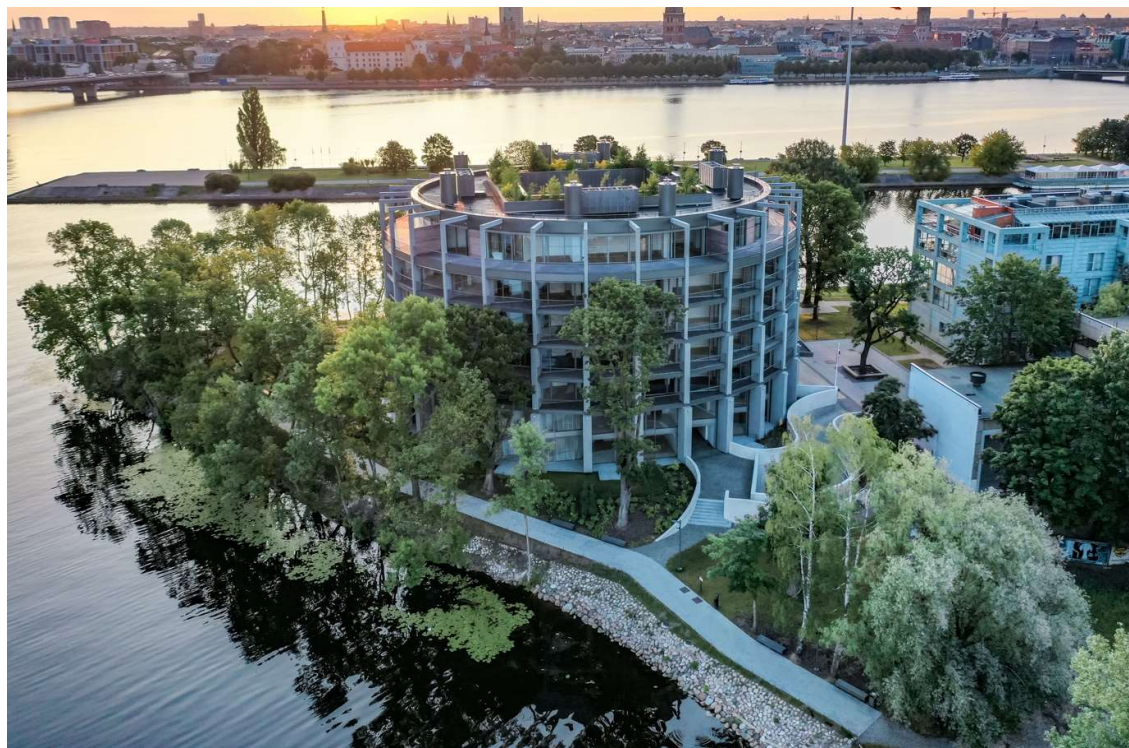


## Ülemiste 5, Tallinn

Ülemiste 5 will be developed for commercial premises with gross leasable area of ca 14 thousand square meters. 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 and is thereby considered as a highly valuable territory.

The River Breeze Residence is the first residential building in Kliversala Quarter. We are in the process of construction tender for the second phase of the area - the Blue Marine, named by its close proximity to the river and yacht port area.

## 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.





## 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.

All information here is given including discontinued operations.

### Revenue structure of twelve months, in thousands of euros

	EST	EST	LV	LV	LT	LT	GER	GER	Total	Total
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	12M	12M	12M	12M	12M	12M	12M	12M	12M	12M
Real estate	36 971	1 002	2 314	1 903	1 331	8 574	0	0	40 616	11 479
Rent*	1 131	5 588	78	78	18	23	0	0	1 227	5 689
Hotel	0	0	0	0	0	0	1 951	1 672	1 951	1 672
Maintenance	673	62	0	0	278	224	0	0	951	286
Other	61	35	12	20	12	53	0	0	85	108
<b>Total</b>	<b>38 836</b>	<b>6 687</b>	<b>2 404</b>	<b>2 001</b>	<b>1 639</b>	<b>8 874</b>	<b>1 951</b>	<b>1 672</b>	<b>44 830</b>	<b>19 234</b>

\*Rent in Estonian segment for 2021 includes rental incomes for 5 months from T1 Mall of Tallinn until derecognition of subsidiary.

### Revenue structure of the fourth quarter, in thousands of euros

	EST	EST	LV	LV	LT	LT	GER	GER	Total	Total
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4
Real estate	21 341	506	1 343	943	54	3 017	0	0	22 738	4 466
Rent	0	723	20	19	4	5	0	0	24	747
Hotel	0	0	0	0	0	0	844	302	844	302
Maintenance	21	16	0	0	75	59	0	0	96	75
Other	16	21	2	6	2	2	0	0	20	29
<b>Total</b>	<b>21 378</b>	<b>1 266</b>	<b>1 365</b>	<b>968</b>	<b>135</b>	<b>3 083</b>	<b>844</b>	<b>302</b>	<b>23 722</b>	<b>5 619</b>

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. Revenue from rental activity of T1 Mall of Tallinn is included in the rent revenue until loss of control over the subsidiary on 2 June 2021.

The share of the Estonian segment as a percentage of total revenues of the Company for the twelve months amounted to 87% compared to 35% during the same period last year.

During the reporting period the total of 164 apartments, 239 parking lots, 5 business premises and 84 storage rooms were sold (2020 12M: 3 apartments, 4 parking lots and 8 storage rooms). At the end of the reporting period the stock consisting of 34 apartments, 11 business premises, 51 storage rooms and 107 parking spaces were available for sale in Tallinn.

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 5% comparing to 10% in the same period last year. During the reporting period 6 apartments, 6 parking lots and 4 storage rooms were sold (2020: 4 apartments, 8 parking spaces and 4 storage rooms). At the end of the reporting period the stock consisting of 24 luxury apartments, 37 storage rooms and 66 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 six months amounted to 4% comparing to 46% during the same period last year.

During the reporting period 5 apartments, 9 storage rooms and 10 parking lots were sold in Lithuania (2020 12M: 22 apartments, 2 cottages, 2 business premises, 13 storage rooms and 23 parking lots). There were 5 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 twelve months amounted to 4% comparing to 9% last year. The occupancy rate of 56% of PK Parkhotel Kurhaus has improved by 9% compared to 47% during the same period in 2020. Total revenues of twelve months were 1.95 million euros compared to 1.67 million euros during the same period in 2020. Net result for 2021 was 430 thousand euros profit (2020 12M: 543 thousand euros loss). Due to the Emergency State and restrictions set by the German Government the hotel was closed since the beginning of the year and was re-opened in the middle of June 2021.

## Other operative data of twelve months

	EST	EST	LV	LV	LT	LT	Total	Total
	2021	2020	2021	2020	2021	2020	2021	2020
	12M	12M	12M	12M	12M	12M	12M	12M
M <sup>2</sup> sold*	9 938	228	812	619	344	2 471	11 093	3 319
Average price, m <sup>2</sup> /EUR*	3 166	1 958	2 563	2 783	3 013	3 274	2 914	3 092
M <sup>2</sup> under maintenance	42 121	26 307	0	0	26 715	26 203	68 836	52 510

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

## Other operative data of the fourth quarter

	EST	EST	LV	LV	LT	LT	Total	Total
	2021 Q4	2020 Q4	2021 Q4	2020 Q4	2021 Q4	2020 Q4	2021 Q4	2020 Q4
M <sup>2</sup> sold*	5 000	0	452	333	0	742	5 452	1 075
Average price, m <sup>2</sup> /EUR*	3 391	0	2 701	2 581	0	3 925	3 334	3 508
M <sup>2</sup> under maintenance	42 121	26 307	0	0	26 715	26 203	68 836	52 510

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

## Financing sources and policies

Pro Kapital pursues conservative financing policy, targeting on high ratio of equity in its projects, as compared to the industry standards. 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 borrowed 21.7 million euros from LHV Pank AS and 612 thousand euros from Coop Pank AS. The Company repaid 30.6 million euros of the bank loans, 337 thousand euros of non-convertible bonds (PKG6, PKG7 and PKG1) and refinanced non-convertible bonds with the nominal value of 1 million euros. As at 31 December 2021, the total loan debt to the banks was 12.7 million euros (Note 9).

Bank loans 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 31 December 2021 the Company had issued 194 thousand euros convertible bonds, 28.5 million euros secured bonds with redemption date in February 2024 and 9.7 million euros unsecured bonds with redemption date in October 2024 (Note 9).

## Shares and shareholders

As at 31 December 2021 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 31 December 2021 there were 801 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 31 December 2021 were as follows:

Shareholders	Number of shares	Participation in %
Raiffeisen Bank International AG	29 150 898	51.42%
Clearstream Banking AG	12 474 534	22.01%
Svalbork Invest OÜ	5 590 639	9.86%
Six Sis Ltd	4 920 031	8.68%

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 31 December 2021 Ernesto Preatoni and his affiliates control 49.59% 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.
- 18 803 439 shares representing 33.17% of the total shares of the Company held through a nominee account opened by Raiffeisen Bank International AG.
- 221 478 shares representing 0,39% of the total shares of the Company held through a nominee account opened by Clearstream Bank.
- 3 498 765 shares representing 6.17% of the total shares of the Company held through a nominee account opened by Six Sis Ltd.

Participation of Member of the Management Board and the Council Members as at 31 December 2021 is as follows:

Name	Position	Number of shares	Participation in %
Paolo Vittorio Michelozzi	CEO	281 647	0.50%
Angelika Annus	CFO	0	0.00%
Edoardo Axel Preatoni	Board member	0	0.00%
Emanuele Bozzone	Chairman of the Council	0	0.00%
Petri Olkinuora	Council Member	30 000	0.05%
Oscar Crameri	Council Member	0	0.00%

Earnings per share during the twelve months of 2021 were 0.52 euros (2020 12M: -0.98 euros).

### Trading price range and trading amounts of Pro Kapital Grupp shares, 1 January – 31 December 2021, NASDAQ Baltic Main List



Source: [nasdaqbaltic.com](http://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 – 31 December 2021 the shares were traded at the price range 0.68-1.56 euros, with the closing price of 1.44 euros per share on 31 December 2021. During the period 1.9 million of the Company’s shares were traded with their turnover amounting to 1.9 million euros.

Since 13 March 2014 the Company's shares are available for trading on Frankfurt's stock exchange trading platform Quotation Board. During the period of 1 January – 31 December 2021 the shares were traded at the price range of 0.65-1.52 euros, with the closing price 1.41 euros per share on 31 December 2021. During the period 76 thousand of the Company's shares were traded with the total turnover of 53 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 at 31 December 2020, AS Pro Kapital Eesti had two interlinked administrative court cases in progress. In the first court case, the company is requesting nullification of a decision of the Land Board whereby a cadastral unit located at Kalasadama 3, Tallinn, with 100% purpose of land under water bodies was not registered. On 27 March 2020, the Tallinn District Court decided in favour of AS Pro Kapital Eesti and ruled that the Land Board should make a new decision or, then, should invalidate its original 30 April 1999 decision from the privatisation era. On 27 April 2020 the Land Board appealed the District Court's decision to the Supreme Court, which has accepted the appeal and granted AS Pro Kapital Eesti the right of response. The company has responded on time on 6 October 2020. On 24 March 2021, the Supreme Court issued its judgment, upholding Land Board's view and denying AS Pro Kapital Eesti's claim, erroneously stating that the company did not submit a response. The Supreme Court concluded that AS Pro Kapital Eesti has never been the owner of the water cadastral unit. This case is now terminated and AS Pro Kapital Eesti can only pursue compensation from the state for illegal allocation of water land that should never have been owned by the company.

The second court case is a claim of compensation against the state in relation to the same cadastral unit – court proceedings were halted until 23 March 2021 when a final court decision took effect in the first court case. Since the Supreme Court in the preceding case has decided in favour of the Land Board, then AS Pro Kapital Eesti has unjustly paid a portion of the purchase price and land tax from this cadastral unit. Following the Supreme Court decision in the previous case, the Administrative Court

ordered AS Pro Kapital Eesti to submit a revised complaint by 15 April 2021. For purposes of gathering additional evidence, AS Pro Kapital Eesti applied for and was granted the extension of the deadline until 30 April 2021 and submitted required documents on time. The company is claiming from the state compensation of 192 338 euros of land tax paid in excess during 01.01.2004-31.12.2018 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. The court has ordered Land Board to reply to the company's revised complaint by 3 June 2021. The Land Board argued that since the company should have brought the complaint earlier, then as the company did not sue the state within the 10-year limitation period, the court should dismiss the case; and as the company has never been the owner of the plot, then bearing the associated cost (purchase price, notary fees, state fee and land tax) does not infringe on the company's rights. On 05 July, 2021, by order of the Tallinn Administrative Court the case was terminated due to the limitation period being exceeded and the court refused to reinstate the time limit for the appeal. On 22 July 2021, the company appealed the court order to the District Court, requesting reinstatement of the time limit since the company first found out about the infringement of its rights (and resulting damages) with the Land Board's 27 June 2018 decision whereby it refused to register one cadastral unit into the register in the process of division of the real estate into smaller plots. The Land Board responded on 10 August 2021, reinstating its claims and Tallinn District Court decided to terminate the case. On 22 September 2021 AS Pro Kapital Eesti appealed the District Court order from 7 September 2021 to the Supreme Court. In January 2022 the Supreme Court has decided to process the appeal. AS Pro Kapital Eesti submitted its additional written position to the Supreme Court on 14 February 2022.

## People

As at 31 December 2021 the Company employed 67 people compared to 84 people on 31 December 2020. 31 of them were engaged in hotel and property maintenance services (38 on 31 December 2020). 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 Chairman of the Management Board	28 February 2022
Angelika Annus	Member of the Management Board	28 February 2022

## Consolidated financial statements

### Consolidated interim statement of financial position

in thousands of euros	Notes	31.12.2021	31.12.2020
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents		9 626	9 393
Current receivables		802	1 797
Inventories	5	57 533	58 352
<b>Total current assets</b>		<b>67 961</b>	<b>69 542</b>
Non-current assets			
Non-current receivables	6	21	3 517
Property, plant and equipment	7	6 754	6 745
Right-of-use assets	7	202	357
Investment property	8	40 734	98 512
Intangible assets		355	375
<b>Total non-current assets</b>		<b>48 066</b>	<b>109 506</b>
<b>TOTAL ASSETS</b>	3	<b>116 027</b>	<b>179 048</b>
<b>LIABILITIES AND EQUITY</b>			
Current liabilities			
Current debt	9	3 955	107 581
Customer advances	10	12 419	7 866
Current payables		4 379	22 211
Tax liabilities		1 144	458
Short-term provisions		1 125	459
<b>Total current liabilities</b>		<b>23 022</b>	<b>138 575</b>
Non-current liabilities			
Long-term debt	9	46 455	27 255
Other non-current payables		2 526	2 295
Deferred income tax liabilities		1 133	1 170
Long-term provisions		48	182
<b>Total non-current liabilities</b>		<b>50 162</b>	<b>30 902</b>
<b>TOTAL LIABILITIES</b>	3	<b>73 184</b>	<b>169 477</b>
Equity attributable to owners of the Company			
Share capital in nominal value		11 338	11 338
Share premium		5 661	5 661
Statutory reserve		1 134	1 134
Revaluation reserve		2 984	2 984
Retained earnings		-8 031	47 647
Profit / Loss for the period		29 757	-55 678
<b>Total equity attributable to owners of the Company</b>		<b>42 843</b>	<b>13 086</b>
Non-controlling interest	4	0	-3 515
<b>TOTAL EQUITY</b>		<b>42 843</b>	<b>9 571</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>116 027</b>	<b>179 048</b>

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

# Consolidated interim statements of comprehensive income

in thousands of euros	Notes	2021 12M	2020 12M	2021 Q4	2020 Q4
<b>CONTINUING OPERATIONS</b>					
<b>Operating income</b>					
Revenue	11, 17	43 095	13 637	23 722	4 894
Cost of goods sold	12, 17	-32 519	-9 424	-18 401	-3 386
<b>Gross profit</b>	13, 17	<b>10 576</b>	<b>4 213</b>	<b>5 321</b>	<b>1 508</b>
Marketing expenses		-502	-610	-144	-193
Administrative expenses	14, 17	-5 592	-4 372	-2 043	-1 201
Other income	15, 17	7 654	384	5 541	358
Other expenses	15, 17	-63	2 876	-9	2 891
<b>Operating profit/ loss</b>		<b>12 073</b>	<b>2 491</b>	<b>8 666</b>	<b>3 363</b>
Financial income	16, 17	53 813	4	1	1
Financial expense	16, 17	-30 882	-5 420	-1 408	-1 327
<b>Profit / loss before income tax</b>		<b>35 004</b>	<b>-2 925</b>	<b>7 259</b>	<b>2 037</b>
Income tax		10	-354	33	-143
<b>Net profit / loss from continuing operations</b>		<b>35 014</b>	<b>-3 279</b>	<b>7 292</b>	<b>1 894</b>
<b>Loss from discontinued operations</b>	17	<b>-5 257</b>	<b>-56 177</b>	<b>0</b>	<b>-50 265</b>
<b>Net profit / loss for the period</b>		<b>29 757</b>	<b>-59 456</b>	<b>7 292</b>	<b>-48 371</b>
<b>Attributable to:</b>					
Equity holders of the parent		29 757	-55 678	7 292	-45 005
Non-controlling interest	4	0	-3 778	0	-3 366
<b>Other comprehensive income, net of income tax</b>					
Net change in properties revaluation reserve	7	0	-278	0	0
<b>Total comprehensive income / loss for the year</b>		<b>29 757</b>	<b>-59 734</b>	<b>7 292</b>	<b>-48 371</b>
<b>Attributable to:</b>					
Equity holders of the parent		29 757	-55 956	7 292	-45 005
Non-controlling interest		0	-3 778	0	-3 366
Earnings per share (continuing operations) €		0.62	-0.06	0.13	0.03
Earnings per share for the period €		0.52	-0.99	0.13	-0.79

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

## Consolidated interim statements of cash flows

in thousands of euros	Note	2021 12M	2020 12M	2021 Q4	2020 Q4
<b>Cash flows from operating activities</b>					
Profit/loss for the period		29 757	-59 456	7 302	-48 373
Adjustments for:					
Depreciation, amortisation of non-current assets		374	416	92	105
Gain from disposal of investment property		-1 092	0	0	0
Loss from write-off of plant, property, equipment		0	8	0	8
Change in fair value of property, plant, equipment		-56	-16	-56	-16
Change in fair value of investment property		-5 484	43 127	-5 484	43 127
Gain/loss from derecognition of subsidiary	16	-53 808	0	0	0
Finance income and costs	16	36 440	15 994	1 407	3 984
Changes in deferred tax assets and liabilities		-37	-178	0	-60
Other non-monetary changes (net amounts)		1 536	-3 110	-7	14
Changes in working capital:					
Trade receivables and prepayments		4 492	-1 514	686	535
Inventories		818	-13 011	10 278	-636
Liabilities and prepayments		477	10 025	-2 323	-1 845
Provisions		-127	59	12	31
<b>Net cash used in operating activities</b>		<b>13 290</b>	<b>-7 656</b>	<b>11 907</b>	<b>-3 126</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment	7	-178	-94	-76	-71
Payments for intangible assets		-20	-43	-8	-45
Payments for investment property	8	-458	-844	-48	-187
Proceeds from disposal of investment property		2 000	0	0	0
Change in cash from derecognition of subsidiary		-182	0	0	0
Interests received	16	3	1	0	0
<b>Net cash used in investing activities</b>		<b>1 165</b>	<b>-980</b>	<b>-132</b>	<b>-303</b>
<b>Cash flows from financing activities</b>					
Net proceeds from secured bonds		0	28 500	0	0
Redemption of convertible bonds		-337	-33	0	-30
Repurchase of non-convertible bonds		0	-28 000	0	0
Proceeds from borrowings		22 340	14 410	3 843	6 721
Repayment of borrowings		-30 581	-1 376	-18 726	-692
Repayment of lease liabilities		-163	-135	-34	-5
Interests paid		-5 481	-5 953	-515	-488
<b>Net cash used/ generated by financing activities</b>		<b>-14 222</b>	<b>7 413</b>	<b>-15 432</b>	<b>5 506</b>
<b>Net change in cash and cash equivalents</b>		<b>233</b>	<b>-1 223</b>	<b>-3 657</b>	<b>2 077</b>
Cash and cash equivalents at the beginning		9 393	10 616	13 283	7 316
Cash and cash equivalents at the end of the period		9 626	9 393	9 626	9 393

*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
<b>1 January 2019</b>	<b>11 338</b>	<b>5 661</b>	<b>1 082</b>	<b>3 262</b>	<b>76 771</b>	<b>98 114</b>	<b>2 624</b>	<b>100 738</b>
Changes in revaluation reserve	0	0	52	0	-52	0	0	0
Changes in non-controlling interests	0	0	0	0	6	6	-6	0
Comprehensive loss for the period (Restated*)	0	0	0	0	-29 078	-29 078	-2 355	-31 433
<b>31 December 2019 (Restated*)</b>	<b>11 338</b>	<b>5 661</b>	<b>1 134</b>	<b>3 262</b>	<b>47 647</b>	<b>69 042</b>	<b>263</b>	<b>69 305</b>
Correction of allocation of funds to statutory reserve	0	0	0	0	0	0	0	0
Comprehensive loss for the period	0	0	0	-278	-55 678	-55 956	-3 778	-59 734
<b>31 December 2020</b>	<b>11 338</b>	<b>5 661</b>	<b>1 134</b>	<b>2 984</b>	<b>-8 031</b>	<b>13 086</b>	<b>-3 515</b>	<b>9 571</b>
Derecognition of subsidiary	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
<b>31 December 2021</b>	<b>11 338</b>	<b>5 661</b>	<b>1 134</b>	<b>2 984</b>	<b>21 726</b>	<b>42 843</b>	<b>0</b>	<b>42 843</b>

\* See Note 2 for details regarding restatement.

Changes in non-controlling interests are described in Note 4.

## 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 31.12.2021	Ownership 31.12.2020
Raiffeisen Bank International AG	Austria	51.42%	54.70%
Clearstream Banking AG	Germany	22.01%	20.06%
Svalbork Invest OÜ	Estonia	9.86%	6.63%
Six Sis Ltd	Switzerland	8.68%	0%

For the purpose of comparable financial figures of these interim financial statements as at 31 December 2021, 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 twelve months of 2020, 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 2020.

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 2020.

**Prior period errors**

When determining the fair value of investment property, double counting of assets or liabilities that are separately recognised in the balance sheet should be avoided. When making the adjustment to the fair value of investment property in the balance sheet as at 31 December 2019, the Management did not take into account the fact that a receivable had already been recognised for a portion of the future cash flows. The carrying amount of the T1 Mall of Tallinn investment property is therefore 108 639 thousand euros as at 31 December 2019, restated by 2 261 thousand euros already recognised in the balance sheet.

The following table summarises the impact of the prior period error on the financial statements of the Group.

***Consolidated statement of profit and loss and other comprehensive income***

in thousands of euros	2019 (Restated)	2019
Other operating expenses	-26 602	-24 341
<i>Including net result from fair value adjustments from investment property</i>	-26 497	-24 236
Operating profit/ loss	-17 439	-15 178
Profit/ loss before income tax	-31 454	-29 193
Profit/ loss from continuing operations	-31 433	-29 172
Total comprehensive loss for the year	-31 433	-29 172
Attributable to:		
Owners of the Company	-29 078	-26 981
Non-controlling interests	-2 355	-2 191
Earnings per share		
Basic (euros per share)	-0.51	-0.48
Diluted (euros per share)	-0.51	-0.48

***Consolidated statement of financial position***

in thousands of euros		31.12.2019 (Restated)	31.12.2019
Non-current assets			
Investment property	8	145 104	147 365
Total non-current assets		155 438	157 699
TOTAL ASSETS		208 560	210 821
Equity attributable to owners of the Company			
Profit/ loss for the financial year		-29 078	-26 981
Total equity attributable to owners of the Company		69 042	71 139
Non-controlling interest	4	263	427
TOTAL EQUITY		69 305	71 566

## Note 3. Segment reporting

in thousands of euros	Parent	Estonia	Latvia	Lithuania	Germany	Internal transactions elimination	Total
<b>2021 12M</b>							
<b>Revenue</b>	<b>0</b>	<b>38 836</b>	<b>2 411</b>	<b>1 639</b>	<b>1 998</b>	<b>-54</b>	<b>44 830</b>
<i>incl. sale of real estate</i>	0	36 971	2 314	1 331	0		40 616
<i>incl. rental income</i>	0	1 131	78	18	0		1 227
<i>incl. hotel operations</i>	0	0	0	0	1 951		1 951
<i>incl. maintenance services</i>	0	673	0	278	0		951
<i>incl. other revenue</i>	0	61	19	12	47	-54	85
Other operating income and expenses (net)	-21	6 206	272	5	1 002	2	7 466
Segment operating profit/loss	-2 020	13 696	252	-135	571	16	12 380
Financial income and expense (net)	-5 964	23 898	-454	52	-156	-9	17 367
<b>Profit/Loss before income tax</b>	<b>-7 984</b>	<b>37 594</b>	<b>-202</b>	<b>-83</b>	<b>415</b>	<b>7</b>	<b>29 747</b>
Income tax	0	0	-1	16	-5		10
Non-controlling interest	0	0	0	0	0		0
<b>Net profit/loss for the financial year attributable to equity holders of the parent</b>	<b>-7 984</b>	<b>37 594</b>	<b>-203</b>	<b>-67</b>	<b>410</b>		<b>29 757</b>
<b>31.12.2021</b>							
Assets	55 494	158 914	27 969	13 815	7 220	-147 385	116 027
Liabilities	133 882	28 712	20 254	1 488	4 692	-115 844	73 184
Acquisition of non-current assets	0	5	8	6	166		185
Decrease of non-current assets	0	-129	-22	-19	0		-170
Depreciation and amortisation	0	46	-23	-8	-231		-216
<b>2020 12M</b>							
<b>Revenue</b>	<b>736</b>	<b>6 687</b>	<b>2 007</b>	<b>8 874</b>	<b>1 684</b>	<b>-754</b>	<b>19 234</b>
<i>incl. sale of real estate</i>	0	1 002	1 903	8 574	0		11 479
<i>incl. rental income</i>	0	5 588	78	23	0		5 689
<i>incl. hotel operations</i>	0	0	0	0	1 684	-12	1 672
<i>incl. maintenance services</i>	0	62	0	224	0		286
<i>incl. other revenue</i>	736	35	26	53	0	-742	108
Other operating income and expenses (net)	22	-42 874	-602	0	346		-43 108
Segment operating profit/loss	-1 369	-43 517	-613	2 786	-404	9	-43 108
Financial income and expense (net)	-5 917	-9 425	-475	-15	-148	-14	-15 994
<b>Profit/Loss before income tax</b>	<b>-7 286</b>	<b>-52 942</b>	<b>-1 088</b>	<b>2 771</b>	<b>-552</b>	<b>-5</b>	<b>-59 102</b>
Income tax	0	0	-2	-348	-4		-354
Non-controlling interest	0	-3 778	0	0	0		-3 778
<b>Net profit/loss for the financial year attributable to equity holders of the parent</b>	<b>-7 286</b>	<b>-49 164</b>	<b>-1 090</b>	<b>2 423</b>	<b>-556</b>	<b>-5</b>	<b>-55 678</b>
<b>31.12.2020</b>							
Assets	53 832	214 948	28 224	13 518	7 492	-138 966	179 048
Liabilities	124 237	125 854	20 306	1 401	5 096	-107 417	169 477
Acquisition of non-current assets	0	60	1	3	73		137
Disposal of non-current assets	0	-33	-11	0	0		-44
Depreciation and amortisation	-5	-62	-49	-29	-227		-372



## Note 4. Changes in minority shareholding

### AS Tallinna Moekombinaat

Minority (%) as at 31 December 2019	6.65%
Minority (%) as at 31 December 2020	6.65%
Loss of control on 2 June 2021	-6,65%
Minority (%) as at 31 December 2021	0%

in thousands of euros

<b>Non-controlling interest as at 31 December 2019 (restated*)</b>	<b>263</b>
Loss for the reporting period	-412
<b>Non-controlling interest as of 30 September 2020</b>	<b>-149</b>
Loss for the reporting period	-3 366
<b>Non-controlling interest as at 31 December 2020</b>	<b>-3 515</b>
Loss for the reporting period	-285
Loss of control on 2 June 2021	-3 800
<b>Non-controlling interest as at 31 December 2021</b>	<b>0</b>

\* See Note 2 for details regarding restatement.

On 2 June AS Tallinna Moekombinaat was declared bankrupt and the Company lost control over the subsidiary.

## Note 5. Inventories

in thousands of euros	31.12.2021	31.12.2020
<b>Property held for sale</b>	<b>20 635</b>	<b>11 534</b>
<i>incl. Kristina Houses, Tallinn</i>	19	58
<i>incl. Kalaranna Quarter, Tallinn</i>	11 548	0
<i>incl. River Breeze, Riga</i>	7 213	8 705
<i>incl. Šaltinių Namai (Attico), Vilnius</i>	1 747	2 663
<i>incl. other properties</i>	108	108
<b>Works in progress</b>	<b>36 731</b>	<b>46 694</b>
<i>incl. Kristiine City, Tallinn</i>	11 361	7 059
<i>incl. Kalaranna Quarter, Tallinn</i>	19 352	33 663
<i>incl. Šaltinių Namai (Attico), Vilnius</i>	6 018	5 972
Goods bought for resale	52	124
Prepayments for inventories	115	0
<b>Total</b>	<b>57 533</b>	<b>58 352</b>

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.

All completed properties are transferred from “works in progress” to “property held for sale”.

Works in progress include two development projects being currently under construction in Tallinn – Kindrali Houses in Kristiine City and Kalaranna District. The planned completion of Kalaranna District is in several steps during 2021-2022. Four first buildings were completed during the reporting period and they were recorded as property held for sale. Construction in Kindrali Houses in Kristiine City started in March 2021 and the first buildings will be completed this year. The following phase of Šaltinių Namai is waiting for the start of development.

## Note 6. Non-current receivables

in thousands of euros	31.12.2021	31.12.2020
Accrued income (rental income)	0	3 490
Finance leases	21	26
Other non-current receivables	0	1
<b>Total</b>	<b>21</b>	<b>3 517</b>

Accrued income was related to the recognition of estimation of rental income in T1 Mall of Tallinn according to IFRS 15.

## Note 7. 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 31 December 2021 land and buildings comprised of hotel property in Bad Kreuznach, Germany and office premises in Tallinn, Estonia.

in thousands of euros	31.12.2021	31.12.2020
Acquisition value of property, plant and equipment	10 299	10 154
Accumulated depreciation	-3 545	-3 409
<b>Residual value of property, plant and equipment</b>	<b>6 754</b>	<b>6 745</b>

in thousands of euros	31.12.2021	31.12.2020
Acquisition value of right-of-use assets	574	664
Accumulated depreciation	-372	-307
<b>Residual value of right-of-use assets</b>	<b>202</b>	<b>357</b>

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 machinery and equipment in the group.

in thousands of euros	Land and buildings	Machinery and equipment	Other tangible assets	Prepay-ments	Total	Right-of-use assets
<b>Acquisition value 31.12.2019</b>	<b>9 077</b>	<b>959</b>	<b>336</b>	<b>0</b>	<b>10 372</b>	<b>674</b>
Acquired	43	27	20	7	97	-10
Reclassification	4	0	0	0	4	0
Change in fair value	-278	0	0	0	-278	0
Written off	0	0	-34	-7	-41	0
<b>Acquisition value 31.12.2020</b>	<b>8 846</b>	<b>986</b>	<b>322</b>	<b>0</b>	<b>10 154</b>	<b>664</b>
Acquired	125	40	22	0	187	-2
Change in value	40	0	0	0	40	0
Derecognition of subsidiary	0	0	-70	0	-70	-66
Written off	0	0	-12	0	-12	-22
<b>Acquisition value 31.12.2021</b>	<b>9 011</b>	<b>1 026</b>	<b>262</b>	<b>0</b>	<b>10 299</b>	<b>574</b>

in thousands of euros	Land and buildings	Machinery and equipment	Other tangible assets	Prepay-ments	Total	Right-of-use assets
<b>Accumulated depreciation 31.12.2019</b>	<b>2 115</b>	<b>889</b>	<b>222</b>	<b>0</b>	<b>3 226</b>	<b>155</b>
Depreciation charge for the period	152	20	52	0	224	152
Changes in fair value	-16	0	0	0	-16	0
Written off	0	0	-25	0	-25	0
<b>Accumulated depreciation 31.12.2020</b>	<b>2 251</b>	<b>909</b>	<b>249</b>	<b>0</b>	<b>3 409</b>	<b>307</b>
Depreciation charge for the period	149	26	33	0	208	138
Changes in fair value	-15	0	0	0	-15	0
Derecognition of subsidiary	0	0	-46	0	-46	-50
Written off	0	0	-11	0	-11	-23
<b>Accumulated depreciation 31.12.2021</b>	<b>2 385</b>	<b>935</b>	<b>225</b>	<b>0</b>	<b>3 545</b>	<b>372</b>

## Note 8. Investment property

in thousands of euros	Property held for increase in value	Property held for operating lease	Total
<b>Balance at 31.12.2019</b>	<b>36 465</b>	<b>110 900</b>	<b>147 365</b>
Restatement (Note 2)	0	-2 261	-2 261
<b>Restated balance at 31.12.2019</b>	<b>36 465</b>	<b>108 639</b>	<b>145 104</b>
Additions:			
Investments	687	157	844
Reclassified to inventories	-4 309	0	-4309
Changes in fair value:			
Profit/ loss from change in fair value	2 880	-42 520	-39 640
Double-counted adjustment	0	-3 487	- 3 487
<b>Balance at 31.12.2020</b>	<b>35 723</b>	<b>62 789</b>	<b>98 512</b>
Additions:			
Investments	435	23	458
Changes in fair value	5 484	0	5 484
Disposals:			
Sales	-908	0	-908
Derecognition of the subsidiary	0	-62 812	-62 812
<b>Balance at 31.12.2021</b>	<b>40 734</b>	<b>0</b>	<b>40 734</b>

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 2021. The valuations were performed by reference to recent market information by external valuator. Mainly discounted cash flow method was used due to low number of comparable market transactions.

In 2021 Tondi 57 property in Tallinn was sold. Considering the pipeline of developments, this property was planned to be done in the latest phase. Considering the generous offer the Company received, it was reasonable to conclude the sale.

On 2 June 2021 bankruptcy of AS Tallinna Moekombinaat was declared and control over the subsidiary as well as the related property was lost.

## Note 9. Current and non-current debt

### Current debt

in thousands of euros	31.12.2021	31.12.2020
Bank loans and overdrafts	3 638	78 458
Convertible bonds	194	1 296
Secured non-convertible bonds	0	27 542
Unsecured non-convertible bonds	0	100
Lease liabilities	123	185
<b>Total</b>	<b>3 955</b>	<b>107 581</b>

### Non-current debt

in thousands of euros	31.12.2021	31.12.2020
Bank loans and overdrafts	9 110	17 888
Convertible bonds	0	191
Secured non-convertible bonds	27 288	8 293
Unsecured non-convertible bonds	9 360	0
Payables to non-controlling interest	0	651
Lease liabilities	97	232
<b>Total</b>	<b>46 455</b>	<b>27 255</b>

### Creditors

in thousands of euros	31.12.2021	31.12.2020
Luminor Bank AS (EE)	0	387
AS LHV Pank (EE)	12 248	17 388
AS Swedbank (LV)	0	993
Coop Pank AS (EE)	0	1 722
Sparkasse (DE)	500	500
Lintgen Adjacent Investments (Agent) incl long-term interests*	0	75 356
Colosseum Finance OÜ including long-term interests*	0	104
Fiducaria Emiliana S.r.l including long-term interests*	0	353
Ernesto Achille Preatoni including long-term interests*	0	194
Convertible bonds, various investors (discounted value)	194	1 487
Secured bonds, various investors (discounted value)	27 888	27 642
Unsecured bonds, various investors (discounted value)	9 360	8 293
Lease agreements (related to right-of -use assets)	220	417
<b>Total</b>	<b>50 410</b>	<b>134 836</b>

\*On 2 June 2021 AS Tallinna Moekombinaat was declared bankrupt and the Company lost control over the subsidiary. As a result, subsidiary's loans were derecognised from Company's financial reports.

All agreements and liabilities are fixed in euros. The total interest and other financial cost (Note 16) for the reporting period was 9.9 million euros (2020 12M: 15.2 million euros).

### Convertible bonds

The Company has issued convertible bonds with issue price of 2.80 euros. Each convertible bond entitles the holder to redeem and exchange one bond to one share of the Company and for that purpose to subscribe for 1 share as provided in Terms and Conditions of the Convertible Bond Issue by AS Pro Kapital Grupp. Convertible bonds carry interest rate of 7%.

On **8 March 2021** the Company announced about redemption of 24 572 PKG6 convertible bonds in total nominal value of 15 726.08 euros and issue value of 68 801.60 euros.

On **25 May 2021** the Company announced about redemption of 5 400 PKG7 convertible bonds in total nominal value of 3 456 euros and issue value of 15 120 euros.

On **16 August 2021** the Company announced the redemption of 90 459 PKG1 convertible bonds in total nominal value of 904 590 Estonian Kroons and issue value of 253 285.2 euros.

### Unsecured non-convertible bonds

Due to the refinancing of PKG1-PKG7 convertible bonds new 2 925 641 unsecured and non-convertible bonds with the total face value of 8 191 794.80 euros were issued on 3 August 2020. During the second subscription period, 187 502 bonds with the total issue value of 525 005.60 euros were issued. The total value of the unsecured non-convertible bonds was 8.7 million euros on 31 December 2020. During the third subscription period, 345 938 bonds with the total issue value of 968 626.40 euros were issued. The third tranche subscription results were notified at 14 December 2020 and bonds were issued at 15 January 2021. New unsecured non-convertible bonds with the total issue value of 9 685 426.80 euros have been listed on Nasdaq Tallinn bond list since January 2021. The balance sheet value on the reporting date is 9.3 million euros - nominal value 9.7 million euros minus 0.4 million euros of refinancing costs.

On **19 January 2021** the Company announced about publishing a listing prospectus in respect of its unsecured, callable, fixed rate non-convertible bonds “EUR 8.00 PRO KAPITAL GRUPP VÕLAKIRI 20-2024” and applying for admission to trading of these bonds on Nasdaq OMX Tallinn bond list. The prospectus was approved by the Estonian

Financial Supervisory Authority on January 2021. The first day of trading was on 27 January 2021.

### Secured non-convertible bonds

In February 2020, the Company refinanced the senior secured bonds 2015/2020 (the “Old Bonds”) in full by issuing new senior secured, called, fixed rate bonds 2020/2024 (the “New Bonds”) in total amount of 28.5 million euros. The New Bonds are similar to the Old Bonds with minor differences. All shares of Pro Kapital subsidiaries with and exception of shares of AS Tallinna Moekombinaat have been pledged. 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 31 December 2021. The balance sheet value is 27.9 million euros - nominal value 28.5 million euros minus 0.6 million euros of refinancing costs are being discounted over the effective period of the New Bonds (until the maturity period). According to New Bonds terms and conditions, the Company has to maintain the equity ratio above 35% at all times. The Company was temporarily not meeting financial covenants. However, in July 2021 the bondholders voted in favour of the waiver according to which the Company had time to reach the necessary equity ratio level by the end of 2021. As at the end of the reporting period the calculated equity ratio was 36.9%. 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	31.12.2021	31.12.2020
<b>Bank accounts</b>			
Nordic Trustee & Agency AB (Sweden)	Nordea Bank AB (Sweden)	23	25
<b>Inventory</b>			
LHV Pank AS	Kalaranna 8, 22, Tallinn	42 256	33 663
AS Swedbanka (Latvia)*	Trijadibas St. 5, Riga	N/A	23 489
Coop Pank AS*	Marsi 5, Tallinn	N/A	3 310
<b>Property, plant and equipment and intangible assets</b>			
Nordea Bank Finland Estonian branch	Sõjakooli 11, Tallinn	770	730
Colosseum Finance OÜ **	Assets of AS Tallinna Moekombinaat	N/A	67
<b>Investment Property</b>			
Lintgen Adjacent Investments **	AS Tallinna Moekombinaat	N/A	62 789***

\*Loan has been repaid during reporting period.

\*\* Subsidiary has been derecognised.

\*\*\* See Note 2 for details regarding restatement.

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

		31.12.2021	31.12.2020
NTA	Pro Kapital Germany Holdings OÜ	11	11
NTA	Pro Kapital Germany GmbH	25	25
NTA	PK Hotel Management Services GmbH	116	116
NTA	Pro Kapital Eesti AS	16 880	16 880
NTA	OÜ Ilmarise Kvartal	3	3
NTA	Pro Halduse OÜ	26	26
NTA	AS Tondi Kvartal	160	160
NTA	OÜ Marsi Elu	20	20
NTA	Kalaranna Kvartal OÜ	3	3
NTA	Dunte Arendus OÜ	3	3
NTA	Pro Kapital Latvia JSC	9 960	9 960
NTA	Kliversala SIA	14 531	14 531
NTA	Tallina Nekustamie Īpašumi SIA	10 300	10 300
NTA	Nekustamo Īpašumu sabiedrība Zvaigznes centrs SIA	6 100	6 100
NTA	Pro Kapital Vilnius Real estate UAB	1 335	1 335
NTA	In Vitam UAB	3	3
NTA	PK Invest UAB	823	823
<b>Total</b>		<b>60 299</b>	<b>60 299</b>

## Note 10. Customer advances

### Current debt

in thousands of euros	31.12.2021	31.12.2020
Advances for hotel services	37	57
Advances for real estate	12 382	7 809
<b>Total</b>	<b>12 419</b>	<b>7 866</b>

Customer advances are recorded in the financial statements from receiving deposit and instalment payments until the properties are handed over to customers.

The increase in customer advances is related to high sales activity in Kalaranna Quarter and Kristiine City.



## Note 11. Revenue

### Segment revenue

in thousands of euros	2021 12M	2020 12M	2021 Q4	2020 Q4
<b>Revenue from contracts with customers</b>				
Revenue from sale of real estate	40 616	11 479	22 738	4 466
Hotel operating revenue	1 951	1 672	844	302
Revenue from maintenance and other services	436	394	115	104
<b>Total revenue from contracts with customers</b>	<b>43 003</b>	<b>13 545</b>	<b>23 697</b>	<b>4 872</b>
Rental income	1 827	5 689	25	747
<b>Total</b>	<b>44 830</b>	<b>19 234</b>	<b>23 722</b>	<b>5 619</b>

### Timing of revenue recognition

in thousands of euros	2021 12M	2020 12M	2021 Q4	2020 Q4
<b>At a point in time</b>				
Revenue from sale of real estate	40 616	11 479	22 738	4 466
Hotel operating revenue	1 951	1 672	844	302
Revenue from other services	85	108	19	29
<b>Total revenue recognised at a point in time</b>	<b>42 652</b>	<b>13 259</b>	<b>23 601</b>	<b>4 797</b>
<b>Over time</b>				
Rental income	1 827	5 689	25	747
Revenue from maintenance fees	351	286	96	75
<b>Total</b>	<b>44 830</b>	<b>19 234</b>	<b>23 722</b>	<b>5 619</b>

Revenues include discontinued operations. Revenue from discontinued operations is disclosed in note 17.

Revenue from sale of real estate has increased by 254% compared to reference period due to completion of Ratsuri Houses in spring 2021 and beginning of sales of Kalaranna District apartments at the end of the year. Sales of available inventory have continued in Kliversala in Riga and in Šaltinių Namai in Vilnius. Revenue from hotel operations has increased by 17% compared to the previous reference period. Due to COVID-19 restrictions the hotel was closed since the beginning of the year until reopening in the middle of June. COVID-19 has affected also rental revenue. Rental revenue includes provision of future rental revenues as per IFRS 15 rental revenue recording principles. Rental revenues have been recorded until 2 June 2021 when the operator of T1 Mall of Tallinn was declared bankrupt and the subsidiary was derecognised from the group.

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	2021 12M	2020 12M	2021 Q4	2020 Q4
Cost of real estate sold	30 469	7 385	17 652	2 864
Cost of providing rental services	923	3 011	14	798
Cost of hotel operations	1 807	1 852	680	504
Cost of maintenance services	201	163	54	41
Cost of other services	6	48	1	8
<b>Total</b>	<b>33 406</b>	<b>12 459</b>	<b>18 401</b>	<b>4 215</b>

Cost of sales includes discontinued operations. Discontinued operations are disclosed in note 17.

## Note 13. Gross profit

in thousands of euros	2021 12M	2020 12M	2021 Q4	2020 Q4
Real estate	10 147	4 094	5 086	1 602
Rental revenue	904	2 678	11	-51
Hotel operating	144	-180	164	-202
Maintenance services	150	123	42	34
Other services	79	60	18	21
<b>Total</b>	<b>11 424</b>	<b>6 775</b>	<b>5 321</b>	<b>1 404</b>

Gross profit includes discontinued operations. Discontinued operations are disclosed in note 17.

## Note 14. Administration expenses

in thousands of euros	2021 12M	2020 12M	2021 Q4	2020 Q4
Staff costs	3 623	2 953	1 612	967
Land and real estate taxes	334	391	83	94
Allowance of doubtful debt and written-off debt	735	998	1	927
Depreciation charge	126	128	32	33
Other	1 189	1 684	315	294
<b>Total</b>	<b>6 007</b>	<b>6 154</b>	<b>2 043</b>	<b>2 315</b>

Administration expenses include discontinued operations. Discontinued operations are disclosed in note 17.

## Note 15. Other income and expenses

### Other income

in thousands of euros	2021 12M	2020 12M	2021 Q4	2020 Q4
Fines collected	62	63	0	8
Profit from sale of investment property	1 092	0	0	0
Gain from fair value adjustments of non-current assets	5 539	16	5 539	15
Other	1 021	399	2	345
<b>Total</b>	<b>7 714</b>	<b>478</b>	<b>5 541</b>	<b>368</b>

### Other expenses

in thousands of euros	2021 12M	2020 12M	2021 Q4	2020 Q4
Fines paid	205	445	0	385
Loss from write-off of non-current assets	0	9	0	9
Net loss from fair value adjustments - investment property	0	43 128	0	43 128
Other	44	4	9	-14
<b>Total</b>	<b>249</b>	<b>43 586</b>	<b>9</b>	<b>43 508</b>

Other income includes state aid for hotel operations received in Germany in amount of 1 million euros.

Other income and expenses include discontinued operations. Discontinued operations are disclosed in note 16.

## Note 16. Finance income and cost

### Finance income

in thousands of euros	2021 12M	2020 12M	2021 Q4	2020 Q4
Interest income	6	4	1	1
Profit from derecognition of subsidiary	53 807	0	0	0
<b>Total</b>	<b>53 813</b>	<b>4</b>	<b>1</b>	<b>1</b>

### Finance cost

in thousands of euros	2021 12M	2020 12M	2021 Q4	2020 Q4
Interest expenses	9 886	15 965	1 327	3 819
Foreign currency loss	1	1	1	0
Other financial expenses	26 559	32	80	166
<b>Total</b>	<b>36 446</b>	<b>15 998</b>	<b>1 408</b>	<b>3 985</b>

Finance income and cost include discontinued operations. Discontinued operations are disclosed in note 17.

## Note 17. Discontinued operations

On 2 June 2021 bankruptcy of AS Tallinna Moekombinaat was declared and the Company lost control over its subsidiary. As a consequence, the subsidiary was derecognised from the group since 2 June 2021 and T1 Mall of Tallinn related operations are considered as discontinued operations.

in thousands of euros	Notes	2021 12M	2020 12M	2021 Q4	2020 Q4
<b>DISCONTINUED OPERATIONS</b>					
<b>Operating income</b>					
Revenue	11	1 735	5 597	0	725
Cost of goods sold	12	887	-3 035	0	-829
<b>Gross profit</b>	13	<b>848</b>	<b>2 562</b>	<b>0</b>	<b>-104</b>
Marketing expenses		-1	-11	0	0
Administrative expenses	14	-415	-1 782	0	-1 114
Other income	15	60	94	0	10
Other expenses	15	-185	-46 462	0	-46 399
<b>Operating profit</b>		<b>307</b>	<b>-45 599</b>	<b>0</b>	<b>-47 607</b>
Financial income	16	0	0	0	0
Financial expense	16	-5 564	-10 578	0	-2 658
<b>Loss before income tax</b>		<b>-5 257</b>	<b>-56 177</b>	<b>0</b>	<b>-50 265</b>
Income tax		0	0	0	0
<b>Loss from discontinued operations</b>		<b>-5 257</b>	<b>-56 177</b>	<b>0</b>	<b>-50 265</b>
Earnings per share (discontinued operations) €		-0.09	-0.99	0	-0.89

## Note 18. 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	01.01.2021-31.12.2021	(56 687 954x 365/365)	= 56 687 954
For the period	01.01.2020-31.12.2020	(56 687 954 x 366/366)	= 56 687 954
For the period	01.10.2021-31.12.2021	(56 687 954x 92/92)	= 56 687 954
For the period	01.10.2020-31.12.2020	(56 687 954x 92/92)	= 56 687 954

**Indicative earnings per share from continuing operations:**

For the period	01.01.2021-31.12.2021	35 004 thousand euros/ 56 687 954 = 0.62 euros
For the period	01.01.2020-31.12.2020	-3 279 thousand euros / 56 687 954 = -0.06 euros
For the period	01.10.2021-31.12.2021	7 292 thousand euros/ 56 687 954 = 0.13 euros
For the period	01.10.2020-31.12.2020	1 894 thousand euros/ 56 687 954 = 0.03 euros

**Indicative earnings per share:**

For the period	01.01.2021-31.12.2021	29 757 thousand euros/ 56 687 954 = 0.52 euros
For the period	01.01.2020-31.12.2020	-55 678 thousand euros / 56 687 954 = -0.98 euros
For the period	01.10.2021-31.12.2021	7 292 thousand euros/ 56 687 954 = 0.13 euros
For the period	01.10.2020-31.12.2020	-45 005 thousand euros/ 56 687 954 = -0.79 euros

The convertible bonds issued by the Company did not have a dilutive effect on earnings in 2021 and 2020, therefore they have not been included in the calculation of the diluted net profit (loss) per share and diluted net profit (loss) per share equals the net profit (loss) per share indicator.

## Note 19. Shareholders meetings

The annual shareholders meeting of AS Pro Kapital Grupp took place on 7 July 2021. In total 33 268 913 votes were represented, which forms 58,69% of all votes attached to the shares. The main decisions adopted at the meeting were as follows:

1. The audited annual report of the Company for the financial year of 2020 was approved.
2. It was decided to cover net loss for the financial year which ended 31 December 2019 in the amount of 2 096 645 euros with retained earnings of previous periods.
3. It was decided to cover net loss for the financial year which ended 31 December 2020 in the amount of 55 677 271 euros with retained earnings of previous periods in the amount of 47 646 533 euros, from the revaluation reserve in the amount of 2 983 778 euros, from the statutory reserve in the amount of 1 133 759 euros and from share premium in the amount of 3 913 201 euros.
4. It was decided to elect Ernst & Young Baltic AS as the auditor of the Company for the financial year of 2021.

Minutes of the annual shareholders meeting have been published on AS Pro Kapital Grupp web page [www.prokapital.com](http://www.prokapital.com).

## Note 20. Transactions with related parties

Transactions with related parties are considered to be 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	2021 12M	2020 12M
Significant owners and owner related companies		
Revenues	13	14
Loans received	0	100
Interest expenses incurred	8	4
Minority shareholders		
Interest expenses incurred	10	37
Other shareholders / bondholders		
Interest expenses incurred	912	754
Redemption of convertible bonds	337	33
Redemption of non- convertible bonds	0	100
Interest payments	746	789
Members of the Management Board and Council		
Salaries and bonuses paid to management	1 733	915
Administrative expenses	11	19
Revenues	150	0

### Payables to related parties

in thousands of euros	31.12.2021	31.12.2020
Long-term payables		
To significant owner related company	0	104
To minority shareholders	0	547
<b>Total</b>	<b>0</b>	<b>651</b>

Shareholding in the Company %	31.12.2021	31.12.2020
Significant owner and owner related companies	49.59%	45.99%
Members of the Board and individuals related them	0.50%	0.50%
Members of the Council and individuals related them	0.08%	0.08%

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

## 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 the twelve months and the fourth quarter of 2021.

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      Chairman of the Management Board      28 February 2022

Angelika Annus      Member of the Management Board      28 February 2022