PROKAPITAL

AS PRO KAPITAL GRUPP

SUPPLEMENT TO THE OFFERING AND TRADING PROSPECTUS

This document (the "**Supplement**") is a supplement to the prospectus (the "**Prospectus**"), dated 18 September 2017, prepared by AS Pro Kapital Grupp (the "**Company**"), an Estonian company with registration number 10278802, in relation to the offering (the "**Offering**") of up to 6,000,000 Company's shares with ISIN EE3100006040 (the "**Shares**") and admission of the Shares to trading on the Secondary List of Nasdaq Tallinn, a regulated market operated by Nasdaq Tallinn AS (the "**Admission**").

The Offering, as set out in the prospectus, is made to:

(a) the shareholders of the Company, who own any shares of the Company on 4 October 2017 at the end of working time of the Securities Register (or at 23:59 (Tallinn time) if the Securities Register has not joined TARGET2-Securities by that date) (the "**Existing Shareholders**"),

(b) natural and legal persons selected by the supervisory council of the Company to whom the Shares are offered for a total consideration of at least EUR 100,000 per person (except for the persons whose involvement in the Offering requires any extra registration, prospectus or other measures in addition to those necessary under Estonian law and taken by the Company) (the "**Institutional Investors**");

(c) the members of the Management Board and the Supervisory Council of the Company (the "**Management**") and

(d) Estonian natural and legal persons other than Existing Shareholders and Institutional Investors (the "**Estonian Retail Investors**") (the Existing Shareholders, the Institutional Investors, the Management and the "**Estonian Retail Investors**" are the "**Investors**").

See section 3 "Risk Factors" in the Prospectus for a discussion of certain factors that should be considered by prospective investors.

The Offering is not directed to persons whose involvement in the Offering requires any extra registration, prospectus or other measures in addition to those necessary under Estonian law and taken by the Company. No action has been or will be taken in any jurisdiction by the Company in addition to those set out in Section 2.2 (Registration) of the Prospectus. The Offering is not being made in any jurisdiction in which it would not be permissible to offer the Shares.

The Shares have not been, and will not be, registered under the securities laws of any state of the United States, nor under any other jurisdiction except Estonia and Italy.

The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities law of any state or other jurisdiction of the United States. The Shares have not been registered under the applicable securities laws of Australia, Canada or Japan and may not be offered, sold or otherwise transferred, directly or indirectly, in or into Australia, Canada or Japan for the account or benefit of citizens or residents of Australia, Canada or Japan, except pursuant to an exception from the registration requirements to the applicable securities laws. Potential investors with registered addresses in overseas territories are required by the Company to inform themselves about and observe any restrictions on the offer, sale or transfer of the Shares and the distribution of this document.

The Shares may not be offered, sold, resold, allotted or subscribed to, directly or indirectly, in the countries where it is unlawful to do so without meeting additional requirements unless any applicable exemption of those requirements exists.

Publication or distribution of copies of the Prospectus or this Supplement or any related documents are not allowed in those countries where such distribution or participation in the Offering requires any extra measures or is in conflict with the laws and regulations of these countries.

Persons who receive the Prospectus or this Supplement or any related document should inform themselves about any restrictions and limitations on distribution of the information contained in the Prospectus and this Supplement and on acceptance of the Offering. The Company is not liable in cases where persons or entities take measures that are in contradiction with the restrictions mentioned in this paragraph.

Neither the delivery of the Prospectus or this Supplement nor any subscription or purchase made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company and/or the Group since, or that the information contained herein is correct as of any time subsequent to, the date of this document.

The date of this Supplement is 2 October 2017.

PERSONS RESPONSIBLE AND LIMITATIONS OF LIABILITY

The person responsible for the information provided in this Supplement is the Company, i.e. AS Pro Kapital Grupp, a company established pursuant to Estonian laws, which is registered with the Estonian commercial register (Est. *äriregister*) (the "**Commercial Register**") with registration number 10278802 and with the registered address at Sõjakooli 11, 11316, Tallinn, Estonia.

The Company accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Company, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import.

Tallinn, 2 October 2017
Management Board of AS Pro Kapital Grupp

Mr Paolo Vittorio Michelozzi	*Chairman of the Management Board*	_____
Mr Allan Remmelkoor	*Member of the Management Board*	_____
Mr Edoardo Preatoni	*Member of the Management Board*	_____

Without prejudice to the other sections of the Prospectus or this Supplement, no responsibility is accepted by the person responsible for the information given in the Prospectus or this Supplement solely based on the summary of the Prospectus, unless such summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus and this Supplement or it does not provide, when read together with the other parts of the Prospectus and this Supplement, key information.

Any persons in possession of this Supplement should not assume that the information in this Supplement is accurate as of any other date than the date of this Supplement. The delivery of this Supplement at any time after its date will not, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Supplement is correct as of any time since its date.

2. INFORMATION ABOUT THE SUPPLEMENT

2.1 Governing Law and Jurisdiction

This Supplement has been prepared in accordance with the rules and regulations in the Estonian Securities Marker Act (Est. *väärtpaberituru seadus*) and the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, including Annexes III and XXV of the Regulation, each as amended.

This Supplement shall be governed by the law of Estonia, except to the extent the rules of private international law applied by the competent court provide for the mandatory application of the laws of any other jurisdiction. Any disputes arising in connection with this Supplement shall be settled by Harju County Court (*Harju maakohus*) in Estonia unless the exclusive jurisdiction of any other court is provided for by the provisions of law which cannot be derogated from by an agreement of the parties.

2.2 Registration

Before publication of this Supplement, it has been approved by and registered with the Estonian Financial Supervisory Authority (*Finantsinspektsioon*) in accordance with the provisions of the Estonian Securities Marker Act. It should be noted that such approval and such registration does not constitute any guarantee from the Estonian Financial Supervisory Authority that the information in this Supplement is accurate or complete.

Before publication of this Supplement, it has been validly notified to the European Securities Markets Authority (EMSA) and Commissione Nazionale per le Societa ela Borsa (CONSOB).

The Supplement has been notified to ESMA and CONSOB only in connection with the offering of Shares to the Existing Shareholders. In addition to the Offering to the Existing Shareholders, the Company does nof publicly offer the Shares in any jurisdiction other than Estonia.

2.3 Purpose of the Supplement

This Supplement has been prepared by the Company for the sole purposes of carrying out the Offering and Admission.

2.4 Sections incorporated by reference

Sections 1.5 to 1.9 of the Prospectus apply mutatis mutandis to this Supplement. Unless otherwise defined herein or evident from the context, capitalised terms and expressions used in this Supplement have the same meaning given to them in the Prospectus.

3. SUPPLEMENTS TO THE PROSPECTUS

In connection with an announcement published by the Company on 20 September 2017, the information provided regarding the status (as of 30 June 2017) of the Tondi Quarter development project in section 6.2 (*Investments*) of the Prospectus, and section 22 (*Material Contracts*) of the Prospectus are hereby supplemented with the following information regarding the start of the third construction phase of the Kristina houses in the Kristiine City district in Tondi Quarter:

"*On 19 September 2017 OÜ Marsi Elu has notified AS Nordecon to start with the third construction phase. In the third phase also a 5-story residential building with 31 apartments shall be completed, which is the sixth buidling of Kristina houses development, in addition all roads and networks of the Kristina houses development will be completed. Loan agreement for the sixth building will be signed, if bank financing will be required. The planned completion of the works is December 2018 and the price of the construction works is slightly over 2,600,000.00 Euros, to which VAT is added.*

In addition, OÜ Marsi Elu and Nordecon AS have agreed on option for the fourth construction phase, exercising of which will result in 31 additional apartments.

As of 20 September 2017, in the 3 buildings already completed in Kristiine City only 5 apartments from 93 were still on sale, in the 4th building currently under construction 22 apartments out of 31 had been sold and in the 5th building currently under construction 12 apartments out of 31 had been sold.".

In connection with the sale of the Group's hotels in Tallinn and Riga (see pages 66 and 67 of the Prosectus), the information provided in section 24.1 (*Working Capital Statement*), and section 24.2 (*Capitalisation and Indebtedness*) of the Prospectus are hereby supplemented by following information:

The influence of the sale of the Group's hotels in Tallinn and Riga (see pages 66 and 67 of the Prosectus) on the Company's working capital, and capitalisation and indebtedness was as follows:

- *Based on 2016 consolidated financial results, the Company revenue decreased by EUR 3.1 million (includes only revenue of operators as SIA Investhotel revenue consists of internal revenue) and net profit decreased by EUR 0.9 million. At the same time, based on 2016 consolidated financial results, the financial liabilities of the Company decreased by EUR 6.1 million and cash assets increased by EUR 6.9 million.*
- *Compared to 2017 half year consolidated financial results the sale of the hotels resulted in:*
    - *the increase in the current assets of the Company by EUR 7.3 million;*
    - *the decrease in the financial indebtedness of the Company by EUR 5.8 million (including the decrease in the current financial debt by EUR 3.0 million);*
    - *the increase in the working capital (i.e. the difference between the Company's consolidated current assets and current liabilities) of the Company by EUR 10.3 million.*

4. TERMS AND CONDITIONS OF THE OFFERING

All the terms and conditions of the Offering, including section 24.6 (*Terms and Conditions of the Offering*) of the Prospectus, shall remain the same.

5. RIGHTS OF THE INVESTORS

The Investors who have submitted Subscription Undertakings before the announcement of the Supplement may cancel their Subscription Undertakings within 2 (two) business days after the announcement regarding the Supplement (i.e. at latest on 4 October 2017 at 23:59 (Tallinn time)). Investors who have not cancelled their Subscription Undertakings within the above-referred period shall be deemed to have accepted all information set out in this Supplement.

To cancel or amend a Subscription Undertaking, the Investor must send a notice specifying (a) the Subscription Undertaking, which the Investor wants to amend or cancel and (b) in case of an amendment, the respective amendments.

The notice must be delivered by following the procedure, which is applicable to the submission of the Subscription Undertakings. Please see section 24.6.5 (*Subscription*) of the Prospectus.