

Park Street Nordicom A/S - Interim Financial report, 1st half of 2018

Copenhagen, 29 August 2018

In the first half of 2018 Park Street Nordicom achieved EBVAT (Earnings before value adjustments and tax) of DKK 41.4 million (2017: DKK 2.1 million) which was in line with management expectations for the period. The increase is driven by an increase in the gross profit and a significant reduction of the financial expenses.

Profit for the period after tax is DKK 37.2 million. The corresponding profit for the period in 2017 was DKK 52.6 million, which was driven by one off gains related to restructuring process. The Group Equity at 30 of June 2018 is DKK 734.9 million compared to DKK 554.9 million at 31 December 2017; the increase is driven by an increase in share capital from cash injection and debt converted into equity.

The Board of Directors of Park Street Nordicom A/S today discussed and approved the company's Interim report 2018, which contained the following:

The period in outline

- n The period generated a profit of DKK 37.2 million (1st half of 2017: DKK 52.6 million including special items of DKK 55.4).
- n During the period, Park Street Nordicom achieved EBVAT (earnings before value adjustments and tax) of DKK 41.4 million (1st half of 2017: DKK 2.1 million). The EBVAT achieved is thus DKK 39.3 million higher than the corresponding amount achieved in 2017.
- n Compared with the 1st half of 2017, the EBVAT improvement is caused by a reduction of financial expenses by DKK 32.0 million. Gross profit improvement of DKK 6.9 million and reduction of DKK 2 million in overhead costs also affected positively the EBVAT for the first half of 2018.
- n During the period, Park Street Nordicom had few changes in its portfolio:
 - i Sale of 3 land plots in Halvdans Vænge, Næstved
 - i Acquisition of a commercial property in Ringsted.
- n No fair value adjustments to investment properties have been performed in the first half of 2018 (1st half of 2017: DKK 1.8 million).
- n The Group's equity was positive at DKK 734.9 million at 30 June 2018 (31 December 2017: DKK 554.9 million).
- n Park Street Nordicom's net cash flow in the 1st half of 2018 was DKK 5.8 million (1st half of 2017: DKK -60.9 million), profit from operations have been primarily utilised to reduce financial debt.

The management of Park Street Nordicom maintains its expectations for EBVAT of DKK 80 - 85 million for 2018.

Subsequent events after June 30, 2018

- n Park Street Nordicom has refinanced a bank facility agreement of 87 million DKK which was expiring by the end of June 2018. The new facility agreement of 100 million DKK has a maturity of one year with and extension option for an additional year.
- n On August 1st, 2018 Park Street Nordicom has sold a retail asset located in Hillerød. The sale of the asset has generated a profit not considered in the Budget published for 2018. A residential unit has been acquired with effective takeover date of November 1, 2018 in the Østerbro neighbourhood in Copenhagen.
- n With effective date as of September 1st the Group has acquired 100% of the shares of the architect company Phoam Studio ApS.

Amendments on the Financial Calendar 2018

The Board of Directors of Park Street Nordicom A/S has agreed to publish the Half year report for 2018 the 29th of August 2018 instead of the 30th of August 2018 as previously announced.

Management comments on the Interim report

In connection with the interim report for Q2 2018, CEO Pradeep Patten states the following:

"Park Street Nordicom is making significant progress with the optimisation of the operations. This is evidenced by the consolidation of over 150 service contracts and several suppliers with a strategic agreement with ISS, clear improvements in the operating margins and gradual deployment of systems to enhance internal transparency of operations. I strongly believe that the future of real estate sector will be reshaped, driven by extraordinary improvement opportunities that technology tools enable, furthermore the sector will further shift towards higher service-oriented approach. At PSN we are keenly working with an ambition to impact such changes in the sector. At the same time, there is lot to be done in further improving our space utilisation, and in performing selective redevelopments to enhance value – this will be our immediate focus. Group expectations for EBVAT (earnings before value adjustments and tax) at year-end 2018 remains at DKK 80 - 85 million, before the inclusion of profits generated in the sale of a property (in August 2018) and revaluation of investment properties due to the selective redevelopments that the Group is working on currently."

Further information

If further information is required, CEO Pradeep Patten of Park Street Nordicom can be contacted by phone on 33 33 93 03.

Attached files

Interim report 2018 is attached to this announcement.
Copenhagen,

Andrew La Trobe
Chairman

Pradeep Pattem
CEO

This company announcement contains some forward-looking statements, including statements about Park Street Nordicom's activities. Such forward-looking statements are based on information, assumptions and assessments that Park Street Nordicom finds reasonable. These forward-looking statements cover known and unknown risks, uncertainties and other material factors that may cause Park Street Nordicom's actual profits, growth or performance to differ considerably from the future profits, growth and performance expressed or implied in connection with these forward-looking statements. If one or more of these risk factors or elements of uncertainty is triggered or if an underlying assumption turns out to be incorrect, Park Street Nordicom's actual financial position or operating profits may differ considerably from that which is described as assumed, assessed, estimated or expected.

Attachment

- 1 [Park Street Nordicom Interim report Half Year 2018](#)