

Park Street Nordicom A/S – Annual Report 2018 / EBVAT expectations for the year 2019

A typographic error has been made on page 5 of the Annual Report 2018 released on the 28th March 2019. The line “EBITDA increase to DKK 95 – 105 Million” should be read as “EBVAT increase to DKK 95 – 105 Million”. The same error is rectified in the Management comment to reflect “The company expects the EBVAT for the year 2019 will be within the range of DKK 95 – 105 Million”

In 2018 Park Street Nordicom achieved EBVAT (earnings before value adjustments and tax) of DKK 84.0 million (2017: DKK 25.9 million) which was in line with management expectations for the period. Improvement in EBVAT is primarily driven by the reduction of financial expenses and an increase in the gross profit. Overall Profit for 2018 after tax is DKK 108.3 million against DKK 360.1 million in 2017. The decrease is due to a smaller revaluation of investment properties of DKK 54.7 million (2017: DKK 332.7 million) and no one-off profits (2017: DKK 89.7 million). The Group Equity at 31st December 2018 is DKK 810.7 million compared to DKK 554.9 million as at 31 December 2017; the increase is also 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 Annual Report 2018, which contained the following:

The period in outline

- n Yearly result was a profit of DKK 108.3 million (2017: DKK 360.1 million).
- n For 2018 Park Street Nordicom achieved EBVAT (earnings before value adjustments and tax) of DKK 84.0 million (2017: DKK 25.9 million) which was in line with management expectations for the period. The EBVAT is primarily driven by the reduction of financial expenses (DKK 39.9 million), improvement of the gross profit (DKK 14.0 million) and a reduction of the overhead costs (DKK 4.1 million).
- n The vacancy rate (by rental value) in investment properties was 9.8% in 2018 against 11.4% in 2017.
- n During the period, Park Street Nordicom sold:
 - i Halfdans Vænge, Næstved (3 plots)
 - i Commercial property in Hillerød
- n During the period, Park Street Nordicom acquired:
 - i Commercial property in Ringsted
 - i Residential unit in Østerbro, Copenhagen.
- n A total net adjustment of DKK 42.6 million in the value of investment properties was included in the income statement (2017: DKK 259.5 million). A new evaluation has been made for 2018 adjusting the yield and the estimated profit and loss for the entire portfolio of Park Street Nordicom A/S.
- n No fair value adjustments in the debt and special items have been performed in 2018 (2017: DKK 89.7 million).
- n The sale of a non/core property generated a profit of DKK 3.7 million.
- n The Group's equity was positive at DKK 810.7 million at 31 December 2018 (31 December 2017: DKK 554.9 million).
- n Park Street Nordicom's net cash flow in 2018 was DKK 34.4 million (2017: DKK -59.3 million), primarily driven by an increase in the cash flow from operating activities of DKK 77.2 million.

Subsequent events after December 31, 2018

On February 1, 2019 an additional residential unit has been acquired in an existing property partially owned by Park Street Nordicom in Østerbro, Copenhagen.

Management comments on the Annual report

In connection with Annual Report 2018, CEO Pradeep Patterm states the following:

“Year 2018 marks the first year of the new journey at Park Street Nordicom in establishing a best in class European Real Estate Platform driven by technology and design. I am proud of the tremendous progress made by our team in streamlining operations, decreasing vacancies and in shaping the design and redevelopment ideas for several assets across our portfolio. While some of the results of these efforts are reflected in the improved operating margins and top-line, the larger impact is the progress we are making in establishing the systems and design processes which should position us well for the next phase of developing scalable portfolios and brands. The company expects the EBVAT for the year 2019 will be within the range of DKK 95-105 million.”

Attached files

The Annual Report 2018 and the Statement of the mandatory review of Corporate Governance, cf. section 107b of the Danish Financial Statement Act, is attached to this announcement.

Copenhagen,

Andrew La Trobe
Chairman

Pradeep Patterm
CEO

Further information

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Attachment

- | [Annual Report Park Street Nordicom AS and subsidiaries \(2018\)](#)