

Company AS Pro Kapital Grupp
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Attachments:

- PKG Q2 2017 ENGL.pdf (<http://oam.fi.ee/en/download?id=3132>)
- PKG Q2 2017 EST.pdf (<http://oam.fi.ee/en/download?id=3133>)

Currency

Title CONSOLIDATED INTERIM REPORT FOR II QUARTER AND 6 MONTHS OF 2017 (UNAUDITED)

During the second quarter of 2017 Pro Kapital continued construction works of the new T1 Mall of Tallinn shopping and entertainment centre in Tallinn, which is the Company's largest single-object development project. Active negotiations with several local and international retail operators were carried on. The Company continued development activities also in Kliversala residential quarter in Riga and residential development projects - Šaltini? Namai in Vilnius and Kristiine City in Tallinn, in Tondi.

In Vilnius by the issuing of the present report 42 apartments out of 44 in building K4-1 have been handed over to the clients. In January 2017, the construction works for the second stage residential buildings started and 56 preliminary agreements have been signed.

In Tallinn, Kristiine City (Tondi quarter), the Company has completed three apartment buildings where 87 apartments out of 93 have been handed over to the clients. Presale continued for the fourth building with 24 presale agreements signed and started also in the fifth building with 12 presale agreements already signed. Presale for Marsi 6 historical building that will be renovated into a special design loft apartments have been continued successfully having 38 presale agreements out of 45 flats signed.

In Riga, the construction works for the first residential building in Kliversala project were continued and 9 presale agreements have been signed out of 47 flats in total. The projecting works were continued also for Tallinas Residential Complex and were initiated for the first stage of office complex in Zvaigznes Quarter.

After the reporting period Pro Kapital concluded the sale transaction of its hotel activities both in Tallinn and in Riga. The goal of the transaction was to exit Tallinn and Riga hotel market which has not been a core business for



the Company and to help to speed up the development of its real estate projects in the market which has positive trends.

Total revenue of the Company for six months in 2017 was 7 566 thousand euros, a decrease of 8% compared to the reference period (2016 6 months: 8 203 thousand euros). Total revenue of the second quarter was 3 952 thousand euros comparing to 5 426 thousand euros in 2016.

Net operating result during six months increased by 744 thousand euros (59%) compared to the reference period, totalling to loss of 524 thousand euros (2016 6 months: loss of 1 268 thousand euros). Net operating result for the second quarter was loss of 27 thousand euros (2016 Q2: loss of 319 thousand euros).

Net result for six months of 2017 has increased by 839 thousand euros (27%) compared to the reference period, totalling to loss of 2 310 thousand euros (2016 6 months: loss of 3 149 thousand euros). Net result for the second quarter was loss of 881 thousand euros (2016 Q2: loss of 1 668 thousand euros).

Key financial figures

	2017 6M	2016 6M	2017 Q2	2016 Q2
Revenue, th EUR	7 566	8 203	3 952	5 426
Gross profit, th EUR	2 347	1 409	1 412	1 146
Gross profit, %	31%	17%	36%	21%
Operating result, th EUR	-524	-1 268	-27	-319
Operating result, %	-7%	-15%	-1%	-6%
Net result, th EUR	-2 310	-3 149	-881	-1 668
Net result, %	-31%	-38%	-22%	-31%
Earnings per share, EUR	-0,04	-0,06	-0,02	-0,03
	30.06.2017	30.06.2016		31.12.2016
Total Assets, th EUR	151 944	142 008		142 314
Total Liabilities, th EUR	74 529	60 459		62 110
Total Equity, th EUR	77 415	81 549		80 204
Debt/ Equity	0,96	0,74		0,77
Return on Assets, %	-1,6%	-2,3%		-3,0%
Return on Equity, %	-2,9%	-3,8%		-4,8%
Net asset value per share, EUR	1,43	1,50		1,48

Consolidated interim statements of financial position

in thousands of euros

30.06.2017 31.12.2016



ASSETS		
Current Assets		
Cash and cash equivalents	3 181	5 382
Current receivables	4 737	4 475
Inventories	29 524	14 144
Total Current Assets	37 442	24 001
Non-Current Assets		
Non-current receivables	40	42
Property, plant and equipment	18 130	18 336
Investment property	96 038	99 660
Intangible assets	294	275
Total Non-Current Assets	114 502	118 313
TOTAL ASSETS	151 944	142 314

in thousands of euros 30.06.2017 31.12.2016

LIABILITIES AND EQUITY		
Current Liabilities		
Current debt	7 319	8 261
Customer advances	5 290	2 226
Current payables	5 316	8 502
Taxes payable	318	547
Short-term provisions	145	5
Total Current Liabilities	18 388	19 541
Non-Current Liabilities		
Long-term debt	50 580	38 040
Other long-term liabilities	2 182	804
Deferred income tax liability	3 330	3 360
Long-term provisions	49	365
Total Non-Current Liabilities	56 141	42 569
TOTAL LIABILITIES	74 529	62 110
Equity attributable to equity holders of the parent		
Share capital in nominal value	10 854	10 854
Paid in capital	1 816	1 816
Statutory reserve	1 082	1 082
Revaluation reserve	9 462	9 462
Retained earnings	55 017	59 104
Profit (loss) for the period	-2 265	-3 913
Total equity attributable to equity holders of the parent	75 966	78 405



Non-controlling interest	1 449	1 799
TOTAL EQUITY	77 415	80 204
 TOTAL LIABILITIES AND EQUITY	 151 944	 142 314

Consolidated interim statements of comprehensive income

in thousands of euros	2017 6M	2016 6M	2017 Q2	2016 Q2
Operating income				
Revenue	7 566	8 203	3 952	5 426
Cost of goods sold	-5 219	-6 794	-2 540	-4 280
Gross profit	2 347	1 409	1 412	1 146
Marketing expenses	-503	-202	-289	-85
Administrative expenses	-2 642	-2 569	-1 365	-1 388
Other income	302	152	238	47
Other expenses	-28	-58	-23	-39
Operating profit/ loss	-524	-1 268	-27	-319
Financial income	2	16	1	14
Financial expense	-1 747	-1 883	-858	-1 355
Loss before income tax	-2 269	-3 135	-884	-1 660
Income tax	-41	-14	3	-8
Net loss for the period	-2 310	-3 149	-881	-1 668
Equity holders of the parent	-2 265	-3 116	-854	-1 651
Non-controlling interest	-45	-33	-27	-17
Earnings per share (EUR)	-0,04	-0,06	-0,02	-0,03
Diluted earnings per share (EUR)	-0,04	-0,06	-0,02	-0,03

Consolidated interim statements of cash flows

in thousands of euros	2017 6M	2016 6M	2017 Q2	2016 Q2
Cash flows from operating activities				
Loss for the year		-3 149	-881	-1 668
Adjustments for:				
Depreciation and amortisation of non-current assets	351	357	176	183
Finance income and costs	1 744	1 867	857	1 341
Other non-monetary changes (net amounts)	12 898	50	314	21
Changes in working capital:				



Trade receivables and prepayments	-260	349	-167	-428
Inventories	-15 380	1 194	-2 438	1 761
Liabilities and prepayments	997	-1 071	2 749	-1 452
Provisions	-175	-34	-187	42
Net cash from operating activities	-2 135	-437	423	-200
Cash flows from investing activities				
Payments for property, plant and equipment	-141	-100	-43	-87
Payments for intangible assets	-24	-1	0	0
Payments for investment property	-9 057	-4 423	-4 972	-2 653
Proceeds from sales of non-current assets	0	-2 813	0	-2 813
Interests received	3	16	2	14
Net cash from investing activities	-9 219	-7 321	-5 013	-5 539
Cash flows from financing activities				
Net changes in non-controlling interests	-480	826	0	0
Proceeds from bonds	1 164	15 450	1 164	14 549
Redemption of convertible bonds	-539	-12	-17	0
Proceeds from borrowings	11 034	1 554	4 584	765
Repayment of borrowings	-324	-1 950	-156	-1 429
Interests paid	-1 702	-1 860	-1 135	-1 291
Net cash from financing activities	9 153	14 008	4 440	12 594
Net change in cash and cash equivalents	-2 201	6 250	-150	6 855
Cash and cash equivalents at the beginning of the period	5 382	6 392	3 331	5 787
Cash and cash equivalents at the end of the period	3 181	12 642	3 181	12 642

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