

Company AS Pro Kapital Grupp
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Attachments:

- PKG 2020 ENG.pdf (<http://oam.fi.ee/en/download?id=5594>)
- PKG 2020 EST.pdf (<http://oam.fi.ee/en/download?id=5595>)

Currency

Title Audited annual report 2020

On 11 June 2021, the Supervisory Council of AS Pro Kapital Grupp has approved the company's 2020 audited annual report.

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 108.6 million euros as at 31 December 2019, restated by 2.3 million 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
Including net result from fair value adjustments from investment property	-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	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	263	427
TOTAL EQUITY	69 305	71 566
TOTAL LIABILITIES AND EQUITY	208 560	210 821



Differences between comparative information of unaudited financial results for the year ended 31 December 2020 presented in this report and interim financial results of 2020, which were published on 26 February 2021

Consolidated statement of comprehensive income

in thousands of euros		2020 12M (Unaudited)	2020 12M

Administrative expenses		-6 154	-5 587
Other expenses		-43 586	-41 978
Including net result from fair value adjustments from investment property	-43 128	-41 902	
Operating profit/ loss		-43 108	-40 933
Profit/ loss before income tax		-59 102	-56 927
Profit/ loss for the period		-59 456	-57 281
Attributable to:			
Equity holders of the parent		-55 678	-53 648
Non-controlling interest		-3 778	-3 633
Items that will not be reclassified subsequently to profit or loss			
Net change in properties revaluation reserve		-278	0
Total comprehensive income/ loss for the year		-59 734	-57 281
Attributable to:			
Equity holders of the parent		-55 956	-53 648
Non-controlling interest		-3 778	-3 633
Earnings per share for the period (EUR)		-0.98	-0.95



In the course of auditing process, the amendments have been made to administrative expenses and other expenses in relation to the subsidiary AS Tallinna Moekombinaat. Administrative costs increased by 567 thousand euros due to recording additional credit losses for expected rental revenues. Changes in other expenses are related to the fair value adjustment by 1 226 thousand euros and recording penalties of 382 thousand euros which have been accounted for off balance sheet and were recognised due to adjusting event (Note 18). Non-controlling interest has changed accordingly. Net change in properties revaluation reserve has decreased by 278 thousand euros and is related to the German hotel fair value. Total effect of changes in the statement of comprehensive income is 2 453 thousand euros additional loss for the period.

Consolidated statement of financial position

In thousands of euros	31.12.2020 (Unaudited)	31.12.2020
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Non-current assets		
Non-current receivables	3 517	4 085
Property, plant and equipment	6 745	7 023
Investment property	98 512	101 998
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Total non-current assets	109 506	113 838
TOTAL ASSETS	179 048	183 380
Current liabilities		
Current debt	107 581	79 939
Current payables	22 211	21 829
Total current liabilities	138 575	110 551
Non-current liabilities		
Long-term debt	27 255	54 897
Total non-current liabilities	30 902	58 544
TOTAL LIABILITIES	169 477	169 095



Equity attributable to owners of the Company

Revaluation reserve	2 984	3 262
Retained earnings	47 647	49 744
Profit/ loss for the period	-55 678	-53 648
Total equity attributable to owners of the Company	13 086	17 491
Non-controlling interest	-3 515	-3 206
TOTAL EQUITY	9 571	14 285
 TOTAL LIABILITIES AND EQUITY	 179 048	 183 380

In the course of auditing process, the amendments have been made to non-current assets, liabilities and equity. Non-current receivables decreased by 567 thousand euros due to recording additional credit losses on expected rental revenues. PPE and revaluation reserve have been influenced by change in fair value of the German hotel in amount of 278 thousand euros. The value of investment property has decreased by 3 486 thousand euros, of which 2 261 thousand euros is the effect from 2019 as described above and the rest from 2020 for similar adjustment. Current payables have increased by penalties in amount of 382 thousand euros which have been accounted for off-balance sheet and recorded due to adjusting event. Long-term debt has decreased and current debt has increased as per reclassification of secured bonds balance sheet value because of the event of not meeting financial covenants due to adjusting event (Notes 9 and 19). Total effect of net changes in the statement of financial position is a decrease of 4 332 thousand euros of which 2 261 is related to restatement in 2019.

The audited annual report of AS Pro Kapital Grupp for the financial year of 2020 is available at the headquarter of the company, located at Sõjakooli 11, Tallinn. The report can also be found on the company's webpage www.prokapital.com (<http://www.prokapital.com/>).

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