

ANNUAL REPORT // 2017



Company:

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Board of Directors:

Andrew John Essex La Trobe, Chairman

Pradeep Patten

Ohene Aku Kwabong

Lars-Andreas Nilsen

Anita Nassar

Hallur Eyfjörð Thordarson

Management:

CEO Pradeep Patten

Head of Finance David Casado

Auditor:

PriceWaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Main activity:

Park Street Nordicom is a fully integrated European real estate investment and asset management company with offices in Copenhagen and London. It owns and manages a large portfolio of commercial properties located mainly in the Copenhagen area and Jutland.

Annual General Meeting:

Annual General Meeting held April 19th, 2018 at 10:00 on Svanevej 12, 2400 Copenhagen K

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Director's report

Main Activity

Park Street Nordicom is a fully integrated European real estate investment and asset management company with offices in Copenhagen and London. It owns and manages a large portfolio of commercial properties located mainly in the Copenhagen area and Jutland.

Results of the year 2017

Park Street Nordicom result analysis primarily uses the term EBVAT (Earnings before value adjustments and tax) to measure the Group's operating results.

In 2017, Park Street Nordicom achieved EBVAT of DKK 25.9 million (2016: DKK 24.9 million), which is in line with management expectations for the period.

The EBVAT achieved is similar to the one achieved in 2016. Until the third quarter the results were lower than those achieved in 2016; however since the beginning of the 4th quarter of 2017 the EBVAT has improved due to the reduction of financial expenses as a consequence of lower margins on mortgage loans. This reduction in financial expenses is a consequence of the announcements performed on the 14th of July and the 2nd of November wherein new financing terms were agreed and part of the debt (credit facilities and bonds) were converted into class B shares. As a result of these steps, the outstanding debt was reduced and the margins on mortgage loans were closer to the market levels from the 4th quarter onwards.

The evolution of the EBVAT is influenced by the following factors:

- Gross profit in 2017 is DKK 132.1 million (2016: DKK 131.7 million) which brings a small increase of DKK 0.4 million. During this period there was a reduction of DKK 10.9 million of Rental Income and Income from Sale of Assets, due to the asset disposals done during the period. This was compensated by a reduction of operating expenses of DKK 7.9 million.
- Employee related and other external expenses excl. depreciation and amortization amounts to DKK 30.3 million in 2017 against DKK 29.8 million. The changes mainly relate to salary expenses and consultancy costs.
- Net financial items amounts to DKK -73.3 million in 2017 against DKK -74.9 million in 2016, representing a positive change of DKK 0.3 million. The market-based interest rates on the Group's mortgages have generally been lower than in 2016, however they have been offset by margin changes on the Group's mortgage debt (margins increased during the first three quarters of 2017 and decrease for Q4 2017 and going forward). In addition, the financial costs have reduced due to the debt reductions made across 2017.

Net Profit of the period has improved from DKK 43.4 million in 2016 to DKK 360 Million in 2017 due to the following effects:

- Fair value adjustments on investment properties with a net of DKK 259.5 Million. A new evaluation of the domicile and investment properties have been made for 2017 adjusting the yield and the estimated profit and loss by the entire portfolio of Park Street Nordicom A/S (2016: DKK 0.4 Million).
- Fair value adjustments on debt of DKK 34.1 Million (DKK -10.7 Million).
- Debt relief linked to the sale of investment properties and agreement with banks involved in the restructuring process of DKK 60.8 million in 2017. This amount has been partly offset with the DKK -5.1 Million costs incurred with external consultants in relation to the restructuring work.

The Group's equity as at 31 December 2017 was DKK 554.9 million, compared to DKK -33.1 million as at 31 December 2016. The improvement in the Group's equity is due to the results of the significant restructuring, recapitalisation and refinancing activities of Park Street Nordicom and a revaluation of the Investment properties owned by the group. The process to further strengthen the capital continues in the form of conversion of debt into capital, as well as cash capital injection (see note below on subsequent events after December 31, 2017).

Restructuring and Stengthening of the Group's Financial and Operational Structure

The restructuring of Park Street Nordicom has made significant progress during 2017 and several key steps to improve the capital structure of the Group have been completed by the 27 February 2018. The restructuring generally consisted of the following elements:

- Renegotiation of loan facilities
- Simplify the group structure
- Injection of new capital
- Strengthen the business plan and the organisation

Renegotiation of loan facilities

Negotiations with the Group's primary creditors, and new terms for financial liabilities have been agreed at market levels. In the financial statement for 2016 it was stated that negotiations have been concluded for 14% of financial liabilities at that time. Consequently, by the end 2017, negotiations were concluded for all of the Group's financial liabilities and such negotiated steps were implemented by the 27th February 2018.

Simplify the group structure

By the end of 2017, the merger of all active subsidiaries into Park Street Nordicom A/S was registered, thus creating the basis for a more efficient, sustainable company. A new entity named Park Street Nordicom UK Ltd. was created during February 2017, constituting the only active subsidiary of the Group.

Injection of new capital

As approved at the Annual general meeting on 27th April 2017, the Group decided to exercise its authorization and proceed with a share capital increase at the market price through debt conversion against an issuance of class B shares. After this issuance of the class B shares, the Group's total share capital increased to a nominal amount of DKK 42.8 Million; the debt converted into equity had a market value of DKK 202 Million.

As indicated below in the subsequent events (note 32), an additional share capital increase of class B shares has been made with a nominal amount of DKK 67.5 Million on the 27th of February 2018. This increase has been made through the conversion of debt with a nominal value of DKK 92.7 Million and cash capital injection of DKK 50 Million.

Both injections of share capital have been made by the main shareholder, Park Street NordAc Sarl, a controlled company of Park Street Asset Management Ltd. On 31st December 2017 the share capital owned by the main shareholder was 87.62% (55.89% of Class A shares and 100% of Class B shares). After the additional share capital increase as of 27th February 2018 Park Street NordAc holds 92.14% of the total nominal share capital of the Company.

Strengthen the business plan and the organisation

The Board of Directors and the management are working to develop a new business plan in order to create a fully integrated European real estate investment and asset management company that can build upon the strengths of its Danish platform.

In parallel with the implementation of the restructuring plan, Park Street Nordicom has started processes to improve the strategy and policies, optimise IT systems and procedures and strengthen the organisation.

The general real estate market in context of Park Street Nordicom Portfolio

The real estate market in Denmark is thriving against a backdrop of sustained economic growth, public sector investments and increasing foreign capital. While Core Assets and Greater Copenhagen have been the prime focus for investors in the past, there is currently a clear strategic shift of capital towards Value Add assets and Secondary Cities in Denmark. Park Street Nordicom's portfolio was built over two decades with an eye for development and redevelopment opportunities. Whilst significant majority of the current portfolio is sustainably occupied and is cash generating, there remain opportunities in several assets to create significant further value, with additional capital investments. The market environment is also supportive of selectively improving the profile of existing leases working with the long term requirements of tenants.

Park Street Nordicom is reviewing opportunities for creating further value via operational improvements, lease renegotiations and vacancy reductions. The Group is also selectively establishing redevelopment opportunities through on the ground research and partnership discussions.

The operation of the Group's properties in 2017 was generally as expected with the vacancy rate (calculated by rental value) for the Group's investment properties at 11.4% in 2017, against 11.6% for all of 2016. Significant portion of this vacancy is concentrated on a potential redevelopment projects in Taastrup, Odense, and within storage assets in Næstved. Plans to establish the viability of these projects and further steps will be developed over the coming year.

Property acquisitions and sales

In 2017, Park Street Nordicom sold the following properties and plots:

- Randlevvej, Odder (2 plots)

Park Street Nordicom has made the following contracts of sale with handover to the buyers in 2017:

- Halfdans Vænge, Næstved (5 plots).

In addition to the above sales, Park Street Nordicom has sold 2 additional land plots in Halfdans Vænge, Næstved with handover to the buyers after December 2017.

Park Street Nordicom did not acquire any properties in 2017. In January, 2018 a commercial property has been acquired in Ringsted. This property is adjacent and connected to an existing property in the portfolio

Organisation

From May 2017 Pradeep Patten has taken up the position as CEO of Park Street Nordicom and stepped down as chairman of the Board of the same company.

Andrew La Trobe has been elected as new chairman of the Board of Park Street Nordicom. He was elected to the Board of Directors at the Annual general meeting on 27th April 2017.

The Board of Directors of Park Street Nordicom then consists of Andrew La Trobe, Pradeep Patten, Ohene Aku Kwapong, Lars-Andreas Nilsen, Anita Nassar and Hallur Eyfjörd Thordarson.

The number of employees of Park Street Nordicom were 24 by the end of 2017 and 26 as of March 2018, against 26 at the start of the year.

Subsequent events after December 31, 2017

As stated in the Nasdaq announcement of 27th of February 2018, the board of directors of Park Street Nordicom A/S decided to exercise its authorisation granted at the annual general meeting held on 27 April 2017 to complete a direct capital by cash injection at market price against issuance of class B shares as well as direct capital increase at market price through debt conversion against the issuance of class B shares.

The total cash capital injection is DKK 50 Million and the nominal amount of the converted debt is DKK 92.69 Million. The new class B shares subscription has been made at a marked price of 5.786. Thus, the total capital increase amounts to DKK 142.69 Million class B shares.

Park Street NordAc Sarl, a controlled company of Park Street Asset Management Ltd, subscribed to all the new class B shares in connection with the capital increase.

After the subscription of the new class B shares Park Street Asset Management Ltd. and Park Street NordAc Sarl will own 100% of the nominal class B share capital and 55.89% of the nominal class A share capital and a total of 92.14% (and a corresponding percentage of the votes) of the total nominal share capital of the Company.

After the issue, the Group's total share capital will be a nominal amount of DKK 67,513,732.00, divided into class A shares of a nominal amount of DKK 12,027,858.00 and class B shares of a nominal amount of DKK 55,485,874.00.

As stated above, 2 land plots have been sold during 2018 in Halfdans Vænge, Næstved. Additionally a commercial property has been acquired in January 2018 in Ringsted.

Outlook for 2018

In 2018, the Group's key focus will be concentrated across the following areas:

- Vacancy reduction: Around 40% of the current vacancy is deemed to suitable for letting with limited capital investments. Over the year the Group will focus on reducing this vacancy.
- Operations Streamlining: The Group has started to streamline the operations in 2017 with implementing new systems, policies and strategic partnerships with external property administration. There is further work to be done in deploying technology driven systems to track performance and decision making at each property and lease level.
- Selective Redevelopments: The Group will seek to tap into significant opportunities in its portfolio suitable for Student Housing, Co-Working and conversions to residential.
- External Capital Partnerships: The Group will seek to develop selective investment partnerships to expand the assets under management to leverage its extensive network of reach across Denmark.

For the year 2018, Park Street Nordicom's expectations for EBVAT (earnings before value adjustments and tax) is DKK 80 - 90 Million.

Financial Highlights

Amounts in DKK 1000s	2017	2016	2015	2014	2013
Income statement					
Rental income	139,075	145,535	151,332	158,463	165,953
Total net sales	167,657	175,098	177,218	384,149	196,471
Gross profit	132,106	131,727	139,713	145,736	141,396
Operating profit (EBIT)	99,299	99,784	105,500	119,683	103,897
Profit from primary operations	392,800	24,471	124,349	110,740	-122,420
Financial items	-73,397	-74,926	-81,093	-79,155	-86,021
Earnings before value adjustments and tax (EBVAT)	25,902	24,858	24,407	40,528	17,876
Profit for the period	360,137	43,496	39,541	20,344	-191,870
Profit / loss for the year of discontinued activities	0	0	0	0	-2,718
The result of the year	360,137	43,496	39,541	20,344	-194,588
Statement of financial position					
Investment properties	2,255,395	1,918,052	2,040,654	2,158,228	2,208,685
Investments in property, plant and equipment	11,702	12,287	33,535	20,687	18,612
Balance sheet total	2,488,782	2,225,316	2,322,188	2,395,780	2,725,331
Interest-bearing debt	1,783,271	2,196,434	2,336,074	2,466,374	2,742,630
Total equity	554,947	-33,062	-84,145	-136,182	-156,526
Statement of cash flows					
Cash flows from operations	32,377	45,901	36,701	81,791	10,342
Cash flows from investment	24,893	144,433	89,342	54,820	40,427
Cash flows from financing	-116,556	-152,493	-129,380	-132,844	-49,969
Other disclosures					
Non-current liabilities as a proportion of total liabilities (%)	60.3	58.4	60.3	59.6	57.6
Share capital	42,853	12,028	12,028	12,028	12,028
Share price, end of period (DKK)	5.8	1.3	1.9	2.1	2.3
Share price change in points	4.5	-0.6	-0.2	-0.2	-2.4
Dividend per share	0.0	0.0	0.0	0.0	0.0
Number of employees in the Group (average)	24	26	20	25	32

Financial ratios

	2017	2016	2015	2014	2013
Return on property portfolio (% p.a.)	5.5	5.7	5.7	5.2	4.8
Average loan rate (% p.a.)	3.7	3.3	3.4	3.2	3.0
Return margin on property portfolio (% p.a.)	1.8	2.4	2.3	2.0	1.8
Return on equity (%)	64.9%	N/A	N/A	N/A	N/A
Equity ratio (%)	22.3%	Neg.	Neg.	Neg.	Neg.
Net asset value per share, end of period (DKK)	13.0	-2.8	-7.1	-11.4	-13.1
Earnings per share (avg. Number of shares) (DKK)	21.3	3.7	3.3	1.7	-16.3
Earnings per share, end of period (DKK)	8.4	3.7	3.3	1.7	-16.3
Result of continuing activities per. share (kr.)	8.4	3.7	3.3	1.7	-16.1
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Price/net asset value, end of period	0.4	Neg.	Neg.	Neg.	Neg.
Cash flow per share (DKK)	1.9	3.9	3.1	6.9	0.9

The above financial ratios are calculated in accordance with the definitions in CFA Society Denmark's 'Recommendations & Financial Ratios 2015'. Reference is made to note 33 to the consolidated financial statements in the Annual report for 2017.

Financial Results

Yearly result compared to expected development

The Group achieved in 2017 an EB VAT (profit excluding value adjustments and tax) of DKK 25.9 million, which is in line with the most recent guidance as mentioned in the interim report for the first half of 2017.

Segment Information

Park Street Nordicom does not present segment information and the Group's portfolio is presented as one.

Operation from Investment Properties

The Group's investment properties at December 31, 2017 is composed of all the Group's 55 properties, excluding

- 2 properties classified as domicile property and
- 2 plots classified as project holdings.

The Group's investment properties are geographically concentrated in Greater Copenhagen and major provincial cities. Based on investment property values, the portfolio allocates as follows:

Amount in Million DKK	2017		2016	
Greater Copenhagen Area	930	41%	747	38%
Other Zealand and Bornholm	562	25%	457	26%
Fyn	264	12%	238	12%
Jutland	499	22%	476	24%
Total	2,255		1,918	

The breakdown by activity based the property value is split as follows:

Amount in Million DKK	2017		2016	
Retail	924	41%	747	39%
Office	822	36%	858	45%
Residential	283	13%	193	10%
Storage	22	1%	13	1%
Others	204	9%	107	6%
Total	2,255		1,918	

The investment properties' rental income in 2017 amounts to DKK 138.3 million and decreased by 4.2 million. compared with 2016, primarily due to divestment of properties during 2016.

Despite the decrease in rental income the lower gross profit has slightly improved in 2017 due to a small reduction of the operating expenses as lower maintenance of the properties was required.

Park Street Nordicom has been focused for a large part of 2017 on finalizing the restructuring process with limited flexibility for the expected capital investments and incentives for the new tenants. This has meant that Park Street Nordicom has experienced less than expected decrease in vacancy rates in the Group's property portfolio which is expected to drop during 2018. The vacancy rate has still decreased in 2017 and represents an average of 11.4% (based on rental value) against 11.6% by 2017.

The following table shows the calculated average vacancy divided by property types:

Average vacancy in %	2017	2016(*)
Retail	6.0%	5.8%
Office	14.7%	15.6%
Residential	6.5%	4.5%
Storage	36.3%	35.3%
Others	10.3%	13.7%
Total	11.4%	11.6%

(*) 2016 figures have been re-stated due to changes in the properties classification

The following table shows the calculated average gross debt obtained divided by property types on properties held at 31 December 2017:

Avg. gross rent per sqm p.a. (DKK)	2017	2016(*)
Retail	794	795
Office	781	775
Residential	1.047	1.025
Storage	333	314
Others	307	305
Total	745	739

(*) 2016 figures have been re-stated due to changes in the properties classification

Consolidated Financial Review

PROFIT AND LOSS

Park Street Nordicom's Net Profit is DKK 360.1 million for 2017 (2016: DKK 43.5 million), equivalent to a change of DKK 316.6 million in relation to the 2017.

As mentioned above the EB VAT in 2017 is DKK 25.9 million (2016: DKK 24.9 million), which is similar to the one achieved in 2016; as no significant variation has taken place in the Operating profit (EBIT) which has been DKK 99.3 million in 2017 (2016: DKK 99.8 million). This result has improved significantly in the last quarter of 2017 as main part of the debt to credit institutions has been renegotiated; which has resulted in a significantly improved terms, setting the average interest rate at 2.0% compared to a rate higher than 4% during the first 3 quarters.

Net Profit of the period has improved by DKK 316.6 Million due to revaluation on investment properties amounting to DKK 332.7 million (2016: DKK 0.4 Million); the increase of value is caused by an improvement of the estimated net operating income and reduction of the yield on the entire portfolio of the company (see note 1 for further details and methods applied). Additionally, a positive adjustment of DKK 34.1 Million (2016: DKK -10.7 Million) has been registered due to a change of the fair value of the mortgage and bank debt and convertible bonds. A final positive adjustment of DKK 55.6 Million (2016: DKK 0 Million) represent a profit for the Group in 2017 corresponding to a debt relief linked to the sale of two investment properties and agreements with the financial institutions involved in the restructuring process.

These effects have been compensated by the effect of the Tax on profit in 2017 of DKK 88.3 Million (2017: DKK -19.0 Million). The main effect of the increase on the corporate tax has been the deferred tax liability generated on the investment and domicile properties of DKK 80.5 Million.

The Group's equity as at 31 December 2017 was positive at DKK 554.9 million, against DKK -33.1 million as at 31 December 2016. The improvement in the Group's equity is due to the results of the significant financial restructuring and improvements of Park Street Nordicom's capital structure and a revaluation of the Investment properties owned by the company. The process to further strengthen the capital continues in the form of conversion of debt into capital, as well as cash injection (see note below on subsequent events after December 31, 2017).

BALANCE SHEET

Park Street Nordicom's balance sheet total as at 31 December 2017 was DKK 2,488.8 million, an increase of DKK 263.4 million on the balance sheet total at 31 December 2016. The increase is mainly due to revaluation of investment and domicile properties of DKK 365.8 million. Non-current assets were DKK 2,439.4 million at 31 December 2017 (31 December 2016: DKK 2,069.3 million). Current assets have decreased from

DKK 156.0 million at 31 December 2016 to DKK 49.3 million at 31 December 2017, a decrease of DKK 106.7 million mainly caused by a reduction of the amount in cash and short-term deposits due to significant repayments and amortisations related to the liabilities to financial institutions; such amortisations will reduce in 2018 due to the newly agreed financial terms and refinancings undertaken in 2017.

The Group's equity at 31 December 2017 was positive at DKK 554.9 million, against DKK -33.1 million as at 31 December 2016. The improvement in the Group's equity is due to the results of the ongoing restructuring and improvements of Park Street Nordicom's capital structure and a revaluation of the Investment properties owned by the company.

Liabilities to credit institutions were DKK 1,783.3 million at 31 December 2017 (31 December 2016: DKK 2,151.5 million), consisting of DKK 1,501.3 million (84%) for non-current liabilities and DKK 281.9 million (16%) for current liabilities. In 2017, financial liabilities were reduced by DKK 368.2 million as a consequence of restructuring of the financial debt and repayments.

CASH FLOWS FOR 2017

Cash flows from operating activities for 2017 were DKK 32.4 million (2016: DKK 45.9 million), equivalent to a decrease of DKK 13.5 million in relation to the same period last year. The decrease is due primarily to an increase of financial expenses paid and changes in other working capital.

Cash flows from investing activities for 2017 were DKK 24.9 million (2016: DKK 144.4 million). Cash flows from investing activities were positively affected by DKK 36.6 million in 2017 from the sale of investment properties initiated in 2016 (2016: DKK 156.7 million). The effect on cash flow for the period of improvements to properties, etc. was DKK -11.2 million (2016: DKK -8.9 million).

Cash flows from financing activities for 2017 were DKK -116.6 million (2016: DKK -152.0 million) and were due to repayments of loans in connection with divestment of properties, and both ordinary and full repayment of loans.

The Group's liquid assets amounted to DKK 19.9 million at 31 December 2017 against DKK 79.2 million at 31 December 2016.

Uncertainty in connection with recognition and measurement

In connection with the Annual report, management makes a number of estimates and assessments regarding the carrying amount of assets and liabilities, including:

- Fair value of investment properties,
- Fair value of domicile properties,
- Impairment test on domicile properties,
- Classification of properties,
- Deferred tax assets and tax liabilities

Because of assumptions, assessments and estimates, uncertainty relates to the mentioned conditions and items. It may be necessary to change previously made estimates, etc. due to changes in the circumstances underlying the estimate, changed strategy or due to additional information, further experience or subsequent events. Reference is made to note 1 of the consolidated financial statements and note 1 in the parent company's financial statements for further discussion of the assumptions, assessments, estimates and associated uncertainties.

Parent company Park Street Nordicom A / S

For the parent company Park Street Nordicom A / S, profit before tax amounts to DKK 448.4 million in 2017 (2016: DKK 24.5 million).

The parent company's profit and loss before tax is affected by a loss DKK 1.6 million (2016: DKK 0) from subsidiaries.

Parent company equity per 31 December 2017 amounts to DKK 554.9 Million (31 December 2016: DKK -33.0 million).

Due to the merger, sale or dissolution in 2017 of all the subsidiaries of Park Street Nordicom's Group into the parent company Park Street Nordicom A/S the magnitudes reported in 2016 Annual Report cannot be used for comparative purposes; as a result the figures used for 2016 correspond to the consolidated of the Group.

Risk factors

Financial Risk

The financial management of the Group is geared towards optimising the term structure of liabilities in line with the Group's operations and minimizing the Group's financial risk exposure. It is part of the Group's policy not to conduct speculative transactions by active use of financial instruments, except to manage the financial risks inherent to the Group's core activities.

The Group is exposed to various financial risks due to its activities, including liquidity risk, market risks (primarily interest rate risk) and credit risk.

Park Street Nordicom regularly reviews the Group's risk profile in the areas of greatest risk, as described above description on page 2 and on the Consolidated Financial Statements Note 1 and 28.

Due to the fact, that the restructuring phase is completed, recapitalisation of the company is done and all active subsidiaries are merged into Park Street Nordicom A/S the uncertainty regarding going concern has disappeared. Therefore there have been material changes to the Group's risks or risk management in 2017.

Other financial risks

Park Street Nordicom financial risks are described in the consolidated financial statements, Note 28 and includes a description of the following components:

- Liquidity risk
 - Refinancing risk
 - Liquidity risk management
- Interest rate risk.
- Credit risk.
- Capital management.

Refer to the information in Note 28.

Business risks

Park Street Nordicom is subject to normal commercial and societal risks applicable to players in the Danish real estate market.

Park Street Nordicom's significant business risks can be divided into the following categories:

- Properties market value
- Market Rent
- Vacancy
- Maintenance
- Sales of properties
- Errors and omissions concerning the renovation and new construction.

Properties market value

Park Street Nordicom values investment properties at fair value (market value) and includes valuation adjustments in net profit. Park Street Nordicom's portfolio of properties constitute a large share of the Group's balance sheet, which means that sensitivity to falling prices in the property market is relatively large.

Property value is influenced by several factors, including a particular value sensitivity to fluctuations in the following parameters:

- i. Market rent
- ii. Vacancy
- iii. Yield

Estimated changes in the properties' fair value changes of the parameters above are disclosed in note 1 to the consolidated financial statements.

Market Rent

Some of the properties in Park Street Nordicom's portfolio have leases which were either entered into or renegotiated during the tough markets of 2009 to 2014. The Group has an opportunity to review these leases to migrate the lease levels closer to market rents. Improving demand for space and increasing market rents could also give an opportunity to make capital investments on structurally vacant areas of the portfolio to create further lettable areas.

Renegotiating with existing tenants could create the risks for increased vacancy, which in turn will create a need for further capital investment requirements for upgrading the vacant space.

Vacancy

Park Street Nordicom is dependent on the ability to maintain or create a natural user requirement for the properties.

In the case of a tenant's relocation of a lease, there is a risk that the vacant lease cannot be re-leased within the expected time horizon or, if necessary, can only be leased at lower rent level than expected. In addition, vacancy rates are affected by the general economic situation in the area where the individual property is situated.

Maintenance

The basis for obtaining rental income is, of course, that Park Street Nordicom can offer leases that meet the expectations and requirements of the tenants, including a satisfactory maintenance condition for the property.

Lack of maintenance of properties therefore creates a risk to Park Street Nordicom. Lack of maintenance can be due to many conditions, such as structural deficiencies, unforeseen wreckage, vandalism, extreme weather conditions, etc. The company prepares long term maintenance budgets and carries out the maintenance work necessary to maintain a satisfactory maintenance condition on the properties.

Sales of properties

Park Street Nordicom sells properties that are suitable to sell. The selling price is naturally linked to uncertainty as it depends on the actual negotiation situation at the time of sale and is also influenced by a number of other factors, including the rental income of the property, the general interest rate level and market conditions at the time of sale.

Errors and deficiencies regarding rebuilding and newbuilding

When rebuilding the existing properties of the Group, or in the case of new construction, there is a risk of malfunctioning. Park Street Nordicom ensures this through contracts with the Group's suppliers (contractors, etc.) who will be required to correct any deficiencies. In cases where suppliers have gone bankrupt or for some reason cannot fill their obligations, Park Street Nordicom may, however, have to rectify defects at your own expense, provided there is no guarantee or other security from the suppliers.

Other risks

Other risks can be divided into the following categories:

- Insurance risks.
- Tax risks.
- Legal risks.
- IT risks.

Insurance risks

Park Street Nordicom subscribes to statutory insurance and insurance policies that are deemed to be relevant and customary. The Group regularly conducts an insurance review with the assistance of an insurance specialist. Based on the latest report on company's insurance coverage, management believes that Park Street Nordicom has sufficient insurance coverage.

Tax risks

Changes in tax legislation may affect Park Street Nordicom's fiscal situation.

Legal risks

Park Street Nordicom regularly enters into a number of agreements, including agreements concerning the operation of properties. The agreements involve opportunities and risks, which are assessed and hedged in connection with the conclusion of the agreements.

IT risks

Park Street Nordicom uses IT to a considerable extent and are thus exposed to operational disruption of the established IT safety. This can cause operating and financial losses. Park Street Nordicom constantly works to ensure a high level of IT security, which is currently estimated to be the case.

Statutory report CSR

Management's main focus as described in the Director's report on page 2, has been to implement the restructuring plan for Park Street Nordicom.

As a consequence, the company has currently chosen not to work actively and structured with social responsibility and therefore has no specific social responsibility policies, including policies for:

- Environmental and climate conditions.
- Social conditions and employee relations.
- Respect for human rights.
- Anti-corruption and bribery.

Legal requirements for corporate governance

Park Street Nordicom has chosen on the company's website to publish the statutory statement of business management, according to section § 107b of the Danish Financial Statements Act (Årsregnskabslovens § 107b.).

The full statutory report available on our website <http://www.nordicom.dk/index.php/corporate-governance/>

Statutory report on diversity in management

Park Street Nordicom board composed at the time of publication of the annual report for 2017 by five men and one woman. In accordance with the Danish Commerce and Industry Agency's (Erhvervsstyrelsens) "Guidelines on targets and Policies for Gender Composition of Management and Reporting on this issue" issued in March 2016, Nordicom has a sub-representation of the board (top Management body).

Park Street Nordicom has set a target for the underrepresented gender in the Board of Directors (top Management body). Park Street Nordicom has chosen that the under-represented sex must be represented by 40% of the board by the end of 2020. The general meeting has chosen to re-elect the Board of Directors. Consequently the goal of 40% women in the Board of Directors has not been met.

With regard to the number of employees in the Group, Park Street Nordicom has not developed policies to increase the proportion of under-represented gender in the Group's other management levels.

Internal control and risk management systems in relation to the accounting process

Park Street Nordicom Board of Directors and the Audit Committee have the overall responsibility for risk management and internal controls in relation to the presentation of the Group financial statements. Group's internal control and risk management systems relating to the accounting process are designed to minimise the risk of irregularities and significant errors in the published financial statements.

The Board of Directors / Audit Committee regularly assess material risks and internal controls in order to ensure that the control environment of Park Street Nordicom provides a good risk management and effective internal control.

At least once a year, as part of risk assessment, the Board of Directors / Audit Committee and the Executive Board undertake a general identification and assessment of risks in connection with the financial reporting, including the risk of fraud, and consider the measures to be implemented in order to reduce or eliminate such risks.

The Board of Directors is overall responsible for the Group having information and reporting systems in place to ensure that its financial reporting is in conformity with rules and regulations. For this purpose, the Company has set out detailed requirements in policies, manuals and procedures.

The internal control and risk management systems are monitored at different levels within the Group. Any weaknesses, control failures and violations of the applicable policies, manuals and procedures or other material deviations are communicated upwards in the organization in accordance with relevant policies and instructions. Any weaknesses, omissions and violations are reported to the Executive Board.

The auditors elected by the Annual General Meeting account for any material weaknesses in the internal control systems related to financial reporting in the Auditor's Long-form Report to the Board of Directors. Minor irregularities are reported in Management Letters to the Executive Board.

Management composition and remuneration

The management of Park Street Nordicom consist of the following:

- Board Directors
- Executive Board

	Appointed / Employee	Expiry of electoral term	Age	Shareholding at the beginning, number of shares	Share buy in the year, number of shares	Shareholding at the end of the year	Independence	Sex
Board of Directors								
Andrew LaTrobe	2017	2018	52	0	0	0	Not Independent	M
Pradeep Patten (*)(**)	2016	2018	41	0	6,722,437 ¹⁾	6,722,437 ¹⁾	Not Independent	M
Hallur Thordarson	2016	2018	49	0	0	0	Independent	M
Ohene Kwapong	2016	2018	56	0	0	0	Independent	M
Lars-Andreas Nilsen(***)	2016	2018	42	0	0	0	Independent	M
Anita Nassar(***)	2016	2018	55	0	0	0	Independent	F

(*) Pradeep Patten holds the position of CEO of the Company and stepped down as chairman of the Board

(**) Pradeep Patten holds controlling rights in Park Street Nordac Sarl through Park Street Asset Management

(***)Lars-Andreas Nilsen and Anita Nassar hold shares in Park Street Nordac Sarl without controlling rights

1) Acquired via Park Street Asset Management Ltd.

Remuneration to the Board of Directors and Executive Board

The purpose of the Group's remuneration, including any incentive remuneration, is to attract and retain the group's management skills and promote the management incentive to realize Park Street Nordicom's objectives and create value in and for the company.

A remuneration policy has been prepared that describes the guidelines for defining and approving remuneration for the members of the Board of Directors and the Executive Board. The remuneration policy approved at the company's general meeting and is available on www.nordicom.dk and www.psnas.com.

The board members receive a fix monthly fee. The Chairman receives DKK 250,000 annually, the Vice Chairman of the Board receives DKK 150,000 annually, and other Board members receive DKK 100,000 annually. In addition, the Chairman of the Audit Committee receives DKK 100,000 annually and other members of the Audit Committee receive DKK 50,000 annually.

The remuneration for the members of the Board of Directors in 2017 is shown in Note 5 of the consolidated financial statements.

Salary and employment conditions for the Executive Board are set at least once a year by the Board of Directors. The salary consists of fixed salary, without bonus and pension. In addition, the Executive Board receives free telephone, etc. The total wage package is composed so that the fees are set at a competitive level, taking into account the competencies and efforts of the Executive Member and the results achieved. Reference is made to note 5 of the consolidated accounts regarding remuneration to the Executive Board.

Board of Directors and Management

Pradeep Patten (Indian Citizen), Director and CEO

Pradeep Patten is a graduate engineer from the Delhi Institute of Technology and has an MBA from the Indian Institute of Management, Calcutta. As the founder and CEO of Park Street Advisors Limited, Pradeep has advised and implemented investments in across Europe since its establishment in 2014. Pradeep previously had a position as Managing Director, Head of Credit & Mortgage Markets for Europe and Asia in the Royal Bank of Scotland (RBS), which managed over GBP 10 billion. within properties across Europe with a team of over 200 employees. In connection with the employment in RBS, Pradeep also held senior positions as a member of the Global Trading Management Committee, the Chairman of the Strategic Investments Committee and the Chair of Credit & Mortgage Risk and Compliance Committee.

Management Positions

Park Street Asset Management Limited, England.
Park Street Advisors, England.

Director positions

CEO of Park Street Nordicom A/S, Denmark.

Andrew LaTrobe (UK citizen, chairman)

Andrew LaTrobe graduated with a Bachelor of Commerce degree from Rhodes University in South Africa, and then completed a Diploma in Social Studies at Oxford University and a MSC (Industrial Relations) at London School of Economics, as a Rhodes Scholar. He has been a director of Park Street Advisors since December 2014 with responsibility for operations, asset management and corporate governance. Previous corporate experience includes seven years working in a variety of client coverage and transaction execution roles at Royal Bank of Scotland (RBS), and twelve years with Standard Bank Group, working out of Johannesburg, London and Singapore.

Management Positions

Park Street Asset Management Limited, England.
Park Street Advisors, England.
Park Street Nordicom UK Limited, England
Xplore Markets Limited, England.

Director positions

Enviro Options Holdings (Pty) Ltd, South Africa
Swindon Ground Lease Limited, England
Sthenos International Limited, England

Ohene Aku Kwapong (US citizen, Ghanaian citizen)

Ohene Aku Kwapong studied Chemical and Nuclear Engineering at MIT, Cambridge, Massachusetts, also has a PHD in Non-linear Systems Dynamics from Columbia University, New York, and an MBA in Economics from the MIT Sloan School of Management, Cambridge, Massachusetts. Ohene Aku has previously held positions at Exxon Mobil, Deutsche Bank London, Senior Manager at Microsoft Corporation, VP at GE Capital, Senior Vice President at the New York City Economic Development Corporation, VP at Deutsche Bank in New York, and COO EMEA Credit at Royal Bank of Scotland in London. Since 2014, Ohene Aku has been engaged in consultancy tasks in restructuring and launched The Songhai Group, a corporate development company.

Management Positions

Managing Partner, The Songhai Group, US.

Director positions

Ecobank Ghana, Risk and Governance Committees.

Lars-Andreas Nilsen (Norwegian citizen)

Lars-Andreas Nilsen is educated in mathematics, physics and IT at Hartvig Nissen High School in Oslo. Lars-Andreas has previously held positions at Orkla Finans, Enskilda Securities SEB, Carnegie Investment Bank, Fortis Bank and Nordea Bank Denmark, as Head of Equity Finance. Lars-Andreas owns and manages its own investment company and has a joint venture with Sector Asset Management AS in Oslo.

Management Positions

Arka Glov & Måleri AB, Sweden, CEO.

Director positions

Arka Glov & Måleri AB, Sweden, Chairman of the Board.

Anita Nassar (formerly Kamal) (French citizen)

Anita Nassar holds a bachelor's degree in business administration from the American University of Beirut. Anita is the co-founder of 'Alternative Consultant' and has an exclusive agreement with Balyasny Asset Management, an USD 12 Billion Chicago Long Short Equity Manager; who she advises on business, transparency and client strategy. She is a founder and trustee of Teach for All's affiliated company 'Teach for Lebanon UK', and also sits on the board of Teach for Lebanon Beirut. Anita has been Managing Director and Partner in 'Citadel' for Europe, the Middle East, Africa and Asia until August 2015. During her 7 years at Citadel, she helped develop and establish a diverse set of Government institutional relationships and grow the Assets under Management from USD 10 billion to USD 26 billion. Prior to joining Citadel in 2008, Anita served at Merrill Lynch in London as Managing Director, Co-Head of Government Institutions Sales. In the past, Anita had been appointed to HSBC London as Managing Director, Global Head of Government Sales for Asia, Europe and America. In 2010, Anita was named Rising Star in the Hedge Fund industry of institutional investors and Financial News appointed her to one of the 100 most influential women in the European economy in 2012 and 2013.

Management Positions

None.

Director positions

Board of Trustees at Northeastern University, Boston, USA.

Hallur Thordarson (Icelandic citizen)

Hallur Thordarson holds an MBA in Economics and Management from Reykjavik University. Hallur has 20 years of management experience from various positions in Norway, Iceland and Spain, most recently as CEO of a regional development and investment company in Norway, with business in the property, oil industry and business development. Hallur was the founder and CEO of BH Finance, a consulting company with global clients, both listed and unlisted companies in banking, real estate, energy and retail.

Management Positions

Nordic Advisors, S.L., Spain.

BH Finance, Iceland.

Director positions

Nordic Advisors, S.L., Spain.

BH Finance, Iceland.

Shareholder structure

Share capital	DKK 42,852,689
Nominal share amount	DKK 1
Number of shares	42,852,689 shares
Share Classes	DKK 12,027,858 A-shares Listed DKK 30,824,831 B-shares Not listed
Number of votes per share	One
Bearer	Yes
Restriction on voting rights	No
Limitations on transferability	No
ISIN	DK0010158500
Stock Exchange	Nasdaq Copenhagen

Shareholders above 5%	In percent
Park Street Asset Management Ltd.	87.62%

The number of registered shareholders amounts as of 31 December 2017 1,234 pcs. (December 31, 2016: 1,047). The registered shareholders represent per 31 December 2017 97% of the share capital (31 December 2016: 79%).

All Park Street Nordicom A / S shares are listed on Nasdaq Copenhagen and are part of the Small Cap segment. The share price ended 31 December 2017 at price 5.8 (31 December 2016: 1.3), which is an increase of 4.5 basis points in relation to the share price per share as of 31 December 2016. The market value of Park Street Nordicom A / S constitute per. 31 December 2017 69.76 million (31 December 2016: DKK 16 million).

Shareholder structure after 27 of February 2018

As above mentioned on the 27th of February 2018 the share capital of the company has increased to a nominal amount of DKK 67,513,732.00, divided into class A shares of a nominal amount of DKK 12,027,858.00 and class B shares of a nominal amount of DKK 55,485,874.00.

Share capital	DKK 67,513,372
Nominal share amount	DKK 1
Number of shares	67,513,732 shares
Share Classes	DKK 12,027,858 A-shares Listed DKK 55,485,874 B-shares Not listed
Number of votes per share	One
Bearer	Yes
Restriction on voting rights	No
Limitations on transferability	No
ISIN	DK0010158500
Stock Exchange	Nasdaq Copenhagen

Shareholders above 5%	In percent
Park Street Asset Management Ltd.	92.14%

Appointment of board members

Rules of appointing and replacing members of the board of directors are included in the section 13.1 of the articles of association.

Rules for changing articles of association

Park Street Nordicom A/S articles of association can be changed by a General Meeting in accordance with the Companies Act §§106 and 107. Resolution on amendment of the Articles of Association are only valid if the resolution is approved by at least 2/3 of both voting rights and percentage of equity which are present at the meeting.

Own shares

Information about treasury shares is shown in note 22 of the consolidated financial statements.

Dividends

The Board of Directors will propose to the Annual General Meeting that no dividend will be paid for the financial year 2017.

Investor Relations

It is Nordicom's policy to inform quickly about relevant matters.

The Executive Board informs shareholders and investors according to guidelines agreed with the Board, and it is the goal to meet the information obligations of Nasdaq Copenhagen each time. It is part of Nordicom's information policy to:

- publish interim reports,
- issue annual reports, and
- provide quick responses to inquiries to the group.

Stock exchange announcements in 2017 and 2018

Date	Title
25/01/2017	Nordicom A/S - Finance Manager Christian Johannessen resignation
24/02/2017	Nordicom A/S - CEO Ole Steensbro resignation
07/03/2017	Nordicom A/S - Appointment of a new CFO
30/03/2017	Nordicom A/S - Annual Report 2016
03/04/2017	Nordicom A/S - Notice of Annual General Meeting
03/04/2017	Nordicom A / S - New interim CEO
24/04/2017	Nordicom A / S - Proposal for election of additional board member
27/04/2017	Nordicom A / S - Orientation on the progress of the Annual General Meeting
17/05/2017	Park Street Nordicom A/S – New CEO and changes to the Board of Directors
16/06/2017	Update on restructuring of Park Street Nordicom A/S
16/06/2017	Update on restructuring of Park Street Nordicom A/S
14/07/2017	Update on restructuring of Park Street Nordicom A/S
31/08/2017	Park Street Nordicom A/S – Interim report, 1st half of 2017
01/09/2017	Changes in roles at Park Street Nordicom A/S
02/11/2017	Park Street Nordicom A/S – Updates on capitalisation
03/11/2017	Park Street Nordicom A/S – Large shareholder announcement
30/11/2017	Park Street Nordicom A/S – Financial Calendar 2018
27/02/2018	Park Street Nordicom A/S: Updates on capitalisation
02/03/2018	Park Street Nordicom A/S – Large Shareholder Announcement
14/03/2018	Park Street Nordicom A/S – Revised Financial Calendar

Finance Calendar

28/03/2018	Annual Report 2017
19/04/2018	Ordinary General Meeting
30/08/2018	Half year report 2018
28/03/2019	Annual Report 2018
25/04/2019	Ordinary General Meeting

More info

Further information on company and shareholder matters and the Group's activities can be found on Park Street Nordicom's website www.nordicom.dk and www.psnas.com

Inquiries regarding the Group's relations with investors and the stock market can be addressed to:

CEO: Pradeep Pattem

Tel.: + 45 33 33 93 03

E-mail: nordicom@nordicom.dk

Group structure at December 31, 2017

All subsidiaries existing at December 31, 2016 have been dissolved, sold or merged into the parent company Park Street Nordicom A/S during 2017. During 2017 the entity Park Street Nordicom UK Ltd. has been created as subsidiary 100% owned by the parent company Park Street Nordicom A/S. As a result the Group structure at December 31, 2017 consists of the company Park Street Nordicom A/S and the fully owned subsidiary Park Street Nordicom UK Ltd.

Information on investment is disclosed in note 3 of the parent company's financial statements. All subsidiaries are fully consolidated in the consolidated financial statements for Park Street Nordicom A/S.

Statement by Board of Directors and Management

The Board of Directors and management have today considered and adopted the annual report for the financial year 1 January - 31 December 2017 for Park Street Nordicom A/S.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU, and further requirements in the Danish Financial Statement Act and rules for listed companies.

In our opinion, the consolidated financial statements give a true and fair view of the Group and the Parent's financial position as at 31 December 2017 and of the results of the Group's and the Parent Company's operations and cash flows for 2017.

It is also our opinion that the directors' report contains a true and fair account of the development of the Group's activities and financial conditions, the profit for the period and the Group's and the Parent Company's financial position as a whole, and a description of the significant risks and uncertainty factors that the Group and the Parent Company faces.

The annual report is submitted to the Ordinary General Meeting for approval.

Copenhagen 28 March 2018

Management

Pradeep Patten
CEO

Board of Directors

Andrew John Essex La Trobe
Chairman

Pradeep Patten

Ohene Aku Kwabong

Anita Nassar

Lars-Andreas Nilsen

Hallur Eyfjörð Thordarson

Independent Auditor's Report

To the shareholders of Park Street Nordicom A/S

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2017 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2017 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of Park Street Nordicom A/S for the financial year 1 January to 31 December 2017 comprise income statement and statement of comprehensive income, statement of financial position, statement of equity, statement of cash flows and notes for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of Park Street Nordicom A/S on 27 April 2017 for the financial year 2017.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2017. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>Valuation of Investment Properties and Domiciles</p> <p>The Group owns a portfolio of investment properties that are valued at fair value and 2 domiciles that are revalued to fair value at 31 December 2017.</p> <p>Valuation of investment properties and domiciles at fair value contains significant estimates and assumptions, where even minor changes in the assumptions can have a significant effect on the fair value of the properties.</p> <p>Management has obtained a valuation from an</p>	<p>We assessed the method used by management to measure the fair value of investment properties and domiciles, and we challenged the assumptions applied, using our knowledge of the real estate market and professional scepticism.</p> <p>We assessed the competencies, capacity and independence of external valuer.</p> <p>We assessed and tested on a sample basis the data inputs used to determine fair value, including market rent and yields, by comparing the valuation made by</p>

external valuer to support the fair value determined by management; including the assumptions used, with market rent and yield being the most significant assumptions.

We focused on this area as valuation of investment properties at fair value is based on significant estimates made by management.

Refer to note 1.2, 8, 15 and 16.

Management with the valuation made by the external valuer and comparable trades.

We tested on a sample basis the calculation for the fair values.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, 28 March 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no 3377 1231

Jesper Wiinholt
State Authorised Public Accountant
mne13914

Morten Jørgensen
State Authorised Public Accountant
mne32806



2017

CONSOLIDATED
FINANCIAL STATEMENTS



Income statement

Note	Amounts in DKK 1000s	2017	2016
3	Net sales	167,657	175,098
4	Operating expenses	-35,551	-43,371
	Gross profit	132,106	131,727
5	Employee benefit expenses	-21,847	-17,969
6	Other external expenses	-8,465	-11,830
7	Depreciation, amortisation and impairment	-2,495	-2,144
	Operating profit (EBIT)	99,299	99,784
8	Financial income	1,486	277
9	Financial expenses	-74,883	-75,203
	Earnings before value adjustments (EBVAT)	25,902	24,858
10	Adjustment to fair value, net	366,898	-10,322
11	Gains realised on the sale of investment properties	0	9,935
	Earnings before special items	392,800	24,471
12	Special Items	55,629	0
	Profit before tax	448,429	24,471
13	Tax on profit for the period	-88,292	19,025
	Profit for the period	360,137	43,496
14	Earnings per share, end of period	8.43	3.65
14	Diluted earnings per share, end of period	8.43	3.65

Statement of comprehensive income

Note	Amounts in DKK 1000s	2017	2016
	Profit for the period	360,137	43,496
	Other comprehensive income:		
	<i>Items that cannot be reclassified to the income statement:</i>		
	Fair value adjustment of domicile properties	33,096	9,727
	Tax on fair value adjustment of domicile properties	-7,281	-2,140
	Other comprehensive income after tax	25,815	7,587
	Comprehensive income for the period	385,952	51,083
	Distributed as follows		
	Parent's shareholders	385,952	51,083
	Comprehensive income for the period	385,952	51,083

Statement of financial position

Note	Amounts in DKK 1000s	2017	2016
ASSETS			
Non-current assets			
Property, plant and equipment			
15	Domicile	180,923	149,382
16	Investment properties	2,255,395	1,911,467
	Machinery and equipment	2,912	3,321
		2,439,230	2,064,170
Financial assets			
24	Deferred tax	0	5,126
	Deposits	227	0
		227	5,126
	Total non-current assets	2,439,457	2,069,296
Current assets			
17	Mortgages and instruments of debt	8,881	9,067
18	Project holdings	2,370	3,816
19	Receivables	15,315	24,622
	Prepaid expenses and accrued income	2,806	2,689
20	Cash and short-term deposits	19,953	76,398
		49,325	116,592
21	Assets held for sale	0	39,428
	Total current assets	49,325	156,020
	Total assets	2,488,782	2,225,316

Statement of financial position

Note	Amounts in DKK 1000s	2017	2016
LIABILITIES			
Equity			
	Share capital	42,853	12,028
	Foreign currency reserve	0	146
	Revaluation reserve	44,147	19,894
	Share premium	171,232	0
	Accumulated profit	296,715	-65,130
22,23	Total equity	554,947	-33,062
Liabilities			
Non-current liabilities			
24	Deferred tax	88,187	0
25	Credit institutions	1,501,353	1,299,651
	Deposits	10,646	19,065
		1,600,186	1,318,716
Current liabilities			
26	Provisions for liabilities	2,000	2,085
25	Credit institutions	281,918	851,846
	Trade and other payables	4,375	3,173
	Income tax payable	3,152	0
	Deposits	29,999	21,740
	Other liabilities	12,205	14,568
		333,649	893,412
21	Liabilities concerning assets held for sale	0	46,250
		333,649	939,662
	Total liabilities	1,933,834	2,258,378
	Total equity and liabilities	2,488,782	2,225,316

Statement of equity

Amounts in DKK 1000s	Share capital	Foreign currency reserve	Revaluation reserve	Accumulated profit	Share Premium	Proposed dividend	Equity Total
Statement of equity for 2017:							
Equity as at 1 January 2017	12,028	146	19,894	-65,130	0	0	-33,062
Total Income in 2017							
The result of the year	0	0	0	360,137	0	0	360,137
Transfer of foreign currency reserve	0	-146	0	146	0	0	0
Fair value adjustment of domicile	0	0	33,096	0	0	0	33,096
Tax on other comprehensive income	0	0	-7,281	0	0	0	-7,281
Other comprehensive income during the financial year	0	-146	25,815	146	0	0	25,815
Total income for the financial year	0	-146	25,815	360,283	0	0	385,952
Transactions with owners							
Liabilities with financial institutions converted into Equity	30,825	0	0	0	171,232	0	202,057
Depreciation on the revalued value of residential properties	0	0	-1,562	1,562	0	0	0
Other regulations in total	30,825	0	-1,562	1,562	171,232	0	202,057
Equity as at 31 December 2017	42,853	0	44,147	296,715	171,232	0	554,947
Statement of equity for 2016:							
Equity as at 1 January 2016	12,028	146	12,496	-108,815	0	0	-84,145
Total Income in 2016							
The result of the year	0	0	0	43,496	0	0	43,496
Fair value adjustment of domicile	0	0	9,727	0	0	0	9,727
Tax on other comprehensive income	0	0	-2,140	0	0	0	-2,140
Other comprehensive income during the financial year	0	0	7,587	0	0	0	7,587
Total income for the financial year	0	0	7,587	43,496	0	0	51,083
Other adjustments							
Depreciation of revalued value of domiciles	0	0	-189	189	0	0	0
Total other adjustments	0	0	-189	189	0	0	0
Equity as at 31 December 2016	12,028	146	19,894	-65,130	0	0	-33,062

Statement of cash flows

Note	Amounts in DKK 1000s	2017	2016
	Operating profit (EBIT)	99,299	99,784
29	Adjustment for illiquid operating items, etc.	2,920	3,027
	Change in project holdings, net	1,446	1,307
30	Change in other operating capital	-1,304	4,237
	Cash flows from operating activities	102,361	108,355
	Financial income received	196	277
	Financial expenses paid	-70,180	-62,731
	Total cash flow from operating activities	32,377	45,901
	Cash flow from investing activities		
	Improvements to investment properties	-11,171	-8,861
	Sales of investment properties	36,587	156,725
	Purchases of other property, plant and equipment	-531	-3,431
	Sale of fixed assets	8	0
	Total cash flow from investing activities	24,893	144,433
	Cash flow from financing activities		
	Proceeds from assumption of liabilities to credit institutions	1,743	3,483
	Repayment of liabilities to credit institutions	-118,299	-155,976
	Total cash flow from financing activities	-116,556	-152,493
	Total cash flow for the period	-59,286	37,841
	Liquid assets as at 1 January	79,239	41,398
	Liquid assets as at 31 December	19,953	79,239
	Liquid assets as at 31 Decemeber		
	Cash and short term deposit	19,953	76,398
	Liquid assets held for sale	0	2,841
	Liquid assets as at 31 December	19,953	79,239

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Notes

Note 1 - Accounting policies, accounting estimates and risks, etc.

Note 1.1. – Basis of preparation

a. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. Refer to note 33 for a full description of the accounting policies used.

b. Changes to accounting policies

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2017 as stated on note 33.

Note 1.2. – Investment properties

A property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. An investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, an investment property is carried at fair value.

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. The fair value of an investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed. Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

The principles and methods for determining the estimated fair value of the properties in this category is based on the capitalisation method. The determination of fair values in accordance to the capitalisation method is generally the most accepted and widely used model for valuating property. The method is based on a stabilised net rent, capitalised at a rate of return assuming a stabilised property in a stable market, which is fully let at an annual market rent at, or close to, market level. For non-stabilised properties, special conditions such as vacancy and refurbishment costs are taken into consideration.

The model used contains the following main elements:

1	+ Annual Rental Income (fully rented)
2	- Non-recoverable operating costs
3	= Net Operating Income (NOI)
4	- Cap rate (net initial yield)
5	- Market value before regulations and deposits
6	- Vacancy costs
7	- Refurbishment cost
8	- Rental loss (discounts, etc.)
9	+ Net Present Value (NPV) of Overrented elements
10	- Net Present Value (NPV) of Underrented elements
11	+ Cash deposits
12	+ Other
13	= Market value after regulations and deposits (Fair Value)

Ad. 1) The annual rental income represents the budget rent. For non-vacant units, the budget rent equals the actual rental income. If the actual rental income differs significantly, the market rent is used. For vacant areas, the market rent is used.

Ad. 2) All operating expenses not recoverable from the tenants are deducted. This includes taxes, insurance, cleaning, utility costs, service subscriptions, administration, external maintenance etc.

Ad. 4) The yield requirement is determined individually for each property based on the yield requirement for comparable properties in the same geographical area (where this is possible) and the property's risk profile.

Ad. 6) Vacancy costs reflect the estimated loss of rental income until a re-letting is assumed. There is vacancy until the stabilised level is reached. When the stabilised level is reached all properties are assumed fully let.

Ad. 7) For vacant units, it is assumed that a refurbishment is required before a re-letting can take place. At some properties, these are not included as the leases already are ready for reletting.

Ad. 8) Current discounts are deducted from the market value.

Ad. 9) If an overrented lease is regulated to market rent, it is implemented over a 4-year period according to section 13 in the Danish Commercial Rent. As a result, the lease will generate an overrenting element in this period.

Ad. 10) If an underrented lease is regulated to market rent, it is implemented over a 4-year period according to section 13 in the Danish Commercial Rent. As a result, the lease will generate an underrenting element in this period.

The calculation of the properties' fair value is sensitive to changes in all the above inputs to the valuation model. The most significant non-observable inputs used in calculating the current value of the completed investment properties are as follows:

- i. Market Rent per square meter (sqm.) per year
- ii. Vacancy
- iii. Yield

A general increase in market rent per sqm and decrease of the vacancy in the areas in which Park Street Nordicom's properties are located, will likely decrease the yield requirements.

i. Market Rent per sqm per year

Market rent per sqm per year represents an important input for calculating the fair value of the property. If it is estimated that the current rent is lower or higher than the rent that can be obtained by re-hire, a correction of the current rent will be made to the expected rent on re-hire. This input is based on an estimate. Similarly, input on market rent for empty areas is based on an estimate. The long-term average market rent (ie at terminal level) is the following divided by property types:

<u>Avg. gross rent per sqm p.a. (DKK)</u>	<u>2017</u>	<u>2016(*)</u>
Retail	794	795
Office	781	775
Residential	1.047	1.025
Storage	333	314
Others	307	305
Total	745	739

(*) 2016 figures have been re-stated due to changes in the properties classification

The estimated fair value is sensitive to changes in the estimated budget rent. The sensitivity of changes in the average budget rent per sqm are illustrated in the table below, which shows the effect on the fair value of the properties if only the average budget rent per change is changed sqm per year.

Change in market rent per sqm per year (DKK)	Change in market value (Million DKK)	
	2017	2016 (*)
200	596	341
100	298	171
50	149	85
25	73	43
-25	-73	-43
-50	-149	-85
-100	-298	-171
-200	-596	-341

The table shows that an increase in the market price of, for example 50 DKK per sqm per year will increase the completed investment properties' fair value by DKK 149 million (31 December 2016: DKK 85 million).

(*) Magnitudes are not comparable between 2017 and 2016 as different valuation methods have been applied. While in 2016 the method applied was discounted cash flows (DCF) in 2017 the method applied have been capitalization.

ii. Vacancy

No structural vacancy has been considered in the property valuation; as it has been estimated that the current vacancy will be let within 12 to 18 months. An increase in the current vacancy has been estimated and represents the following (broken down by property types and calculated as estimated vacancy divided by the market rent in the terminal):

Change in Vacancy (%-point)	Change in market value (Million DKK)	
	2017	2016
10%	-2	-2
5%	-1	-1
-2%	1	1
-5%	2	2

The table shows that an increase in the vacancy by 5 percentage points will reduce the finished investment property with the fair value of DKK -2 Million (31 December 2016: DKK -2 million).

iii. Yield

The fixed return requirement is an essential input in estimating fair values. The table below shows the ranges for the return requirement divided by property type and the weighted return requirement in- for each property type.

Percentage p.a.	2017		2016	
	Interval	Weighted Avg	Interval	Weighted Avg
Retail	4.50 – 9.50	7.31	6.00 – 10.00	7.65
Office	5.00 – 9.50	6.51	5.00 – 8.00	6.77
Storage	6.50 – 9.50	7.76	8.50 – 8.50	8.50
Residential	4.25 – 8.00	4.5	4.75 – 7.00	4.96
Others	5.50 – 9.50	7.05	7.00 – 8.25	7.12
Total	4.25 – 9.50	6.85	4.75 – 10.00	6.97

The table shows that the return requirements for completed investment properties at December 31, 2017 is in the range 4.25% - 9.50% per annum. The corresponding interval at December 31, 2016 amounted to 4.75% - 10.00% per annum.

The weighted yield requirement in the table are calculated as each property yield requirements weighted by the property's fair value in relation to property type's / portfolio's fair value and amounts at December 31, 2017 6.85% per annum for the overall portfolio of finished investment properties at December 31, 2016, the corresponding weighted return requirements for the entire portfolio 6.97% per annum.

The yield requirements used have a significant impact on the fair value of the property. The sensitivity of changes in the return requirement is illustrated in the table below which shows the effect on the fair value of the properties if only the average return rate is changed.

Change in return requirements (% points)	Change in market value (DKK million)	
	2017	2016
1.00%	-274	-255
0.75%	-213	-198
0.50%	-147	-137
0.25%	-76	-71
-0.25%	83	76
-0.50%	174	158
-0.75%	274	248
-1.00%	383	344

The table shows that an increase in the rate of return of 0.25 percentage point would reduce the completed investment property fair value DKK -76 million (31 December 2016: DKK -71 million).

The breakdown by activity based the property value is split as follows:

Amount in Million DKK	2017		2016	
Retail	924	41%	747	39%
Office	822	36%	858	45%
Residential	283	13%	193	10%
Storage	22	1%	13	1%
Others	204	9%	107	6%
Total	2,255		1,918	

Determining the fair value of Domicile properties

From 2015 domicile properties have been evaluated at the amount equivalent to the fair value at the date of revaluation less depreciation, see mention in the note 33. Park Street Nordicom possesses at 31 December 2017 the following two domiciles:

- Svanevej 12, Copenhagen NV (Nordicom's headquarters in Copenhagen Nordvest neighborhood).
- Marbækvej 6, Ballerup (Hotel in Ballerup).

When calculating the fair value of the above two domicile properties, principles and calculation methods are applied which are used to estimate the property's fair values.

Due to different characteristics, different principles and calculation methods are used for each of the two domicile properties. The fair value of both owner-occupied properties is based on significant estimates.

Changes in fair values are recognised in other comprehensive income statement. Domicile properties are derecognised when they have been disposed or transferred into investment property.

The estimation of the properties' fair value as of December 31, 2017 resulted in a positive revaluation of the properties' book value by DKK 33.1 million (31 December 2016: DKK 9.7 million), which is included under "Fair value adjustment of domicile properties" in other comprehensive income.

i. Park Street Nordicom domicile in Copenhagen

Park Street Nordicom's headquarters at Svanevej 12 in Copenhagen Nordvest neighbourhood is an office building that is partially used as domicile for Park Street Nordicom and partly for rental. The property is characterized by generating a current return on rent, similar to the Group's investment properties (see description above except that the property is also used as domicile for Park Street Nordicom). Principles and methods for determining the property's fair value is the same as the applied to Investment properties described above.

Property estimated market rent and determining the required return on owner-occupied property is based on inputs from an independent valuer.

The estimate of the property's fair value, similar to the Group's completed investment properties, is sensitive to changes in input in the valuation model. The most significant non-observable input used for estimating the fair value of the domicile property is as follows:

	2017	2016
Market rent per sqm. per year (DKK)	1,110	878
Vacancy (%)	0.0	0.0
Return requirement (% p.a.)	6.0	6.0

The sensitivity to changes in the above non-observable input can be illustrated as follows (assuming the listed events occur one by one):

- An increase or decrease in the market price of DKK 50 per sqm per year will result in a change of the property's fair value, respectively DKK +3.2 million. (31 December 2016: DKK +1.9 million) and DKK -3.2 million (31 December 2016: DKK -1.9 million).
- An increase or a reduction of the required yield of 0.50% point will entail a change of the property's current value, respectively DKK -5.4 million (31 December 2016: DKK -4.4 million) and DKK +6.4 million (31 December 2016: DKK +5.2 million).

A general increase in market rent per sqm and decrease in vacancy in the district, where the property is located, will likely cause a drop in the yield requirement.

ii. Hotel in Ballerup

Park Street Nordicom hotel on Marbækvej 6 in Ballerup is a property where Park Street Nordicom via a management agreement operates the hotel. This property is thus characterized by generating a current return operation from the property. In order to calculate the property's fair value separated from the hotel operations, the measurement of the property's fair value based on an estimate of market rent that could be obtained on a normal lease. The estimate of market rent is calculated as a fixed percentage of the revenue of the hotel.

The estimate of the hotel's expected revenue is based on 2017 actual revenue and budgeted revenue for 2018.

Property estimated market rent and determining the required return on owner-occupied property is based on inputs from an independent valuer.

The estimate of the property's fair value, similar to the Group's completed investment properties, is sensitive to changes in input in the valuation model. The most significant non-observable input used for estimating the fair value of the domicile property is as follows:

	2017	2016
Market rent (% of expected revenue from the hotel)	33.0	30.0
Return requirement (% p.a.)	5.50	6.25

The sensitivity to changes in the above non-observable input can be illustrated as follows (assuming the listed events occur one by one):

- An increase or decrease in the market rent of 1.0% of expected revenue from the hotel will result in a change of the property's fair value, respectively DKK +3.5 million. (31 December 2016: DKK +3.3 million) and DKK -3.5 million (31 December 2016: DKK -3.3 million).
- An increase or a reduction of the required yield of 0.50% point will entail a change of the property's current value, respectively DKK -9.2 million (31 December 2016: DKK -6.5 million) and DKK +11.0 million (31 December 2016: DKK +7.7 million).

Classification of properties

Park Street Nordicom classifies the properties in the following categories:

- Domicile (Owner-occupied properties)
- Investment Properties
- Project Holdings

Reference is made to note 33 in accounting policies for a more detailed description of how the properties are included in the above-mentioned classifications.

Classification of properties takes place on the basis of Park Street Nordicom's intentions with each land or property at the time of acquisition. If the future purpose for some reason is not finalized at the time of acquisition, the foundation is classified as an investment property.

In some cases, services may be provided to tenants, etc. that constitute significant benefits. Nordicom owns and operates a hotel where services to guests form a significant part of the total product. The property is therefore classified as a residential property.

Reclassification of properties between the above categories is made when the application is changed and a number of criteria are met. Notes to the individual financial statements indicate whether changes have been made to the classification regarding properties owned by Nordicom.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period.

Tax assets arising from unused tax losses, are valued based on existing budgets and profit forecasts for a 3-year period. Tax is recognized for an unused tax loss carryforward or unused tax loss carryforward when it is considered probable that there will be sufficient future taxable profit against which the loss or credit carryforward can be utilised.

At December 31, 2017 the Group has included unused tax losses of DKK 255 million (31 December 2016: DKK 277 million), which all of them (31 December 2016: DKK 275 million) is estimated to be realized within a three-year period or against deferred tax liabilities. The reduction in unutilized losses in 2017 is due to positive tax income.

Determining the fair value of debt to credit institutions

As stated on Note 28 the value of the Group's mortgage debt and bank debt is classified as amortized cost while in 2016 this debt was classified as fair value through profit and loss based on quoted market prices for the underlying bonds adjusted for an estimate of changes in the Group's own credit rating. Due to the restructuring process carried during 2017, a decrease of the margin applied on the mortgage debt and the Group's credit rating have result in a significant change of the terms of the Group's mortgage and bank debt resulting in derecognition of the loans with the original term and initial recognition of the loans with the modified terms. As a result the modified loans have been classified at the default category which is amortized cost.

As stated in note 28 Group's non-convertible bonds are recognized as liabilities towards credit institution and are recognized as at fair value based on data that is non-observable in the market.

Note 2 – Segment information

Park Street Nordicom's property portfolio is managed under a single management makes no segmentation of the portfolio. Information on the Group's revenue to external customers is disclosed in note 3 below.

The Group has no customers / tenants who make up more than 10% of the group's rental income. The group only has activities in Denmark.

Note 3 - Net sales

Amounts in DKK 1000s	2017	2016
Rental income	139,075	145,535
Sales of other services	22,645	18,933
Total sales of services	161,720	164,468
Sales totals, project holdings	3,816	8,260
Interest income, mortgages and instruments of debt	518	715
Sales of goods	1,603	1,655
	167,657	175,098

Note 4 - Operating expenses

Amounts in DKK 1000s	2017	2016
Operating expenses, investment properties	20,175	25,201
Cost and expenses for projects sold	3,687	6,616
Operating expenses, other services	11,112	11,004
Cost of goods sold	577	550
	35,551	43,371

Note 5 – Employee benefits expenses

Amounts in DKK 1000s	2017	2016
Salary	19,603	15,114
Contribution-based pensions (*)	1.102	1,389
Other social security costs	132	109
Other staff costs	1.010	1,357
	21,847	17,969
Average number of employees	24	26

(*) The Group has only defined contribution plans. For defined contribution plans, the employer undertakes to pay a defined contribution to a pension fund, but has no risk with regard to future developments in interest rates, inflation, mortality, disability, etc.. as regards the amount to be paid to the employee.

Remuneration to the parent company's CEO comprises the following (**):		
Salary	2,070	2,817
Contribution-based pensions	0	266
Bonus	0	0
	2,070	3,083

Remuneration to the parent group's board of directors constitutes the following (***):

Board members

Pradeep Pattem (CEO)	137	59
Andrew LaTrobe (Chairman of the Board)	167	0
Hallur Thordarson	133	35
Ohene Kwapong (Chairman of the Audit Committee)	169	24
Lars-Andreas Nilsen (Member of the Audit Committee)	146	24
Anita Nassar	100	24
	852	166

(**) On May 17, Pradeep Pattem stepped down as chairman of the Board of Directors and was appointed as the new CEO of Park Street Nordicom A/S. At the same time the Board of Directors decided to appoint Andrew La Trobe as new Chairman of the Board of Directors.

(***) Remuneration of the board of directors is disclosed on page 15 of the Annual Report.

Note 6 – Auditor's fees

The auditor appointed in 2017 is PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab while in 2016 the auditor of the Group was Deloitte Statsautoriseret Revisionspartnerselskab. Their fees can be specified as follows:

Amounts in DKK 1000s	2017	2016
Statutory audit	350	753
Other assurance services	36	32
Tax and VAT advice	0	320
Other services	239	61
	625	1,166

Fees for non-audit services delivered by PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab, include issuing assurance statement to financial creditors and general accounting advisory services.

Note 7 – Depreciation and amortization

Amounts in DKK 1000s	2017	2016
Depreciation, domicile properties	1,562	1,415
Depreciation, inventory and fixed assets	933	729
	2,495	2,144

Note 8 – Financial Income

Amounts in DKK 1000s	2017	2016
Interest on deposits in banks	0	1
Interest on other receivables measured at amortized cost	1,486	276
	1,486	277

Note 9 – Financial Expenses

Amounts in DKK 1000s	2017	2016
Interest expenses, liabilities to credit institutions measured at fair value	60,140	72,375
Interest expenses, liabilities to credit institutions measured at amortized cost	8,577	447
Amortization of convertible bond	881	1,148
Other interest costs and fees	5,285	1,326
	74,883	75,296
Total Cost price of project holdings	0	-93
	74,883	75,203

Financing costs included in the project holdings in 2016 are based on actual costs incurred on loans associated with such projects. No costs have been incurred in 2017.

Note 10 – Adjustments to fair value, net

Amounts in DKK 1000s	2017	2016
Fair value adjustment, investment properties	332,764	415
Fair value adjustment, mortgage debt and bank debt	34,134	-10,737
	366,898	-10,322

Note 11 – Realized gains on the sale of investment properties

Amounts in DKK 1000s	2017	2016
Sales, investment properties	6,585	141,565
The property's carrying amount on sale etc.	-6,585	-131,630
	0	9,935

Note 12 – Special items

Amounts in DKK 1000s	2017	2016
Disposal of associated subsidiaries	27,172	0
Cancellation of debt	33,642	0
Cost for restructuring	-5,185	0
	55,629	0

- Disposal of the subsidiaries Susågarden and Randlevvej have generated a profit before tax of DKK 27.1 million due to debt cancellation with credit institutions (DKK 17.1 million) and negative equity value (DKK 10 Million).
- Cancellation of debt due to fulfilment of conditions of an investment property sales agreement – see note 27 (DKK 30.6 million) and cancellation of debt with financial institutions related to the restructuring process (DKK 3 million).
- Costs incurred with external consultants in the restructuring which amounts DKK -5.1 Million.

Note 13 – Tax on profit for the year and other comprehensive income

Amounts in DKK 1000s	2017	2016
Annual tax can be divided as follows:		
Current tax on profit of the year	2,244	0
Current tax, previous years	-672	0
Changes in deferred taxes	86,705	-19,025
	88,292	-19,025

Tax on profit for the year can be explained as follows:		
Estimated tax at a tax rate of 22%	98,654	5,384
Non-deductible costs	4,640	1,628
Non-taxable income	-77,727	0
Adjustment of unrecognized tax assets	-23,323	-26,037
	2,244	-19,025
Effective tax rate	22.48%	-77.75%

Amounts in DKK 1000s	2017	2016
Tax on other comprehensive income:		
Tax on fair value adjustment of domicile properties	-7,281	2,140
	-7,281	2,140

Note 14 – Earnings per share

Amounts in DKK 1000s	2017	2016
Profit for the period	360,137	43,496
Parent company shareholders' share of profit for the year, used to calculate earnings per share	360,137	43,496
Average number of shares	17,010,502	12,027,858
Average number of own shares	-119,491	-119,491
Average number of shares in circulation	16,891,011	11,908,367
Convertible bond's average dilution effect	0	0
Diluted average number of shares in circulation	16,891,011	11,908,367
Number of shares, end period	42,852,689	12,027,858
Number of own shares, end period	-119,491	-119,491
Average number of shares in circulation	42,733,198	11,908,367
Convertible bond's dilution effect, end of period	0	0
Diluted average number of shares in circulation	42,733,198	11,908,367
Earnings per share (average number of shares) (DKK)	21.32	3.65
Diluted results per share (average number of shares) (DKK)	21.32	3.65
Earnings per share (DKK), end period	8.43	3.65
Diluted results per share (DKK), end period	8.43	3.65

Note 15 – Domicile

Amounts in DKK 1000s	2017	2016
Cost at 1 January	155,523	144,310
Revaluation of value	33,096	10,033
Costs incurred for improvements	7	1,180
Cost / Revaluated Value at 31 December	188,626	155,523
Depreciation and amortization at 1 January	-6,141	-4,420
Revaluation of the domicile	0	-306
Depreciation	-1,562	-1,415
Depreciation and amortization at 31 December	-7,703	-6,141
Balance at 31 December	180,923	149,382

Domicile properties consist of a hotel in Ballerup and Park Street Nordicom's headquarters in Copenhagen.

As the property is presented as a domicile, depreciation is required in accordance with IAS 16. Assets are revaluated equal to fair value at the date of revaluation less accumulated depreciation and subsequent impairment losses. There have been revaluations both as of December 31, 2017 and December 31, 2016.

Domicile properties are pledged as security for loans, mortgage loans and other credit institutions as stated in Note 27. Information on fair value hierarchy of Domicile is as follows:

Amounts in DKK 1000s	Level 1	Level 2	Level 3	Total
At 31 December 2017:				
Domicile property	0	0	180,923	180,923
	0	0	180,923	180,923
At 31 December 2016:				
Domicile property	0	0	149,382	149,382
	0	0	149,382	149,382

Classification of domicile properties in level 3 means that determining the fair value of domicile properties mainly based on data that are not observable in the market.

During the 2017 and 2016 been no transfers between levels of the fair value hierarchy.

The fair value of domicile properties is based on estimates. Refer to note 1 for additional details. No domiciles have been acquired in 2017 and 2016.

If Park Street Nordicom domiciles were measured at the historical cost less accumulated depreciation, the book value would have been the following:

Amounts in DKK 1000s	2017	2016
Domicile properties	122,316	123,878
	122,316	123,878

Note 16 – Investment properties

As of 31 December 2017 there are no ongoing sales processes regarding investment properties.

Amounts in DKK 1000s	2017	2016
Balance at 1 January	1,911,467	1,909,154
Costs incurred for improvements	11,164	8,855
Adjustment to fair value, net	332,764	-1,071
Retirement on sale	0	-41,555
Reclassification of assets for sale	0	-62,408
Reclassification from assets held for sale	0	98,492
Balance at 31 December	2,255,395	1,911,467

Fair value hierarchy for investment:

Amounts in DKK 1000s	Level 1	Level 2	Level 3	Total
At 31 December 2017:				
Investment properties	0	0	2,255,395	2,255,395
	0	0	2,255,395	2,255,395
At 31 December 2016:				
Investment properties	0	0	1,911,467	1,911,467
Investment properties for sale	0	0	6,585	6,585
	0	0	1,918,052	1,918,052

Classification of investment properties in level 3 means that determining the fair value of investment properties is mainly based on data that is not observable in the market.

During 2017 and 2016 there has been no transfers between levels of the fair value hierarchy.

The fair value of investment properties is based on estimates. Refer to note 1 for additional details. No investment properties have been acquired in 2017 and 2016.

Total fair value adjustments on investment properties in the financial year are:

Amounts in DKK 1000s	2017	2016
Investment properties	332,764	-1,071
Assets held for sale	0	1,486
	332,764	415

Total fair value adjustments amounts to DKK 352.8 million (2016: DKK 0.4 million) for the properties still owned by the Company as of December 31, 2017. These value adjustments are recognized in the income statement as "Adjustments to fair value, net". Investment properties are pledged as security for debt to mortgage banks and other credit institutions as indicated in Note 27.

The Group does not have any agreement which required the Group to build or redevelop any properties neither in 2017 or 2016. Park Street Nordicom has no properties operating through operating leases.

The net income of the investment portfolio is as follows:

Amounts in DKK 1000s	2017	2016
Rental income from investment properties	138,299	142,504
Operating expenses, investment properties	-19,399	-23,811
Net income from investment properties	118,900	118,693

The Group has entered into operating leases (leases) to tenants of its investment properties. The leases duration is up to 15 years. The contract minimum payments under existing leases are distributed as follows:

Amounts in DKK 1000s	2017	2016
Remaining termination within 1 year from the balance sheet date	111,423	106,925
Remaining termination between 1 and 5 years from the balance sheet date	91,701	115,932
Remaining termination after 5 years from the balance sheet date	97,705	47,310
	300,829	270,167

Note 17 – Mortgages and Instruments of Debt

Nordicom has the following mortgage and debt instruments classified as "Financial assets measured at fair value":

Amounts in DKK 1000s	2017	2016
Receivables at 1 January	9,067	9,303
Repayments / repayments for the year	-186	-236
Receivables at 31 December	8,881	9,067

Mortgages and debt securities classified as financial instruments in the category "Loans and receivables" expire in the following periods:

Value	Expire	Effective interest rate p.a.		Balance in DKK 1000		Fair value in DKK 1000	
		2017	2016	2017	2016	2017	2016
DKK	2025	7.5%	7.5%	8,881	9,067	8,881	9,067
				8,881	9,067	8,881	9,067

The calculated fair value is based on estimates (Level 2 in fair value hierarchy).

Note 18 – Project Holdings

Amounts in DKK 1000s	2017	2016
Project holdings at 1 January	3,816	28,518
Additions and improvements	39	5,063
Sales of project holdings, valued at as cost price	-1,485	-6,369
	2,370	27,212
Projects classified as assets held for sale	0	-23,396
Project holdings at 31 December	2,370	3,816
Carrying forward of project holdings recognized at net realizable value	2,370	3,816

Project holdings are pledged as security for debt to credit institutions as stated in the comments in note 27.

Note 19 – Receivables

Amounts in DKK 1000s	2017	2016
Receivable Rental Income	5,892	7,317
Receivables from sale of properties	27	0
Deposited funds in banks	6,524	9,416
Other Receivables	2,872	7,889
Receivables at 31 December	15,315	24,622

Write-downs on receivable rental income have been made after an individual assessment and have developed as follows:

Bad debt provision as of 1 January	6,385	5,584
Additional provisions	2,950	1,453
Recognized losses	-393	-501
Reversal	0	-151
	8,942	6,385

In the above tenant rental income, receivables have been recognized which were overdue as at 31 December but have not been written down, with the following amounts:

Up to 30 days	333	119
Between 30 and 90 days	1,132	129
Over 90 days	4,025	107
	5,490	355

Trade receivables are predominantly non-interest bearing. Apart from rental income receivable, Park Street Nordicom has no receivables that are overdue at the balance sheet date or which have been assessed as impaired.

Funds deposited in banks relate to receivables selling price from properties sold, funds deposited as collateral for mortgage loans and deposits as security for the initiated maintenance work on properties.

Note 20 – Cash and cash equivalents

Amounts in DKK 1000s	2017	2016
Petty cash	15	21
Deposits in banks for free disposal	19,938	76,377
	19,953	76,398

Note 21 – Assets held for sale

Key figures for assets and liabilities held for sale:

Amounts in DKK 1000s	2017	2016
Key figures for assets and liabilities for sale		
Investment properties	0	6,585
Deferred tax assets	0	5,681
Project holdings	0	23,396
receivables	0	925
Liquid assets	0	2,841
Assets for sale	0	39,428
Credit institutions	0	44,937
Other obligations	0	1,313
Liabilities relating to assets held for sale	0	46,250

Movements of the year relating to investment properties held for sale are specified as follows:

Amounts in DKK 1000s	2017	2016
Investment properties at 1 January	6,585	131,500
Reclassification from investment properties	0	62,408
Other additions	0	6
Adjustment to fair value, net	0	1,486
Retirement on sale of investment properties	-6,585	-90,323
Reclassification to investment properties	0	-98,492
Investment properties at 31 December	0	6,585

As of December 31, 2017 there are no assets and liabilities are held for sale. All assets and liabilities have been reclassified to investment properties under long-term assets. The reversal is due the fact that once completed the restructuring plan for Park Street Nordicom there are no obligations to dispose any of the Company assets.

Note 22 – Share capital

Amounts in DKK 1000s	2017	2016
Share capital as on 1st of January	12,028	12,028
Share capital increase	30,825	0
Share capital as on 31 December	42,853	12,028

The share capital consists of 42,852,689 shares of DKK 1 (31 December 2016: 12,027,858 shares of DKK 1). No shares have special rights. The shares are fully paid.

During 2017 a share capital increase took place at market price through debt conversion against issuance of class B share capital. After the issuance of the class B shares the Company's total share capital increased to a nominal amount of DKK 42.8 Million; the debt converted into equity

had a market value of DKK 202 Million. The share capital injection has been made by the main shareholder, Park Street NordAc Sarl, a controlled group of Park Street Asset Management Ltd. On December, 31 2017 the share capital owned by the main shareholder increased to 87.62% (55.89% of Class A shares and 100% of Class B shares).

Note 23 – Own shares

	Number of shares		Nominal value (Amount in DKK 1000)		Share of share capital	
	2017	2016	2017	2016	2017	2016
1 January	119,491	119,491	119	119	1.0%	1.0%
31 December	119,491	119,491	119	119	1.0%	1.0%

All own shares are owned by Park Street Nordicom A/S.

Note 24 – Deferred Taxes

Amounts in DKK 1000s	2017	2016
Deferred tax at 1 January	-10,807	6,078
Transfer of assets held for sale	5,681	0
Recognized in other comprehensive income	7,281	2,140
Correction from previous years	-673	0
Recognized in the income statement	86,705	-19,025
Deferred tax at 31 December	88,187	-10,807

Deferred tax is recognized in the balance sheet as follows:

Deferred tax (active)	0	-5,126
Deferred tax (liability)	88,187	0
	88,187	-5,126
Deferred tax (asset) Assets held for sale	0	-5,681
Deferred tax at 31 December	88,187	-10,807

Deferred tax recognized in the balance

The calculation of deferred taxes included DKK 255 million relating to tax losses carried forward from Group companies. Based on budget accounting and tax profits in the period 2018-2021 and deferred tax liabilities, it is estimated that all tax losses (tax base) will be realized, which is included in the calculation of deferred tax DKK 88.2 million (taxable value) per 31 December 2017.

Deferred tax assets not recognized in the balance

Deferred tax assets (value calculated at a tax rate of 22%) not recognized in the balance sheet relate to:

Amounts in DKK 1000s	2017	2016
Tax losses carryforward	0	27,111
	0	27,111

Tax losses recognized in 2016 relate to companies that generated tax losses that were not considered to be recoverable in the financial projections performed by the direction.

Amounts in DKK 1000s	Balance 1/1	Recognized in the income state- ment	Transfer of assets held for sale	Recognized in another comprehensive income	Balance 31/12
2017					
Investment and domicile properties	61,994	73,208	0	7,281	142,483
Fixtures and fittings	-851	-207	0	0	-1,058
Project holdings	358	0	0	0	358
Receivables	-459	563	0	0	104
Provisions	-1,405	350	0	0	-1,055
Credit institutions	-9,958	15,833	5,681	0	11,556
Executable tax losses	-60,486	-3,715	0	0	-64,201
	-10,807	86,032	5,681	7,281	88,187
2016					
Investment and domicile properties	52,394	7,460	0	2,140	61,994
Fixtures and fittings	-759	-92	0	0	-851
Project holdings	553	-195	0	0	358
Receivables	-1,228	769	0	0	-459
Provisions	-770	-635	0	0	-1,405
Credit institutions	-8,142	-1,816	0	0	-9,958
Executable tax losses	-35,970	-24,516	0	0	-60,486
	6,078	-19,025	0	2,140	-10,807

Note 25 – Credit Institutions

Amounts in DKK 1000s	2017	2016
Credit institutions, nominal	1,791,058	2,196,337
Market value adjustments	-7,787	97
	1,783,271	2,196,434

The liabilities are thus included in the balance sheet:

Credit institutions, long-term	1,501,353	1,299,651
Credit institutions, short-term	281,918	851,846
Liabilities associated with assets held for sale	0	44,937
	1,783,271	2,196,434

The Group's loans and credits are distributed as per 31 December as follows:

Liabilities recognized at fair value	Currency	Rate type	Expiry date	2017	2016
Banks Debt	DKK	Fixed	0-1 years	0	823,661
Banks Debt	DKK	Fixed	2-5 years	0	15,013
Banks Debt	DKK	Interest-free	2-5 years	0	35,000
Mortgage Debt	DKK	Variable	6-10 years	0	5,147
Mortgage Debt	DKK	Variable	11-15 years	0	260,827
Mortgage Debt	DKK	Variable	16-20 years	0	707,809
Mortgage Debt	DKK	Variable	21-25 years	0	285,377
Convertible bonds	DKK	Interest-free	11-15 years	11,335	0
				11,335	2,132,834
Market value adjustments				-7,787	97
Carrying amount				3,548	2,132,931

Liabilities recognized at amortized cost	Currency	Rate type	Expiry date	2017	2016
Banks Debt	DKK	Fixed	0-1 years	194,801	11,997
Banks Debt	DKK	Fixed	2-5 years	371,177	0
Mortgage Debt	DKK	Variable	6-10 years	194,115	0
Mortgage Debt	DKK	Variable	16-20 years	891,972	0
Mortgage Debt	DKK	Variable	21-25 years	127,658	0
Convertible bonds	DKK	Interest-free	11-15 years	0	51,506
Carrying amount				1,779,723	63,503

The nominal amounts stated in the tables represent the amount that Park Street Nordicom will repay under the loan agreements by the end of these agreements.

Fixed interest loans stated in the tables indicate that a fixed rate applies until the loans' maturity date or until a new negotiation is made with the individual bank. Variable interest rates expressed in the tables indicate that the loans have interest rates that are regularly adjusted over the term of the loans due to fluctuations in market interest rates.

The evolution of the long and short term liabilities with credit institutions is specified follows:

Amounts in DKK 1000s	2017
Non-current financial liabilities	1,299,651
Current financial liabilities with credit institutions	851,846
Liabilities associated with assets held for sale	44,937
Financial liabilities with credit institutions at 1 January, 2017	2,196,434
Repayment of liabilities to credit institutions	-118,299
Mortgage and bank debt converted into equity	-183,993
Zero coupon debt converted into equity	-18,064
Bond amortization	881
Market value adjustments, note 8	-34,134
Cancellation of debt, note 13	-33,642
Cancellation of debt from disposal of associated subsidiaries, note 13	-27,172

Loan refinancing	-1,289
Accrued financial expenses	2,549
Financial liabilities with credit institutions at 31 December, 2017	1,783,271
Non-current financial liabilities	281,918
Current financial liabilities with credit institutions	1,501,353
Total financial liabilities with credit institutions at 31 December, 2017	1,783,271

Determining the fair value of debt to credit institutions

Information on Group's financial loan agreements, mortgage debt and convertible bonds is disclosed in note 28. Information on estimates and judgments related to the determination of fair value of financial liabilities is disclosed in note 1. As stated in these notes mortgage and bank debt have been recognized at amortised cost in 2017 (reversal of fair value adjustments in 2017: DKK 3.3 Million) while in 2016 it was classified as fair value (2016: DKK -10.7 million).

Zero-coupon bonds (former Convertible bonds)

As a result of a prior bank agreement, Park Street Nordicom issued in 2010 convertible bonds for a number of credit institutions for a total nominal DKK 69.0 million. The bonds are non-callable by credit institutions until 31 December 2029 and non-amortized. Conversion period for the bonds to shares has expired, and as a result, the bonds in the annual report classified as normal loans from credit institutions and is therefore included under "Credit institutions" in the balance sheet (zero-coupon bonds). The convertible bonds are recorded as subordinated loan capital and is subordinate to all other unsubordinated debt. A total nominal amount of 57.7 million of these zero-coupon bonds have been converted into class B shares as indicated in note 22. The movement of the nominal value of these zero-coupon bonds is as follows:

Amounts in DKK 1000s	2017	2016
Convertible bonds at 1 January (Nominal value)	69,051	69,051
Bonds converted into class B shares (Nominal value)	-57,716	0
Convertible bonds at 31 December (Nominal Value)	11,335	69,051

The fair value estimated by an independent reviewer (Level 3 of the fair value hierarchy) at December 31 2017 corresponds to a rate of 31.30 (31 December 2016: DKK 0 – recognized at nominal value in the balance). The carrying value of zero-coupon bonds in the statement of financial position is shown in the following table:

Amounts in DKK 1000s	2017	2016
Fair value of financial liability at the date of issue	44,385	44,385
Amortization of convertible bonds at 1 January	7,121	5,973
Amortization for the year	881	1,148
Amortization of convertible bonds per 31 December	8,002	7,121
Fair Value adjustment recognized in the Profit and Loss	-30,774	0
Convertible bonds converted into Equity	-18,065	0
Balance at 31 December	3,548	51,506

As stated in note 28 Group's non-convertible bonds are recognized as liabilities towards credit institution and are recognized as at fair value based on data that is non-observable in the market.

Note 26 – Provisions

Amounts in DKK 1000s	2017	2016
Provisions at 1 January	2,085	2,246
Used in the year	0	-746
Reversed during the year	-85	0
Accrued in the year	0	585
Provisions 31 December	2,000	2,085

Provisions relate to an obligation with the purchaser of a property concerning environmental clean-up on a land.

Note 27 – Contingent assets and liabilities

Pledges and guarantees

The nominal pledge for the bank debt and mortgage debt given by credit institutions per December 31, 2017 amount a total of DKK 2,142 million (31 December 2016: DKK 2,546 million), the nominal value of the loans amounts a total of DKK 1,750 million (December 31, 2016: DKK 1,933 million) in the group's investment properties and domiciles with a book value totalling DKK 2,505 million (31 December 2016: DKK 2,056 million).

The nominal pledge for the bank debt and mortgage debt given by credit institutions per December 31, 2017 amount a total of DKK 37.8 million (31 December 2016: DKK 80 million), the nominal value of the loans amounts a total of DKK 29.5 million (December 31, 2016: DKK 53 million) in the group's project holdings with a book value totalling DKK 2.3 million (31 December 2016: DKK 27 million).

The nominal pledge for the bank debt and mortgage debt given by credit institutions per December 31, 2017 amount a total of DKK 8.3 million (31 December 2016: DKK 9 million), in the group's deposited mortgage deeds with a book value totalling DKK 8.9 million (31 December 2016: DKK 9 million).

Litigations and disputes

The buyer of a property in 2014 directed claims against Nordicom regarding hidden defects in the property. The requirement is provisionally stated to be around DKK 3 million. Park Street Nordicom has rejected the claim as it is not deemed likely that Nordicom has to pay compensation, and therefore considers the claim as a contingent liability.

Buyers of a property in a prior period have directed claims against Park Street Nordicom and Park Street Nordicom's subcontractor recognizing and remedying faults and shortcomings of those occasions. Buyer's consultant has estimated that repairing the defects amounts to DKK 1.5-1.8 million; Park Street Nordicom has rejected the claim as it is not deemed likely that Park Street Nordicom has to pay compensation, and by considering the obligation as a contingent liability.

A trustee in a bankruptcy estate after one of Park Street Nordicom's former tenants have claimed Park Street Nordicom regarding the use of the trade brand name, which it claims a repayment of the tenant's recent rent payments in accordance with the Bankruptcy Act on cancellation. The requirements represent approximately DKK 2.5 million. Park Street Nordicom has denied the request for both claims as contingent liabilities.

In connection with the sale of a property (building rights) in 2016, it was agreed that if, in connection with the buyer's settlement there is a proof that the property is contaminated, Park Street Nordicom must reimburse the costs that may be needed to get property released for the buyer's purpose. Park Street Nordicom consider the agreement as a contingent liability as stated in Note 26.

In the process related to financial restructuring of Park Street Nordicom, an advisor claims an entitlement to certain a performance linked fee. The Group has rejected the claim as it is not deemed likely that Park Street Nordicom has to pay the compensation and consider the claim as a contingent liability.

No additional significant litigations and disputes are acknowledged by the Group at December 31, 2017 and December 31, 2016 other than the ones indicated in Note 26.

Conditional debt relief and contingencies

Park Street Nordicom sold in 2013 the properties of Enghave Brygge in Copenhagen's Sydhavn. The deal was structured such that, in the course of the deal, a debt repayment of DKK 80 million was reached, of which DKK 35 Million depended on the buyer's repayment of his loan obligations in the subsequent years. These DKK 35 million, which were recognized as a liability in the balance sheet as of December 31, 2016, represents a

conditional debt cancellation that is recognized as a gain in the income statement when the conditions for remission are met. In 2017, Park Street Nordicom received confirmation that the conditions for remission have been met, and the debt cancellation have therefore been recognized in the income statement in 2017.

In connection with the sale of a property in 2014, Nordicom has been subject to a surcharge for the property if the purchaser on the site before 1 January 2024 obtains more building rights than assumed at the conclusion of the transaction. The additional price amounts to DKK 2,000 for each building rights. Additional building plans will require a change of the local plan for the area in which the property in question is located. Nordicom is not aware of any plans to change the local plan in question, for this reason Park Street Nordicom does not consider the potential additional price as a contingent asset.

No contingent assets are recognized in Park Street Nordicom's balance as at December 31, 2017.

Operational lease commitments

There are operating leases for the rental of cars. Cars are leased over a three-year period (expiring in February 2018).

Amounts in DKK 1000s	2017	2016
Within 1 year from the balance sheet date	8	314
Between 1 and 5 years from the balance sheet date	0	18
After 5 years from the balance sheet date	0	0
Operating lease obligations at 31 December	8	332
Minimum lease payments recognized in the profit and loss account for the year	332	430

Note 28 – Financial risks and use of derivative instruments

Amounts in DKK 1000s	2017	2016
Mortgages and debentures	8,881	9,067
Financial assets measured at fair value through profit or loss	8,881	9,067
Receivables	15,315	25,547
Liquid assets	19,953	79,239
Loan and receivables	35,495	104,786
Credit institutions	3,548	2,132,931
Financial liabilities measured at fair value through profit or loss	3,548	2,132,931
Credit institutions	1,779,723	63,503
Deposits	40,645	40,805
Accounts payable	4,375	3,173
Other Debts	12,205	15,881
Financial liabilities measured at amortized cost	1,836,948	123,362

Risk management policy

The financial management of the Group is geared towards stabilization and optimization of the Group's operations, while at minimizing the Group's financial risk exposure. It is part of the Group's policy not to conduct speculative transactions by active use of financial instruments.

The group is due to its activities exposed to various financial risks, including liquidity risk, market risks (primarily interest rate risk) and credit risk.

Liquidity risk

Park Street Nordicom's liquidity risk consists on not being able to make regular payments and not being able to provide sufficient liquidity to cover the financing costs, capital repayment obligations and capital investments. Lack of liquidity may arise from insufficient cash resources and may be adversely affected by missed payments from Nordicom tenants, increased vacancy, repayment of deposits, divestments, unexpected costs and investment needs. Lack of liquidity may also arise from default of loans signed and in connection with refinancing when existing loan agreements expire or are terminated.

Cash reserves total at December 31, 2017 DKK 19.9 million (31 December 2016: DKK 79.2 million). Nordicom forecasts that current and generated liquidity is sufficient to carry out the group's planned activities throughout 2018.

Maturity of financial liabilities is specified as follows:

Amounts in DKK 1000s	Carry forward balance	Contractual cash flows	0 - 1 Years	2 - 3 Years	4 - 5 Years	After 5 Years
2017						
Non-derivative financial instruments						
Credit institutions	1,783,271	2,211,751	311,439	159,083	155,431	1,585,798
Trade payables	4,375	4,375	3,885	0	0	0
Deposits	40,645	40,645	29,999	6,410	1,394	2,842
Other debts	11,786	11,786	11,786	0	0	0
Total	1,840,077	2,268,557	357,109	165,493	156,825	1,588,640
2016						
Non-derivative financial instruments						
Credit institutions	2,196,434	2,564,527	936,691	265,974	212,536	1,149,326
Trade payables	3,173	3,173	3,173	0	0	0
Deposits	40,805	40,805	21,740	9,775	5,678	3,612
Other debts	15,881	15,881	15,881	0	0	0
Total	2,256,293	2,624,386	977,485	275,749	218,214	1,152,938

Interest rate risk

Park Street Nordicom is as a result of its financing activities in significant extent exposed to interest rate fluctuations. The interest rate risk is therefore an essential element in the overall assessment of the Group's financial situation.

The interest rate risk as of December 31, 2017 primarily relate to the following:

- Fluctuations in market interest rates on mortgages with variable rates (Cibor6, F1, F2, F3).
- Renegotiation of the margin rate applied on the mortgage loans.
- Renegotiation of fixed interest rate of bank debt associated with the extension of loans / terms. Fixed rate includes loans, which applies a fixed rate until the loans' maturity date, to other agreed point in time or until a renegotiation is made with the individual bank.

Park Street Nordicom's major interest rate risk is the risk that the financial creditors on short notice increase terms of interest and margin rates. In this situation, the level of interest and contribution rates depend on negotiations with the financial institutions. Historically, Nordicom has had a policy of having a high proportion of debt with interest periods of one year or less (short rates), the market-based short-term rates are usually lower than long term rates. The Group's loan portfolio is continuously monitored with a view to optimizing the group's exposure to interest rate risks. Nordicom at December 31, 2017 does not have financial instruments for interest rate hedging, and the group has limited opportunities to influence the interest rate risk in the current financial situation.

Group's nominal financial debt is specified as follows, based on the type of interest rate that is linked to individual loans:

Type of loan	Coupon type	Nominal (DKK million)	* Weighted interest rate (per annum)
At December 31, 2017:			
Mortgage debt	Cibor6	681	2.31%
Mortgage debt	F1	525	1.35%
Mortgage debt	F2	89	1.88%
Mortgage debt	F3	290	1.39%
Bank debt etc.	Fixed	194	3.84%
Others	Interest-free	4	0.00%
		1,783	2.02%
At December 31, 2016:			
Mortgage debt	Cibor6	409	4.65%
Mortgage debt	F1	567	4.77%
Mortgage debt	F2	75	4.62%
Mortgage debt	F3	208	4.91%
Bank debt etc.	Fixed	850	3.88%
Others	Interest-free	87	0.00%
		2,196	4.22%

(*) Weighted interest rate (pa) includes contributions to mortgage and expresses the average weighted interest rates in effect at the turn of the year and in the subsequent period until the next repricing date.

The calculated weighted interest rate for all Group loans are at 31 December 2017 2.02% per annum, and is based on the latest confirmed interest rates. The corresponding calculated weighted rate at 31 December, 2016 was 4.22% per annum. The decrease in 2017 was primarily due to the approval of Park Street Nordicom's restructuring by the financial institutions which has implied a reduction of the margins applied on the mortgage loans.

Breakdown by maturity until the next date of interest rate adjustment distributes the Group's loans as follows (as of Dec. 31):

Amounts in DKK million	2017	2016
Within six months	594	1.788
Between 6 and 12 months	0	238
Between 1 and 2 years	59	82
Between 2 and 5 years	1.127	37
After 5 years	4	51
	1,783	2,196

The interest rate adjustment date for fixed-rate and interest-free loans is included in the above table at the time of the renegotiation of the maturity and / or terms of the loans or where existing confirmations on a given interest rate expire for a period.

Interest rate risk from Park Street Nordicom's view can be presented in the following two divisions:

- Variable market interest rates: Risks associated with fluctuations in market interest rates, ie. on loans where interest rate adjustment takes place at defined times based on market fluctuations. This applies to mortgage loans with variable interest rates.
- Interest, etc. on all loans: Risks associated with fluctuations in interest rates on all loans. In addition to the above fluctuations in market rates, this includes the renegotiation of contribution rates at mortgage banks and renegotiation of loan terms with bank creditors.

The hypothetical effect on the results and equity after tax as a result of 1 percentage point increase in interest rates (ex. Fair value adjustments) are illustrated in the following table:

Amounts in DKK million	2017	2016
Variable market interest rates:		
Effect on income statement	-12.4	-9.8
Effect on equity	-12.4	-9.8
Variable and fix Interest rate on all loans:		
Effect on income statement	-13.9	-16.5
Effect on equity	-13.9	-16.5

On loans from credit institutions, with ongoing interest rate adjustments resulting from changes in market interest rates, illustrates the table above that the hypothetical effect on net income and equity as a result of one percentage point increase in interest rates amounts to DKK -12.4 million per annum (2016: DKK -9.8 million). If all bank loans experience an interest / margin increase of 1 percentage point, the effect on net income and equity amount to DKK -13.9 million per annum (2016: DKK -16.5 million). The given sensitivities are calculated after tax and based on the recognized financial assets and liabilities at 31 of December.

Currency risk

The group exposure is very limited to changes in currency rates.

Credit risk

The Group's credit risk is primarily related to:

- Lease receivables
- Receivables from the sale of properties
- Receivables form mortgages

The maximum credit risk for financial assets is reflected in the accounting values of the balance sheet, and taking into account securities received.

Risks concerning to rental receivables are limited to Park Street Nordicom's options to deduct payments from deposits and termination of the covered leases. Credit risk on receivables arising from the sale of properties is limited, as the transactions are always subject to payment of purchase price and deposit of the purchase price. With mortgage deeds, the Group has an usual debtor risk, which is reduced by mortgages on properties.

In order to minimize the risk of loss of receivable rent, the tenants' ability to pay prior to entering into leases is assessed to the extent that it is relevant. In addition, there is usually a requirement for a cash deposit, a guarantee and / or prepaid rent. However, if a tenant is unable to pay, it may result in loss as well as reduced income due to rental allowance upon relocation, lower future rental income and any additional costs incurred in connection with refurbishment etc.

Credit risk on receivables at December 31, 2017 is further described in note 19.

Group's cash and short-term deposits consists primarily of deposits in reputable banks. The group believes that there is no significant credit risk associated with the cash. Deposits in banks are labelled at variable interest rate.

Share capital risk

The equity ratio is at December 31, 2017 positive while at December 31, 2016 it was negative. The application of the restructuring plan and the increase of share capital by the existing investors has ensured a normalization of the group's financial structure.

Financial liabilities with credit institutions and fair value

In 2017 the value of the Group's mortgage debt and bank debt is classified as amortized cost while in 2016 this debt was classified as fair value through profit and loss based on quoted market prices for the underlying bonds adjusted for an estimate of changes in the Group's own credit rating. Due to the restructuring process carried during 2017, a decrease of the margin applied on the mortgage debt and the Group's credit rating have result in a significant change of the conditions of the Group's mortgage and bank debt. As a result the modified loans have been classified at the default category which is amortised cost.

Fair value of loans measured at amortised cost amount to DKK 1,779,723. Fair value has been determined as the present value of the contractual cash flows discounted at a rate reflecting the current borrowing rate. Due to the fact that the terms of all loans were recently renegotiated, fair value of all floating rate loans is considered to be equal to their carrying amount. Based on a recent transaction, the fair value measurement is considered a level 2 measurement.

The fair value of zero-coupon debt is established based on the fair value estimated by an independent reviewer (estimated rate of 31.30 at December 31, 2017).

The Group's financial assets and liabilities measured at fair value are classified on the following 3 levels in the fair value hierarchy:

- Level 1: Based on listed prices (non-adjusted) on active markets for identical assets or liabilities.
- Level 2: Based on inputs other than listed prices that are observable for the asset or liability, either direct (as prices) or indirect (derived from prices).
- Level 3: Based on data that is not observable in the market.

Amounts in DKK 1000s	Carry forward balance	Level 1	Level 2	Level 3
2017				
Mortgages and debentures	8,881	0	8,881	0
Total financial assets	8,881	0	8,881	0
Credit institutions	3,548	0	0	3,548
Total financial liabilities	3,548	0	0	3,548
2016				
Mortgages and debentures	9,067	0	9,067	0
Total financial assets	9,067	0	9,067	0
Credit institutions	2,132,931	0	1,904,044	228,887
Total financial liabilities	2,132,931	0	1,904,044	228,887

It is the Group's policy to recognise transfers between the different levels from the time at which an event or change in circumstances entails a change in the classifications. No transfers were made between levels 1 and 2 in the accounting period.

When calculating the fair value of the Group's liabilities in accordance with level 3 of the fair value hierarchy, a correction is made for the Group's own credit rating, taking into account the legal status of the liabilities, and the security in the assets measured at fair value. Consequently, no direct assumptions of discount factors, etc. are included when measuring liabilities to credit institutions in accordance with level 3 of the fair value hierarchy.

The table below shows the change in liabilities to credit institutions measured at fair value in the balance sheet based on valuation methods in which significant inputs are not based on observable market data (level 3):

Amounts in DKK 1000s	2017	2016
Carrying amount per 1st of January	228,887	309,787
Gains / losses in the income statement	-47,438	8,715
Redemptions	-33,642	-25,856
Transfer to Level 3	0	0
Transfer to Amortized Cost value	-144,259	-63,759
Balance at 31 December	3,548	228,887
Gain / loss in the income statement for liabilities held at 31st of December	-81,080	7,189

Gains/losses concerning credit institutions measured at fair value are included in the item 'Adjustment to fair value, net' and in the item 'Special items' in the income statement. Liabilities to credit institutions measured at fair value are transferred to/from level 3 in the fair value hierarchy depending on whether the fair value of the loans contains a correction for the Group's own credit rating.

For financial instruments that are not measured at fair value, the book value is assessed as being a reasonable approximation of fair value.

Note 29 – Non-current operating items, etc.

Amounts in DKK 1000s	2017	2016
Depreciation and amortization	2,495	2,144
Profit/loss on sale of operating assets	-6	0
Other regulations	431	883
Total regulation	2,920	3,027

Note 30 – Changes in other working capital

Amounts in DKK 1000s	2017	2016
Change in receivables	7,447	6,209
Change in project holdings	186	0
Change in provisions	-85	-1,150
Change in deposit	-387	-2,887
Change in trade payables	-8,465	2,065
Change in total working capital	-1,304	4,237

Note 31 – Related parties

Park Street Asset Management Ltd. (London, England) has controlling influence in Park Street Nordicom A/S by virtue of its shareholding of 87.62% of shares and votes in Park Street Nordicom A/S. See note 5, where the remuneration of Directors and Board of Nordicom appears. The Company has additionally had the following transactions between Park Street Nordicom and related parties:

Amounts in DKK 1000s	2017	2016
Other related parties		
Interest expenses relating to loans with related parties	2,095	888
Loans with related parties (as at 31 December)	90,000	89,349
Other external expenses	803	0

Loans from related parties are short term loans that were converted into equity as part of the restructuring plan complement in February 2018, see note 32.

There have been no other transactions, etc. with related parties during the period.

Note 32 – Subsequent Events

As stated in the Nasdaq announcement of 27th of February 2018, the board of directors of Park Street Nordicom A/S decided to exercise its authorisation granted at the annual general meeting held on 27 April 2017 to complete a direct capital increase by cash injection at market price against issuance of class B share capital as well as direct capital increase at market price through debt conversion against the issuance of class B share capital.

The total cash injection is DKK 50 Million while the nominal amount of debt is DKK 92.69 Million. The new class B shares subscription has been made at a market price of 5.786. Thus, the total capital increase has total amount of DKK 142.69 Million class B shares.

Park Street NordAc Sarl, a controlled group of Park Street Asset Management Ltd. subscribed to all the new class B shares in connection with the capital increase.

After the subscription of the new class B shares Park Street Asset Management Ltd. and Park Street NordAc Sarl will own 100% of the nominal class B share capital and 55.89% of the nominal class A share capital and a total of 92.14% (and a corresponding percentage of the votes) of the total nominal share capital of the Company.

As stated in the Director's report the shareholder structure after the share capital increase is as follows:

Share capital	DKK 67,513,372
Nominal share amount	DKK 1
Number of shares	67,513,732 shares
Share Classes	DKK 12,027,858 A-shares Listed DKK 55,485,874 B-shares Not listed
Number of votes per share	One
Bearer	Yes
Restriction on voting rights	No
Limitations on transferability	No
ISIN	DK0010158500
Stock Exchange	Nasdaq Copenhagen

Shareholders above 5%	In percent
Park Street Asset Management Ltd.	92.14%

Equity at the date of issuance of 2017 Annual Report is as follows:

Amounts in DKK 1000s	Share capital	Revaluation reserve	Accumulated profit	Share Premium	Equity Total
Equity as at 1 January 2018	42,853	44,147	296,715	171,232	554,947
Result of the year (Budget figures at 28.03.18)	0	0	18,052	0	18,052
Transactions with owners					
Cash Injection by existing shareholders	50,000	0	0		50,000
Liabilities with financial institutions converted into Equity	92,690	0	0	0	92,690
Other regulations in total	142,690	0	0	0	142,690
Equity as at 28 March 2018	185,543	44,147	314,767	171,232	715,689

As stated above, 2 land plots have been sold during 2018 in Halfdans Vænge, Næstved. Additionally a commercial property has been acquired in January 2018 in Ringsted.

From the balance sheet date until the date of presentation of this Annual Report no additional events have occurred other than the abovementioned which significantly affects the assessment of the annual report.

Note 33 – Accounting policies

The annual report for the period January 1 to December 31, 2017 for Park Street Nordicom A / S comprises the consolidated financial statements of Park Street Nordicom A / S and its subsidiary companies and separate financial statements of the parent company. The annual report of Park Street Nordicom A / S for the year 2017 is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and requirements according to the Danish Financial Statements Act. The annual report has been approved by the Board of Directors on March 28, 2018. The annual report shall be submitted to Park Street Nordicom A / S shareholders for approval at the Annual General Meeting that will take place on April 19, 2018.

BASIS OF PREPARATION

The annual report is presented in Danish crown (DKK) rounded to the nearest DKK 1,000, which is considered to be the primary currency of the Group's activities and the functional currency of the parent company. The annual report is prepared on a historical cost basis, except for investment properties and certain financial obligations that are measured at fair value. Further, investment properties and domicile are measured at reassessed value. The accounting policies are otherwise as described below.

CHANGES IN ACCOUNTING POLICIES

Park Street Nordicom A / S has implemented all new or revised accounting standards (IFRS) and interpretations (IFRIC), as adopted by the EU with effect for the financial year 1 January-31 December 2017. The implementation of new or amended standards and interpretations contributions have not had a material impact on Nordicom's consolidated accounts.

The Company has implemented the following amendments or new standards (IFRS) for financial year 2017:

- IAS 7, Statement of cash flows: Additional disclosures on reconciliation of financial liabilities required. Interest-bearing debt to be reconciled from beginning to end of period.

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP BUT NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below:

IFRS 9 (replacing IAS 39)

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. It is expected to have the following effect for Park Street Nordicom A/S:

- Nordicom measures certain financial liabilities at fair value (fair value option) with recognition of the total fair value adjustment in the income statement. Under IFRS 9, Nordicom present the part of the period's change in fair value attributable to changes in the group's own credit rating, in other comprehensive income.
- Nordicom measures certain debt instruments at fair value with recognition of the fair value adjustment in the income statement. Under IFRS 9, the total value adjustment is presented in the other comprehensive income,
- IFRS 9 includes revised provision for impairment of financial assets, which may mean that Nordicom should recognize bad debt earlier than today.
- The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.
- Must be applied for financial years commencing on or after 1 January 2018. The group will apply IFRS 9 from 1 January 2018, with the practical expedients permitted under the standard. Therefore, comparatives for 2017 will not be restated.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

IFRS 15, Revenue from contracts with customers

A new standard on revenue recognition that replaces IAS 11 and IAS 18 among others. The standard may potentially affect revenue recognition in a number of areas, including:

- The timing of revenue recognition
- Recognition of variable consideration
- Allocation of revenue from multi-element arrangements
- Recognition of revenue from licence rights
- Incremental costs of obtaining the contract

The standard also includes a large number of new disclosure requirements.

Clarifications of IFRS 15 concerning the identification of performance obligations, principal versus agent considerations and licence considerations as well as changes to the transition rules. IFRS 15 and the clarifications will be effective for financial years beginning on or after 1 January 2018. Park Street Nordicom is assessing the impact of the standard, but it is not expected to have any material impact on future consolidated financial statements.

IFRS 16, Leases

Going forward, the lessee is required to recognise all leases as a lease liability and a lease asset in the balance sheet with two exceptions: short-term leases (less than 12 months) and leases relating to low-value assets. It must furthermore be considered whether the agreement is a lease or a service arrangement.

The current rules remain largely unchanged for the lessor. Consequently, leases are still to be classified as finance leases and operating leases.

The standard will be effective for financial years beginning on or after 1 January 2019. Park Street Nordicom does not expect to early adopt the standard. Park Street Nordicom is currently assessing the impact of the standard. Based on the current level of operational leases as of 31 December 2017, IFRS 16 is not expected to have a material impact on future consolidated financial statements.

IAS 40, Investment property

The amendments clarify that transfers may only take place between investment properties and inventories or owner-occupied properties when an actual change in the use of the property has occurred.

The change in use must be documented, and management's intentions alone are not adequate documentation of a change in the use of a property.

The amendment will be effective for financial years beginning on or after 1 January 2018.

DESCRIPTION OF CONSOLIDATED ACCOUNTING POLICIES**Consolidated Financial Statements**

The consolidated financial statements include Park Street Nordicom A / S (parent company) and companies (subsidiaries) controlled by the parent. The parent company is deemed to have control if it (i) has control of the relevant activities in the entity, (ii) is exposed to or are entitled to a variable returns from the investment and (iii) may use its controlling interest to affect the variables of their return.

The consolidated financial statements are prepared as a consolidation of the parent financial statements and accounts of the individual subsidiaries, which have been prepared in accordance with the Group's accounting policies, the elimination of intercompany income and expenses, shareholdings, balances, dividends and gains and losses on transactions, taken between the consolidated companies.

Sale of subsidiaries and activities

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Foreign currency

Transactions in currencies other than the individual companies' functional currencies are translated initially at the transaction date. Receivables and payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the closing rate. Exchange differences arising between the date of transaction and payment date or the balance sheet date are recognized in the income statement under financial income or expenses. Exchange differences arising from the translation of foreign companies' balance sheet items at the beginning of the exchange rates and the translation of income statements from average rates to closing rates are recognized in other comprehensive income.

Exchange rate on full or partial disposal of foreign entities, where control is delivered, the foreign currency translation adjustments are recognized in other comprehensive income, which is attributable to the unit from other comprehensive income to net income along with the gain or loss on the disposal.

PROFIT AND LOSS STATEMENT**Revenue**

Revenue includes rental income, interest on mortgage and debt instruments measured at fair value, sale amount from sold project holding, sales of goods and sales of other services. Rental Revenue is measured at the fair value of the consideration received or receivable and is calculated exclusive of VAT collected on behalf of third parties and discounts.

Revenue from the sale of project portfolios is recognized when delivery takes place and transfer of risk to the buyer (sales method), ie when any construction is completed and finally transferred to the buyer, and all essential elements of the sales agreement are met. Sales of goods factored when delivery and risk transition have taken place.

Rental income, interest on mortgage and debt instruments measured at fair value, and sales of other services is recognized in the periods to which they relate.

Operating costs

Operating costs include costs directly related to turnover, including ongoing operating expenses of the Group investment properties, costs associated with the acquisition and construction of submitted project inventories and other operating costs.

Adjustments to fair value, net

Adjustment to fair value, net includes continuous adjustments of investment properties and related debt as well as debt instruments measured at fair value through profit or loss.

Realized gains on sale of investment properties

Realized gains on sale of investment properties is recognized when the risks and rewards are transferred to the buyer, and the control of the property has been transferred.

Financial income and expenses

Financial items include interest income and interest expenses, foreign exchange rate adjustments, amortization premiums / discounts, realized and unrealized gains and losses on securities as well as surcharges and refunds under the tax.

Borrowing costs directly attributable to the development projects of investment or project portfolios, added to the cost of the assets until the time when the project is completed and the property can be used for the intended purpose. If there is a loan directly to finance the development project, calculated borrowing costs on the basis of an average interest rate of the group's loans except for loans recorded at the acquisition of specific assets. Other borrowing costs are recognized in the income statement in the periods to which they relate.

Income tax expense

Tax for the year comprises current tax and changes in deferred tax, is recognized in the income statement with the portion attributable to the profit and directly in equity or in other comprehensive income with the portion attributable to amounts recognized directly in equity and in other comprehensive income.

BALANCE STATEMENT

Domicile

Domicile properties are initially measured at cost. The cost comprises the cost and expenses directly associated with the acquisition. Fair value at the time of a previous investment property is transferred to owner-occupied properties, is considered the property new cost.

Domicile properties are then measured at a readjusted value, corresponding to the current value at the time of re-evaluation less accumulated depreciation. Principles and Estimates Management's estimate of the properties' fair value are shown in note 1. Revaluations recognized in other comprehensive income and attributed to the separate reserve for revaluation of equity. Owner-occupied properties are depreciated over the assets / components' estimated useful lives, as follows:

Buildings	50 years
Other components	15-30 years

Depreciation is based on revalued amount less estimated residual value after useful life (residual value). Land is not depreciated.

Investment properties

Investment property includes land and buildings held by Park Street Nordicom to earn rental income and / or capital gains. Investment properties are measured initially at cost, which comprises the properties and cost, directly related costs. Investment properties are then measured at fair value and all value adjustments are recognized in the income statement under "Adjustment to fair value, net".

Principles and methods for management's estimate of the properties' fair values is disclosed in note 1.

Land plots, where here is no final decision on the purpose of usage have been included in the Group's portfolio as investment properties..

Machinery and equipment

All machinery and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation, based on a component approach, is calculated using the straight line method to allocate the cost over the asset's estimated useful lives as stated above on Domicile.

Depreciation is based on revalued amount less estimated residual value after useful life (residual value).

Mortgages and instruments of debt

Mortgages classified as financial instruments categorized as "financial assets measured at fair value through profit or loss" are recognized at fair value on initial recognition and subsequently measured at fair value, continuously carried out a revaluation of this statement. Fair value is determined based on observable market data (interest rates), the debtor's creditworthiness and on assessments of the loan term to maturity and ranking in the position.

Impairment of non-current assets

The carrying value of tangible assets that are not measured at fair value are assessed regularly and at least annually to determine whether there is any indication of impairment. When such an indication is present, the asset is valued at recovery value. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Value in use is the present value of expected future cash flows from the asset or cash-generating unit to which the asset belongs. If the asset does not generate cash independently of other assets, the recoverable amount of the smallest cash-generating unit that includes the asset.

Impairment is recognized if the carrying amount of an asset or cash-generating unit exceeds the assets' useful or cash-generating unit's recoverable amount does not exceed the carrying amount that the asset would have had after depreciation if the asset had not been impaired.

Project Holdings

Project Holdings include properties held for the purpose of sale, including ongoing or completed construction projects for own account and former investment properties under development for sale.

Project inventories are measured at cost or net realizable value, if this is lower. Fair value at the time when a previous investment property is transferred to project inventory is considered the property's new cost.

The cost includes the purchase price of the properties plus project and construction costs incurred, as well as borrowing costs attributable to the project / conversion period and indirect project costs.

When it is estimated that the total cost of construction projects, including replacement / expansion projects, will exceed the total sales income, the expected loss is recognized in the profit and loss.

Receivables

Receivables are measured at amortized cost. Impairment losses are made for losses which are deemed to have resulted in an objective indication that an individual receivable is impaired.

Prepayments

Prepayments recognized under assets comprise incurred costs related to coming financial years. Prepayments are measured at cost.

Dividends

Dividends are recognized as a liability at the time of adoption at the general meeting. Dividends proposed for distribution is shown as a separate component of equity until the Annual General Meeting

Own shares

Acquisition and selling prices of company shares and dividends are recognized directly in equity under retained earnings.

Foreign currency reserve

Currency translation reserve includes the parent company shareholders' share of exchange rate differences arising from the translation of accounts for companies with a different functional currency than Danish crown. The reserve is dissolved by the disposal of foreign entities.

Revaluation reserve

Reserve for revaluation includes the accumulated revaluation of domicile. The reserve is reduced by transfer to the profit for the year, as depreciation and write-downs are made on the properties written up or for sale.

Corporate tax and deferred tax

Current tax liabilities and current tax receivables are recognized in the balance sheet as calculated tax on the taxable income, but adjusted for tax on prior years' taxable income and taxes paid on account.

Deferred tax is measured using the balance sheet liability method on temporary differences between accounting and tax values of assets and liabilities, excluding deferred taxes on temporary differences arising on initial recognition of goodwill or the initial recognition of a transaction that is not a business combinations, and where the temporary difference found at the time of initial recognition affects neither the accounting profit nor taxable income.

Deferred tax assets including the tax value of tax loss carryforwards, are recognized under non-current assets at the value at which they are expected to be used either by elimination in tax on future earnings or against deferred tax liabilities. Deferred tax assets are reviewed annually and recognized only to the extent that it is probable that they will be utilized.

Deferred tax is measured based on the tax rates and at the balance sheet date will be applicable in the respective countries when the deferred tax is expected to crystallize as current tax. Change in deferred tax due to changes in tax rates is recognized in the income statement.

Provisions

Provisions are recognized when, as a result of an event occurring before or at the balance sheet date has a legal or actual obligation and it is probable that a payment will be needed to settle the obligation.

The item includes provision for dealing with specific uncertainties on completed projects. Provisions are measured on a best estimate of the amount required to settle the obligation. Provisions with an expected maturity of one year and above are classified as non-current liabilities.

Convertible bonds

Convertible bonds are considered as compound instruments consisting of a financial liability measured at amortized cost and an equity instrument in the form of the integrated conversion right. On the date of issuance, the fair value of the financial liability is determined using a market interest rate for a corresponding non-convertible debt instrument. The difference between the proceeds of the issue of the convertible debt and the fair value of the financial liability, corresponding to the inherent option to convert the liability to equity, is recognized in equity. The fair value of the financial liability is recognized as long-term debt and subsequently measured at fair value.

Liabilities

Financial liabilities are initially measured at fair value and subsequently measured as described below. Financial liabilities are derecognised when they expiry, are cancelled or are converted into equity. A substantial modification of the terms of a financial liability is treated as a settlement of the original liability and recognition of a new liability. A change in the present value of the contractual cash flows with at least 10%, measured on the basis of the original effective interest rate, is treated as a substantial modification.

Financial liabilities attributable to investment properties are measured at amortised cost. Prior to the significant modification of the liabilities attributable to investment property, they were measured at fair value through profit or loss. Adjustments to financial liabilities attributable to investment properties were recognized in the income statement under "Adjustment at fair value, net".

Other liabilities, including non-current liabilities, debt to suppliers and other debt, are measured at amortized cost.

When a financial liability without equity conversion features is converted into equity, the liability is considered settled at the fair value of the shares issued. A gain or loss is recognised in financial items.

Assets held for sale

Assets held for sale include non-current assets that are for sale. Liabilities relating to assets held for sale are liabilities directly related to those assets that will be transferred during the transaction. Assets are classified as "held for sale" when their carrying amount will primarily be recouped through a sale within 12 months according to a formal plan rather than through continued use and provided that the sale at the balance sheet date is considered to be highly probable. When the properties are expected to be recovered from the sale of subsidiaries that own the properties, all the subsidiaries' assets and liabilities are reclassified.

Assets are not depreciated from the time they are classified as "held for sale". Assets held for sale are measured at the lower of the carrying amount at the time of the "sale-for-sale" or fair value less cost of sale. However, investment properties held for sale are measured according to the Group's usual accounting policies for investment properties, ie. at fair value without deduction of selling costs.

CASH FLOW STATEMENT

The cash flow statement is presented according to the indirect method and shows cash flows divided by operating, investing and financing activities for the year, the year's shift in cash and cash equivalents at the beginning and end of the year.

The liquidity effect on the sale of companies is shown separately under cash flow from investing activities. The cash flow statement recognizes the cash flows of sold companies until the date of sale.

Cash flows from operating activities are calculated as operating profit adjusted for non-cash operating items, changes in working capital, received and paid financial income and expenses and paid corporation tax.

Cash flows from investing activities include payments in connection with sales of companies and activities, purchase and sale of financial assets as well as purchase, development, improvement and sales, etc. of intangible and tangible assets, including investment properties.

Cash flows from financing activities include changes in the parent company's share capital and associated costs as well as admission and repayment of loans, repayment of interest-bearing debt, purchase and sale of own shares and payment of dividends.

Cash and cash equivalents comprise cash and short-term securities with insignificant price risk.



2017

PARK STREET
NORDICOM A/S
FINANCIAL STATEMENTS



Income statement

Note	Amounts in DKK 1000s	2017	2016
	Net sales	167,657	175,098
	Operating expenses	-35,551	-43,371
	Gross profit	132,106	131,727
2	Employee benefit expenses	-20,614	-17,969
	Other external expenses	-8,102	-11,830
3	Income / Loss from subsidiaries	-1,596	0
	Depreciation, amortisation and impairment	-2,495	-2,144
	Operating profit (EBIT)	99,299	99,784
	Financial income	1,486	277
	Financial expenses	-74,883	-75,203
	Earnings before value adjustments (EBVAT)	25,902	24,858
	Adjustment to fair value, net	366,898	-10,322
	Gains realised on the sale of investment properties	0	9,935
	Earnings before special items	392,800	24,471
	Special Items	55,629	0
	Profit before tax	448,429	24,471
	Tax on profit for the period	-88,292	19,025
	Profit for the period	360,137	43,496
	Earnings per share, end of period	8.43	3.65
	Diluted earnings per share, end of period	8.43	3.65

Statement of comprehensive income

Note	Amounts in DKK 1000s	2017	2016
	Profit for the period	360,137	43,496
	Other comprehensive income:		
	<i>Items that cannot be reclassified to the income statement:</i>		
	Fair value adjustment of domicile properties	33,096	9,727
	Tax on fair value adjustment of domicile properties	-7,281	-2,140
	Other comprehensive income after tax	25,815	7,587
	Comprehensive income for the period	385,952	51,083
	Distributed as follows		
	Parent's shareholders	385,952	51,083
	Comprehensive income for the period	385,952	51,083

Statement of financial position

Note	Amounts in DKK 1000s	2017	2016
ASSETS			
Non-current assets			
Property, plant and equipment			
	Domiciles	180,923	149,382
	Investment properties	2,255,395	1,911,467
	Machinery and equipment	2,891	3,321
		2,439,209	2,064,170
Financial assets			
3	Investment in subsidiaries	0	0
	Deferred tax assets	0	5,126
	Deposits	101	0
		101	5,126
	Total non-current assets	2,439,310	2,069,296
Current assets			
	Mortgages and instruments of debt	8,881	9,067
	Project holdings	2,370	3,816
4	Receivables	15,883	24,622
	Prepaid expenses and accrued income	2,386	2,689
	Cash and short-term deposits	19,953	76,398
		49,473	116,592
	Assets held for sale	0	39,428
	Total current assets	49,473	156,020
	Total assets	2,488,782	2,225,316

Statement of financial position

Note	Amounts in DKK 1000s	2017	2016
LIABILITIES			
Equity			
	Share capital	42,853	12,028
	Foreign currency reserve	0	146
	Revaluation reserve	44,147	19,894
	Share premium	171,232	0
	Accumulated profit	296,715	-65,130
	Total equity	554,947	-33,062
Liabilities			
Non-current liabilities			
	Deferred tax	88,187	0
	Credit institutions	1,501,353	1,299,651
	Deposits	10,646	19,065
		1,600,186	1,318,716
Current liabilities			
	Provisions for liabilities	2,000	2,085
	Credit institutions	281,918	851,846
	Trade and other payables	4,375	3,173
	Income tax payable	3,152	0
	Deposits	29,999	21,740
	Other liabilities	12,205	14,568
		333,649	893,412
	Liabilities concerning assets held for sale	0	46,250
		333,649	939,662
	Total liabilities	1,933,834	2,258,378
	Total equity and liabilities	2,488,782	2,225,316

Statement of equity

Amounts in DKK 1000s	Share capital	Foreign currency reserve	Revaluation reserve	Accumulated profit	Share Premium	Proposed dividend	Equity Total
Statement of equity for 2017:							
Equity as at 1 January 2017	12,028	146	19,894	-65,130	0	0	-33,062
Total Income in 2017							
The result of the year	0	0	0	360,137	0	0	360,137
Transfer of foreign currency reserve	0	-146	0	146	0	0	0
Fair value adjustment of domicile	0	0	33,096	0	0	0	33,096
Tax on other comprehensive income	0	0	-7,281	0	0	0	-7,281
Other comprehensive income during the financial year	0	-146	25,815	146	0	0	25,815
Total income for the financial year	0	-146	25,815	360,283	0	0	385,952
Transactions with owners							
Liabilities with financial institutions converted into Equity	30,825	0	0	0	171,232		202,057
Depreciation on the revalued value of residential properties	0	0	-1,562	1,562	0	0	0
Other regulations in total	30,825	0	-1,562	1,562	171,232	0	202,057
Equity as at 31 December 2017	42,853	0	44,147	296,715	171,232	0	554,947
Statement of equity for 2016:							
Equity as at 1 January 2016	12,028	146	12,496	-108,815	0	0	-84,145
Total Income in 2016							
The result of the year	0	0	0	43,496	0	0	43,496
Fair value adjustment of domicile	0	0	9,727	0	0	0	9,727
Tax on other comprehensive income	0	0	-2,140	0	0	0	-2,140
Other comprehensive income during the financial year	0	0	7,587	0	0	0	7,587
Total income for the financial year	0	0	7,587	43,496	0	0	51,083
Other adjustments							
Depreciation of revalued value of domiciles	0	0	-189	189	0	0	0
Total other adjustments	0	0	-189	189	0	0	0
Equity as at 31 December 2016	12,028	146	19,894	-65,130	0	0	-33,062

Dividends

No dividend has been distributed for the financial years 2015 and 2016, and the Board has decided that no dividend will be paid for the financial year 2017. Distribution of dividends to Park Street Nordicom A/S shareholders does not have any tax consequences for Park Street Nordicom A/S.

Statement of cash flows

Note	Amounts in DKK 1000s	2017	2016
	Operating profit (EBIT)	99,299	99,784
	Adjustment for illiquid operating items, etc.	2,920	3,027
	Change in project holdings, net	1,446	1,307
	Change in other operating capital	-1,304	4,237
	Cash flows from operating activities	102,361	108,355
	Financial income received	196	277
	Financial expenses paid	-70,180	-62,731
	Total cash flow from operating activities	32,377	45,901
	Cash flow from investing activities		
	Improvements to investment properties	-11,171	-8,861
	Sales of investment properties	36,587	156,725
	Purchases of other property, plant and equipment	-531	-3,431
	Sale of fixed assets	8	0
	Total cash flow from investing activities	24,893	144,433
	Cash flow from financing activities		
	Proceeds from assumption of liabilities to credit institutions	1,743	3,483
	Repayment of liabilities to credit institutions	-118,299	-155,976
	Total cash flow from financing activities	-116,556	-152,493
	Total cash flow for the period	-59,286	37,841
	Liquid assets as at 1 January	79,239	41,398
	Liquid assets as at 31 December	19,953	79,239
	Liquid assets as at 31 Decmeber		
	Cash and short term deposit	19,953	76,398
	Liquid assets held for sale	0	2,841
	Liquid assets as at 31 December	19,953	79,239

Summary

- Note 1 Accounting policies, accounting estimates and risks, etc.
- Note 2 Employee benefits expenses
- Note 3 Investment in subsidiaries
- Note 4 Receivables

Notes

Note 1 - Accounting policies, accounting estimates and risks, etc.

The accounting assumptions, assessments and estimates made in the preparation of the parent company accounts are the same as described in note 1 of the consolidated financial statements, to which reference is made.

See note 3 regarding the recognition and measurement of investments, receivables from subsidiaries and provisions relating to subsidiaries in the Parent Company's financial statements.

Due to the merger, sale or dissolution in 2017 of all subsidiaries of Park Street Nordicom A / S into the parent company Park Street Nordicom A /S the magnitudes reported in 2016 Annual Report cannot be used for comparative purposes; as a result the figures used for 2016 correspond to the consolidated financial statements of the Group.

Note 2 – Employee benefits expenses

Amounts in DKK 1000s	2017	2016
Salary	16,531	15,114
Contribution-based pensions (*)	965	1,389
Other social security costs	89	109
Other staff costs	969	1,357
	18,554	17,969
Average number of employees	23	26

(*) Park Street Nordicom A/S has only defined contribution plans. For defined contribution plans, the employer undertakes to pay a defined contribution to a pension fund, but has no risk with regard to future developments in interest rates, inflation, mortality, disability, etc.. as regards the amount to be paid to the employee.

Remuneration of the CEO and the Board of Directors is described in Note 5 of the consolidated accounts.

Note 3 – Investment in subsidiaries

As stated in note 1 subsidiaries of Park Street Nordicom A/S at the end of 2016 have been merged in Park Street Nordicom A/S with effect as of January 1, 2017. In February 2017, a new entity named Park Street Nordicom UK Ltd. have been created, constituting the only active subsidiary of the Group. The share capital of the Company is 1 GBP and is fully owned by Park Street Nordicom A/S.

Investments in subsidiaries are recognised and measured in the financial statements of the parent company under the equity method. On acquisition of subsidiaries, the difference between cost of acquisition and net asset value of the entity acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the acquisition method). The item "Income (loss) from investment in subsidiaries" in the income statement includes the proportionate share of the profit after tax of the subsidiary. The item "Investments in subsidiaries" in the balance sheet includes the proportionate ownership share of the net asset value of the entities calculated under the accounting policies of the parent company with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of the positive differences (goodwill).

Subsidiaries with a negative net assets value are measured at DKK 0, and any receivables from these are written down by the parent company's share of the negative net asset value, if impaired. Any legal or constructive obligation of the parent company to cover the negative balance of the

subsidiaries is recognised as provisions. The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to " Reserve for net revaluation" under equity. Gains and losses on disposals or winding up of subsidiaries are calculated as the difference between the sales value or cost of winding up and the carrying amount of the net assets at the date of acquisition including goodwill and expected loss of disposal or winding up. The gains or losses are included in the income statement.

Receivables considered to be part of the overall investment in the subsidiary are written down by any remaining negative equity value.

Amounts in DKK 1000s	2017	2016
Cost price at January 1	0	0
Additions	0 (*)	0
Cost price at December 31	0	0
Value adjustments at 1 January	0	0
Share of profit/loss for the year after tax	-1,596	0
Value adjustments at December 31	-1,596	0
Carrying amount at January 1	0	0
Investments with negative equity offset against trade receivables	1,596	0
Carrying amount at December 31	0	0

(*) Addition of Park Street Nordicom UK Ltd. With a share capital of 1 GBP (DKK 0 Thousand)

Note 4 – Receivables

Amounts in DKK 1000s	2017	2016
Receivable Rental Income	5,892	7,317
Receivables from sale of properties	27	2,334
Deposited funds in banks	6,524	12,982
Other Receivables	2,872	6,980
Receivables from related parties	567	0
Receivables at 31 December	15,883	29,613

Write-downs on receivable rental income have been made after an individual assessment and have developed as follows:

Bad debt provision as of 1st of January	6,385	5,584
Additional provisions	2,950	1,453
Recognized losses	-393	-501
Reversal	0	-151
	8,942	6,385

In the above tenant rental income, receivables have been recognized which were overdue as at 31 December but have not been written down, with the following amounts:

Up to 30 days	333	119
Between 30 and 90 days	1,132	129
Over 90 days	4,025	107
	5,490	355

Trade receivables are predominantly non-interest bearing. Apart from rental income receivable, Nordicom has no receivables that are overdue at the balance sheet date or which have been assessed as impaired.

Funds deposited in banks relate to receivables selling price more from properties sold, funds deposited as collateral for mortgage loans and deposits as security for the initiated maintenance work on properties.

PROPERTY OVERVIEW

Park Street Nordicom owns at 31 December 2017, 57 properties with a total floor area of 250.037 square meters.

Property	ZIP code	City	Area (sqm.)	Type
Albuen 19	6000	Kolding	3,238	Retail
Algade 13	4000	Roskilde	5,387	Other
Allerød Vestcenter	3450	Allerød	1,617	Other
Ballerup Hotel	2750	Ballerup	3,400	Other
Ballerup Idrætsby Residentialer	2750	Ballerup	218	Residential
Banetorvet 3, ejl. nr. 2	3450	Allerød	1,404	Other
Birkemose Allé 23-35	6000	Kolding	6,708	Office
Birkemosevej 9	6000	Kolding	893	Office
Blegdammen 7-13	4700	Næstved	6,564	Storage
Dannebrogsgade 2	5000	Odense C	35,680	Office
Dyssegårdscntret	4700	Næstved	2,419	Retail
Dæmningen 34	7100	Vejle	3,869	Office
Engdahlsvej 2 A-B, ejl. 1+2	7400	Herring	1,787	Retail
Femøvej 3	4700	Næstved	5,572	Office
Halfdans Vænge	4700	Næstved	-	Land
Hejrevej 26-28, Ørnevej 33-35	2400	København NV	8,250	Office
Hejrevej 30	2400	København NV	4,369	Office
Hejrevej 8-10	2400	København NV	10,760	Office
Helligkorsgade 1, Naverstræde 3	6000	Kolding	1,362	Retail
Hersegade 23, Jernbanegade 6 A + B	4000	Roskilde	1,054	Retail
Jernbanegade 33-35	6000	Kolding	2,740	Residential
L.C. Worsøesvej 2	4300	Holbæk	3,063	Retail
Langebrogade 5	1411	København K	4,990	Office
Loftbrovej 17	9400	Nørresundby	13,098	Retail
Mosedede Centret	2670	Greve	1,705	Retail
Møllehusene 1-3	4000	Roskilde	72	Residential

Property	ZIP code	City	Area (sqm.)	Type
Møllergade 1	5700	Svendborg	1,051	Retail
Nørregade 21	4100	Ringsted	522	Retail
Nørregade 27 A	4100	Ringsted	365	Retail
Nørregade 31-33	4100	Ringsted	410	Retail
Omøvej 9	4700	Næstved	896	Office
Prøvestensvej 20	3000	Helsingør	830	Retail
Rebæk Søpark Retailscenter	2650	Hvidovre	12,639	Retail
Ringsted Centret	4100	Ringsted	10,609	Retail
Ro's Have 11	4000	Roskilde	1,250	Retail
Ro's Have 13	4000	Roskilde	1,100	Retail
Ro's Have 8, 10, 12	4000	Roskilde	2,298	Retail
Schweizerpladsen 5	4200	Slagelse	540	Retail
Silkeborgvej 102	7400	Herning	4,837	Retail
Sjællandsgade 12,16,18	7100	Vejle	10,817	Retail
Skolesvinget 2	2860	Søborg	650	Retail
Skråningshusene	3070	Snekkersten	-	Land
Slangerupgade 48 D, ejl. 2	3400	Hillerød	1,182	Retail
Stagehøjvej 22	8600	Silkeborg	4,430	Office
Stenbukken 1 (Center Syd)	9200	Aalborg SV	2,526	Retail
Svendborgvej 275	5260	Odense S	2,000	Retail
Toldbuen 6	4700	Næstved	1,950	Office
Tåsingegade 29	2100	København Ø	10,583	Residential
Tåstrup Stationscenter	2630	Taastrup	26,778	Retail
Vilhelmskildevej 1 C	5700	Svendborg	2,694	Office
Vordingborgvej 78	4700	Næstved	2,326	Storage
Vordingborgvej 80-82	4700	Næstved	4,785	Storage
Zahrtmannsvej 78	3700	Rønne	928	Retail
Ørnevej 18, Svanevej 12	2400	København NV	3,937	Office
Østergade 30 / Søndergade 2B	7600	Struer	978	Office
Aakirkebyvej 58-60	3700	Rønne	5,000	Retail
Århusvej 119-121, Ulrikkasvej 1	8900	Randers	907	Retail
57 properties			250,037	

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