



Mercada Group's Financial Statements Release for 1 January – 31 December 2019

Operational performance continued solid in H2 2019

July-December 2019

- Net rental income increased to EUR 21.7 million (H2/2018: 21.3).
- Operating profit decreased to EUR 19.8 million (21.0) as a result of fair value losses of investment properties.
- Profit for the period was EUR 5.7 million (5.8).

January-December 2019

- Net rental income was 42.6 million (Year 2018: 42.7).
- Operating profit decreased to EUR 40.2 million (41.8) as a result of fair value losses of investment properties.
- Profit for the period was EUR 11.5 million (11.9).

KEY FIGURES¹

		H2/2019	H2/2018	(%)	2019	2018	(%)
Gross rental income ²	MEUR	25.4	25.0	1.5	50.1	49.9	0.6
Net rental income	MEUR	21.7	21.3	1.8	42.6	42.7	-0.1
EBITDA	MEUR	21.2	20.7	2.2	41.6	41.5	0.3
Operating profit	MEUR	19.8	21.0	-5.8	40.2	41.8	-3.8
Profit for the period	MEUR	5.7	5.8	-1.5	11.5	11.9	-3.2
Fair value of investment properties	MEUR	674.0	676.5	-0.4	674.0	676.5	-0.4
Occupancy rate ³	(%)	99.1	99.0	0.1	99.1	99.0	0.1
Secured loan to value ³	(%)	58.4	61.0	-2.6	58.4	61.0	-2.6
Interest cover ratio		4.15	3.86	9.0	4.15	3.86	9.0

¹ The figures are based on an unaudited consolidated financial statements prepared in accordance with Finnish GAAP and an IFRS bridge calculation prepared by Mercada's management. Changes from previous periods and totals are calculated from exact figures. IFRS 16 Leases has not been applied due to loan covenant calculation requirements.

² Gross rental income including income from service charges

³ Change in percentage points



CEO Harri Holmström:

Mercada's operational results continued stable during the reporting period. The net rental income remained at a high level as well as the occupancy rate of the property portfolio.

Mercada enjoyed predictable cash flow from grocery dominated Kesko business. Kesko is the most important tenant generating approximately 80 % of Mercada's gross rental income with long lease maturities. Kesko is the sole tenant with triple-net lease agreements in 39 out of 41 Mercada owned properties.

We are also very pleased with the success of Mercada's two shopping centre performance. Both the amount of visitors and annual sales stayed at a high level. Shopping centre Veturi experienced the highest ever annual sales amounting to EUR 126 million.

Mercada restructured major part of its bank loans during 2019. The maturity of the largest loan was extended by two years while at the same time the interest rate margin of the loan decreased. The Loan-to-Value ratio continued decreasing further during the reporting period.

We also continued to have focus in sustainability. Rooftop solar power systems are installed at seven Mercada owned facilities by the year-end in co-operation with Kesko and more systems are scheduled for installation in 2020. Also electric car charging stations have been built to several Mercada locations. Both shopping centres Karisma and Veturi have valid BREEAM In-Use Excellent rated certifications.

For further enquiries, please contact: CEO Harri Holmström, tel: +358 40 845 5726.



CONDENSED BALANCE SHEET, IFRS

MEUR	31 December 2019
ASSETS	
Investment properties	674.0
Total non-current assets	674.0
Short term receivables	1.2
Cash and cash equivalents	7.7
Total current assets	8.9
TOTAL ASSETS	683.0
EQUITY AND LIABILITIES	
Shareholders' equity	95.3
Shareholders' loans	168.0
Bond 10/2017	174.2
Bank loans	210.4
Deferred tax liabilities	16.7
Long-term liabilities total	569.3
Bank loans	8.8
Other short-term liabilities	9.6
Short-term liabilities total	18.4
TOTAL EQUITY AND LIABILITIES	683.0



CONDENSED INCOME STATEMENT, IFRS

MEUR	H2/2019	2019
Gross rental income	25.4	50.1
Maintenance costs	-3.5	-7.1
Credit losses	0.0	0.0
Marketing expenses	-0.1	-0.4
Net rental income	21.7	42.6
Other operating expenses	-0.5	-1.0
EBITDA	21.2	41.6
Depreciation	0.0	0.0
Net fair value gains on investment property	-1.4	-1.4
EBIT	19.8	40.2
Net financial expenses and income	-12.2	-25.8
Profit before taxes	7.6	14.3
Current and deferred taxes	-1.9	-2.8
Profit for the period	5.7	11.5

CONDENSED CASH FLOW STATEMENT, IFRS

MEUR	H2/2019	2019
Net cash from operating activities	6,1	14,7
Net cash used in investing activities	0,2	0,1
Net cash used in financing activities	-4,3	-18,8
Change in cash and cash equivalents	2,0	-4,0
Cash and cash equivalents at period-start	5,7	11,7
Cash and cash equivalents at period-end	7,7	7,7