



Mercada's Financial Statements Release 1 January – 31 December 2020

Solid operational performance despite of Covid-19 pandemic. This was due to grocery focused strategy.

July-December 2020

- Net rental income decreased to EUR 20.5 million (H2/2019: 21.7).
- Operating profit decreased significantly to EUR -2.6 million (19.8) mainly as a result of change in fair value of investment properties.
- Profit for the period was EUR -12.7 million (5.7).

January-December 2020

- Net rental income was 40.5 million (Year 2019: 42.6).
- Operating profit decreased significantly to EUR 16.2 million (40.2) mainly as a result of change in fair value of investment properties.
- Profit for the period was EUR -7.3 million (11.5).

KEY PERFORMANCE INDICATORS¹

		H2/2020	H2/2019	(%)	2020	2019	(%)
Gross rental income ²	MEUR	24.3	25.4	-4.2	47.9	50.1	-4.5
Net rental income	MEUR	20.5	21.7	-5.5	40.5	42.6	-5.1
EBITDA	MEUR	20.1	21.2	-5.2	39.5	41.6	-5.1
Operating profit	MEUR	-2.6	19.8	-113.1	16.2	40.2	-59.8
Profit for the period	MEUR	-12.7	5.7	-323.1	-7.3	11.5	-163.1
Fair value of investment properties	MEUR	633.8	674.0	-6.0	633.8	674.0	-6.0
Occupancy rate ³	(%)	99.0	99.1	-0.1	99.0	99.1	-0.1
Secured loan to value ³	(%)	57.9	58.4	-0.4	57.9	58.4	-0.4
Interest cover ratio		4.38	4.15	5.7	4.38	4.15	5.7

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. IFRS 16 Leases has not been applied due to loan covenant testing requirements. Changes from previous periods and totals are calculated from exact figures.

² Gross rental income including income from service charges

³ Change in percentage points



CEO Harri Holmström:

Mercada's solid operational performance continued in 2020 despite the challenging circumstances following the Covid-19 pandemic. Reliable income generating properties operated by Kesko was a key factor in diminishing the pandemic caused effects on the results and reflected well the resilience of our grocery focused investment strategy.

Mercada's net rental income declined compared to previous year. This was due to temporary concessions that were granted for some of the most affected tenants operating in the shopping centres. Discounts and rent free periods were fully recognized in rental income over the reporting period 2020 and thus not accrued over the remaining contract term. Our financial results were also influenced by the change in the fair value of investment property, mainly as a result of increased market yields. However, the loan covenant key ratios, Loan-to-Value and Interest Cover Ratio, still continued to improve further.

Shopping centre performance started to stabilize in June, however the second wave of Covid-19 during the second half had additional negative effects and the performance stayed somewhat under normal level.

During the reporting period 2020 Mercada's wholly-owned Swedish holding company Ankaregatans Fastigheter AB sold its shares in KR Fastigheter i Norrbotten AB (K-Rauta Haparanda), KR Fastigheter i Sundsvall AB (K-Rauta Sundsvall) and KR Fastigheter i Uppland (K-Rauta Uppsala). The net proceeds from the sale of the properties were used in repayments on SEK denominated bank loan.

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



CONDENSED BALANCE SHEET, IFRS

MEUR	31 December 2020
ASSETS	
Investment properties	633.8
Total non-current assets	633.8
Short term receivables	1.2
Cash and cash equivalents	11.9
Total current assets	13.1
TOTAL ASSETS	646.9
EQUITY AND LIABILITIES	
Shareholders' equity	88.5
Shareholders' loans	168.0
Bond 10/2017	174.5
Bank loans	184.0
Deferred tax liabilities	14.8
Other long-term liabilities	0.0
Long-term liabilities total	541.2
Bank loans	8.8
Other short-term liabilities	8.5
Short-term liabilities total	17.3
TOTAL EQUITY AND LIABILITIES	646.9



CONDENSED INCOME STATEMENT, IFRS

MEUR	H2/2020	2020
Gross rental income	24.3	47.9
Maintenance costs	-3.6	-7.0
Credit losses	-0.1	-0.1
Marketing expenses	-0.1	-0.3
Net rental income	20.5	40.5
Other operating expenses	-0.4	-1.0
EBITDA	20.1	39.5
Net gains/losses on sale of investment property	-0.2	-0.8
Net fair value gains on investment property	-22.5	-22.5
EBIT	-2.6	16.2
Net financial expenses and income	-12.2	-24.6
Profit before taxes	-14.8	-8.5
Current and deferred taxes	2.3	1.3
Profit for the period	-12.7	-7.3

CONDENSED CASH FLOW STATEMENT, IFRS

MEUR	H2/2020	2020
Net cash from operating activities	7.6	17.1
Net cash used in investing activities	0.2	16.0
Net cash used in financing activities	-16.3	-28.9
Change in cash and cash equivalents	-8.5	4.3
Cash and cash equivalents at period-start	20.5	7.7
Cash and cash equivalents at period-end	11.9	11.9