



Mercada Group's Financial Report for 1 January – 30 June 2018

Operating and financial performance remained at a good stable level in H1 2018

JANUARY - JUNE 2018

- Net rental income was EUR 21.4 million (H1/2017: 21.5).
- Operating profit was EUR 20.7 million (20.9)
- Profit for the period was EUR 6.1 million (7.4). The decrease was mainly caused by the positive effect of non-recurring interest rate derivatives fair value change in the corresponding period.

KEY FIGURES¹

		H1/2018	H1/2017	(%)
Gross rental income ²	MEUR	24.8	25.0	-0.5
Net rental income	MEUR	21.4	21.5	-0.6
EBITDA	MEUR	20.7	20.9	-0.8
Operating profit	MEUR	20.7	20.9	-0.6
Profit for the period	MEUR	6.1	7.4	-17.0
Fair value of investment properties	MEUR	675.1	658.2	2.6
Occupancy rate	(%)	98.6	98.6	0.0
Secured loan to value	(%)	61.6	62.8	-1.8
Interest cover ratio		3.85	3.69	4.2

¹ All figures presented are in accordance with IFRS rules. They are based on unaudited consolidated financial statements prepared in accordance with FAS and a bridge calculation prepared by Mercada's management. Changes from previous periods and totals are calculated from exact figures.

² Gross rental income including service charge income



CEO Harri Holmström:

Mercada's operational results continued stable during the reporting period. The net rental income stayed at a high level and the occupancy ratio remained strong.

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.

Mercada's shopping centres performance was strong during the reporting period. Especially vacancy rates stayed at a very low-level being in Veturi 4.7 percentage and in Karisma 6.9 percentage, and including pop-up short-term leases even lower. This is well below the average in the shopping centre peer group.

The newly opened Children's playground Papu Park in shopping centre Karisma has been a success. Partly due to this Karisma has been able to increase both the amount of visitors and sales.

We are also more than proud to announce that Veturi shopping centre achieved BREEAM certification both in Asset and in Management with Excellent rating.

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



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CONDENSED BALANCE SHEET, IFRS

MEUR	30 June 2018
ASSETS	
Investment properties	675.1
Total non-current assets	675.1
Short term receivables	1.1
Cash and cash equivalents	10.8
Total current assets	11.9
TOTAL ASSETS	687.0
EQUITY AND LIABILITIES	
Shareholders' equity	78.1
Shareholders' loans	168.0
Bond 10/2017	173.8
Bank loans	233.4
Deferred tax liabilities	11.9
Other long-term liabilities	0.0
Long-term liabilities total	587.1
Bank loans	8.8
Other short-term liabilities	13.0
Short-term liabilities total	21.7
TOTAL EQUITY AND LIABILITIES	687.0



CONDENSED INCOME STATEMENT, IFRS

MEUR	H1/2018
Gross rental income ²	24.8
Maintenance costs	-3.3
Credit losses	0.0
Marketing expenses	-0.2
Net rental income	21.4
Other operating expenses	-0.6
EBITDA	20.7
Depreciation	0.0
Net fair value gains on investment property	0.0
EBIT	20.7
Net financial expenses and income	-13.6
Profit before taxes	7.2
Current and deferred taxes	-1.1
Profit for the period	6.1

CONDENSED CASH FLOW STATEMENT, IFRS

MEUR	H1/2018
Net cash from operating activities	8.7
Net cash used in investing activities	-1.7
Net cash used in financing activities	-4.5
Change in cash and cash equivalents	2.5
Cash and cash equivalents at period-start	8.3
Cash and cash equivalents at period-end	10.8