



## Mercada Group: Half-year review 1 January – 30 June 2020

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

### JANUARY - JUNE 2020

- Net rental income was EUR 20.0 million (H1/2019: 21.0)
- Operating profit was EUR 18.8 million (20.4)
- Profit for the period was EUR 5.4 million (5.8)

### KEY FIGURES<sup>1</sup>

		H1/2020	H1/2019	(%)
Gross rental income <sup>2</sup>	MEUR	23.6	24.8	-4.7
Net rental income	MEUR	20.0	21.0	-4.8
EBITDA	MEUR	19.4	20.4	-4.9
Operating profit	MEUR	18.8	20.4	-8.0
Profit for the period	MEUR	5.4	5.8	-7.2
Fair value of investment properties	MEUR	655.4	675.6	-3.0
Occupancy rate <sup>3</sup>	(%)	99.4	98.9	0.5
Secured loan to value <sup>3</sup>	(%)	58.1	58.8	-0.7
Interest cover ratio		4.22	3.84	10.0

<sup>1</sup> All figures presented are in accordance with IFRS. They are based on unaudited consolidated financial statements prepared in accordance with FAS and a FAS-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.

<sup>2</sup> Gross rental income including service charge income

<sup>3</sup> Change in percentage points



**CEO Harri Holmström:**

Economic uncertainty increased in Finland and Sweden following the global spread of COVID-19 pandemic since March 2020. Net rental income was affected by the pandemic through discounts granted to tenants as well as decreased performance based rents in shopping centres. In overall Mercada's operational results remained strong despite of the exceptional situation.

Reliable income generating real estates operated by Kesko was a key factor in diminishing the pandemic caused effects to rental income reflecting the resilience of grocery focused investment strategy.

Mercada's management decided on temporary rent discounts for some of the most affected tenants operating in the two Mercada owned shopping centres in order to support their business continuity and solvency in the long term. Shopping centre performance started to stabilize in June. In July we experienced already normal levels in sales and footfall.

During the reporting period Mercada's wholly-owned Swedish 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). This enabled an extraordinary instalment on SEK bank loan in June.

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



## CONSOLIDATED REPORTS 1 JANUARY – 30 JUNE 2020

### CONDENSED BALANCE SHEET, IFRS

MEUR	30 June 2020
<b>ASSETS</b>	
Investment properties	655.4
Total non-current assets	655.4
Short term receivables	1.3
Cash and cash equivalents	20.5
Total current assets	21.7
<b>TOTAL ASSETS</b>	<b>677.1</b>
<b>EQUITY AND LIABILITIES</b>	
Shareholders' equity	100.7
Shareholders' loans	168.0
Bond 10/2017	174.3
Bank loans	197.6
Deferred tax liabilities	17.0
Other long-term liabilities	0.0
Long-term liabilities total	557.0
Bank loans	8.8
Other short-term liabilities	10.7
Short-term liabilities total	19.5
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>677.1</b>



## CONDENSED INCOME STATEMENT, IFRS

MEUR	H1/2020
Gross rental income	23.6
Maintenance costs	-3.4
Credit losses	0.0
Marketing expenses	-0.2
<b>Net rental income</b>	<b>20.0</b>
Other operating expenses	-0.6
<b>EBITDA</b>	<b>19.4</b>
Net gains/losses on sale of investment property	-0.6
Net fair value gains on investment property	0.0
<b>EBIT</b>	<b>18.8</b>
Net financial expenses and income	-12.4
<b>Profit before taxes</b>	<b>6.3</b>
Current and deferred taxes	-0.9
<b>Profit for the period</b>	<b>5.4</b>

## CONDENSED CASH FLOW STATEMENT. IFRS

MEUR	H1/2020
Net cash from operating activities	9.5
Net cash used in investing activities	15.8
Net cash used in financing activities	-12.6
Change in cash and cash equivalents	12.8
Cash and cash equivalents at period-start	7.7
Cash and cash equivalents at period-end	20.5