



Year-end report

2024

RESUMED DIVIDEND

The Board of Directors proposes a dividend of SEK 0.35¹ per share. In light of the operational and financial measures taken, as well as the current outlook, we see good opportunities to maintain the proposed dividend level going forward.

FULL YEAR, JANUARY – DECEMBER 2024

- Group revenue for the period amounted to TEUR 7,682 (7,376)
- Net operating income for the period amounted to TEUR 6,090 (5,890)
- Profit from property management for the period amounted to TEUR 3,091 (4,045)
- Profit/loss for the period was TEUR -4,214 (-14,763)

FOURTH QUARTER, OCTOBER – DECEMBER 2024

- Group revenue for the period amounted to TEUR 1,937 (1,856)
- Net operating income for the period amounted to TEUR 1,531 (1,506)
- Profit from property management for the period amounted to TEUR 668 (1,007)
- Profit/loss for the period was TEUR -2,485 (-12,564)

The Board of Directors proposes a dividend of EURO 0.03 equivalent to SEK 0.35 per share¹ as part of their long-term ambition to create value for the company's shareholders. With a solid financial foundation and a positive outlook for the future, the Board of Directors sees good opportunities to continue distributing dividends in the future.

CEO'S COMMENTS ON THE PERIOD

Operations have proceeded according to plan with an anticipated earnings trend. Net operating income increased year-on-year while profit from property management declined due to higher interest expenses.

We continued to focus on lettings during the last quarter with the aim of further improving cash flow. During the year, the seasoned local lettings team signed leases for 1,300 square metres with the first tenant, Ole.Fit, moving in at the start of 2025. Despite continued challenges in the lettings market, the lettings team successfully signed an additional lease shortly after the end of the reporting period, amounting to 461 square metres. In total, almost 2,000 square metres have been let since the change of the management team, which is extremely positive.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

After the end of the period, Fleming contracted a new three-year lease for 461 square metres with occupancy in March 2025.

FLEMING PROPERTIES IN BRIEF

Fleming Properties AB, corporate registration number 559207-9544, is a Swedish property company registered in June 2019 and the indirect owner of a property portfolio through subsidiaries. The portfolio comprises approximately 41,000 square metres of lettable area at a property located in Helsinki, Finland. The company's CEO is Thomas Lindström and the company is administered by Colony Real Estate AB (publ). The company's shares have been traded on Spotlight Stock Market since 14 October 2019.

FINANCIAL PERFORMANCE

The Group's profit from property management has tracked expectations, albeit down slightly year-on-year due to higher financing costs in 2024. The Group has long-term secured cash flows via the existing lease agreements with indexation clauses. The new share issue and refinancing completed during the year has adapted the company's capital structure to prevailing market conditions while concurrently improving conditions for the company's operations. Following the change of property management organisation to Colony, the operational risk in the form of vacancies is assessed to be mitigated while the likelihood of creating shareholder value through successful negotiations with existing and potential tenants is assessed to increase.

FINANCIAL OVERVIEW AND SELECTED PERFORMANCE INDICATORS, GROUP

<i>Unless otherwise stated all amounts are in thousand euro (TEUR).</i>	1 Jan 2024	1 Jan 2023	1 Oct 2024	1 Oct 2023
	-31 Dec 2024	-31 Dec 2023	-31 Dec 2024	-31 Dec 2023
Revenue	7,682	7,376	1,937	1,856
Net operating income	6,090	5,890	1,531	1,506
Profit from property management	3,091	4,045	668	1,007
Profit/loss for the period	-4,214	-14,763	-2,485	-12,564
Profit from property management per share, EUR	0.05	0.68	0.01	0.17
Earnings per share, EUR	neg.	neg.	neg.	neg.
Equity per share, EUR	0.92	6.80	0.92	6.80
Market value of properties	108,200	115,300	108,200	115,300
No. of shares outstanding	65,450,000	5,950,000	65,450,000	5,950,000
Surplus ratio, %	79.28	79.85	79.04	81.17
Return on equity, %	neg.	neg.	neg.	neg.
Interest coverage ratio, multiple	2.68	4.50	1.94	4.13
Equity/assets ratio, %	50.49	32.17	50.49	32.17
LTV ratio, %	48.06	67.14	48.06	67.14
Net LTV ratio, %	37.41	59.01	37.41	59.01
NRV per share, EUR	1.02	7.86	1.02	7.86
Property yield, %	5.63	5.11	5.66	5.23
Implicit property yield, %	8.71	6.96	8.76	7.12

¹The proposed dividend is determined in euros (EUR 0.03 per share), equivalent to SEK 0.35 per share, based on an exchange rate of 11.4945 Swedish kronor (SEK) as of February 20, 2024.

SHARE RELATED PERFORMANCE INDICATORS, SEK

	1 Jan 2024 –31 Dec 2024	1 Jan 2023 –31 Dec 2023	1 Oct 2024 –31 Dec 2024	1 Oct 2023 –31 Dec 2023
Profit from property management per share, SEK	0.54	7.54	0.12	1.84
Earnings per share, SEK	neg.	neg.	neg.	neg.
Equity per share, SEK	10.62	75.44	10.62	75.44
NRV per share, SEK	11.73	87.18	11.73	87.18
Stock market price per balance sheet day, SEK	5.25	29.60	5.25	29.60
EUR/SEK per balance sheet day	11.49	11.10	11.49	11.10

Property valuations

The Group recognises its investment properties at fair value in accordance with IFRS. The properties are valued twice each year by an external, licensed and independent valuation institute at the end of the second and fourth quarters. At the balance-sheet date, the properties were valued at TEUR 108,200 (115,300).

Leases

On 31 December 2024, the company's occupancy rate was about 92%. Of the total rental value, 96% pertains to leases signed with SOK, one of Finland's largest companies operating in several business areas, including grocery retail and the service industry. The leases with SOK extend until 31 December 2030 and include break options that permit the company to relinquish 10.1% and 15.9% of its contracted space from 31 December 2025 and 31 December 2027, respectively. Exercise of the options requires notice of not less than 24 months and SOK has notified its intent to exercise the former of the two options. As of the balance-sheet date, the average remaining lease term was 5.3 years. All leases contain indexation clauses that adjust one hundred per cent of the base rent pursuant to the CPI. As of 1 January 2024, an approximately 0.8% upward adjustment was made to the rents.

Financing

As of the balance-sheet date, the Group has an interest-only loan that amounted to TEUR 52,000 (78,000) on 31 December 2024 with Deutsche Pfandbriefbank AG that is subject to a fixed interest rate of 5.57%. The loan extends until 11 January 2027. Interest expenses for the period totalled TEUR 1,963 (1,193).

The share and shareholders

The company had 535 (781) shareholders at the end of the period.

OTHER INFORMATION

Dividend

Ahead of the Annual General Meeting on 9 April 2025, the Board of Directors proposes a dividend of SEK 0.35¹ (EUR 0.03) per share, corresponding to a total of EUR 1,963,500. The Board of Directors also proposes distribution of the dividend through on instalment falling directly after the Annual General Meeting.

Employees

Since 1 September 2024, the company's CEO has been employed by Fleming Properties AB. The Group is administered by Colony Real Estate AB (publ) and Newsec.

Related-party transactions

Transactions between Fleming Properties AB and its subsidiaries included payments of interest on internal loans and an intra-Group management fee. Under IAS 24, Pareto Business Management AB, until 31 August, and Colony Real Estate AB (publ) are related parties to Fleming Properties AB through the provision of services under

business management agreements. Pareto Securities AB, which is an affiliate of Pareto Business Management AB, has provided corporate advisory services to Fleming Properties AB. Consultancy fees amounting to SEK 17,500 were also paid to the company's Chairman of the Board during the period pertaining to consultation related to the company's refinancing.

Significant risks and uncertainties

For Fleming Properties AB, the changed market conditions could entail risks in the form of a decline in property values and the Group's tenants encountering liquidity problems as a result of decreased revenue and thus difficulties in paying rent. This could also entail difficulties in letting vacant premises in the property portfolio. The risk of vacancies arises from the risk of tenants terminating their existing leases. This risk is currently limited, primarily due to the long lease with SOK.

The Group is also exposed to a limited risk associated with operating and maintenance costs. The properties are let with leases stipulating that the tenant is responsible for and will defray most of the operating and maintenance costs. The Group is responsible for operating and maintenance costs related to the external areas of the buildings and to installations such as heating, cooling and ventilation. The Group is also responsible for costs related to property tax and insurance.

Assessments concerning the fair value of the investment properties are based on estimated future cash inflows and outflows, and on a discounting of these with respect to a risk-free interest rate and mark-up. Accordingly, all of these factors comprise future assessments and are uncertain.

The Group's ability to successfully refinance its external debt depends on the prevailing conditions in the financial markets at the time of refinancing. Accordingly, at any one specific time, the Group may not have access to funding sources at advantageous terms. The Group's ability to refinance its debt obligations may have a materially negative effect on the Group's operations. In the third quarter of 2024, the Group entered a new refinancing agreement that extends until January 2027. In conjunction with said agreement, the debt has been paid down from about TEUR 72,000 to TEUR 52,000, whereupon the capital structure was adjusted to the prevailing interest rate conditions.

The terms and conditions of the company's external financing include the covenants stipulating that the Group's interest coverage ratio must exceed 1.50 and that the loan-to-value (LTV) ratio may not exceed 60%. The terms and conditions also stipulate that in the event the interest coverage ratio exceeds a multiple of 1.75, this will trigger restrictions on the distribution of dividends and annual principal repayments of 2.0%. Moreover, should the LTV ratio exceed 50% or 55%, these events would trigger respective annual principal repayments of 1.0% and 2.0%.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2024 –31 Dec 2024	1 Jan 2023 –31 Dec 2023	1 Oct 2024 –31 Dec 2024	1 Oct 2023 –31 Dec 2023
Revenue	7,682	7,376	1,937	1,856
Operating and maintenance costs	-846	-834	-218	-220
Property tax	-746	-652	-188	-130
Net operating income	6,090	5,890	1,531	1,506
Administration costs	-934	-566	-189	-161
Financial income	98	10	96	6
Financial expenses	-2,163	-1,288	-770	-344
Profit from property management	3,091	4,045	668	1,007
Unrealised changes in value, properties	-7,291	-14,131	-2,636	-8,386
Profit/loss before tax	-4,200	-10,086	-1,968	-7,378
Deferred tax	-14	-4,677	-517	-5,186
Profit/loss for the period	-4,214	-14,763	-2,485	-12,564
Earnings per share, EUR	neg.	neg.	neg.	neg.
Average number of shares, thousand	65,450	5,950	65,450	5,950

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in thousand euro, TEUR</i>	31 December 2024	31 December 2023
Assets		
Investment properties	108,200	115,300
Right-of-use assets	114	537
Total non-current assets	108,314	115,837
Accounts receivable	30	20
Other current receivables	12	388
Prepaid expenses and accrued income	18	139
Cash and cash equivalents	11,525	9,373
Total current assets	11,585	9,921
TOTAL ASSETS	119,899	125,758
Equity and liabilities		
Share capital	655	60
Non-restricted equity	59,877	40,392
Total equity	60,532	40,451
Liabilities to credit institutions	51,785	–
Deferred tax liabilities	6,313	6,299
Non-current lease liabilities	114	537
Total non-current liabilities	58,212	6,836
Liabilities to credit institutions	–	77,343
Accounts payable	33	67
Other current liabilities	271	572
Accrued expenses and deferred income	851	489
Total current liabilities	1,155	78,471
Total liabilities	59,367	85,307
TOTAL EQUITY AND LIABILITIES	119,899	125,758

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in thousand euro, TEUR</i>	Share capital	Other contributed capital	Retained earnings incl. profit for the period	Total equity
Equity, opening balance on 1 Jan 2023	60	56,967	-1,812	55,215
Comprehensive income				
Profit/loss for the period	–	–	-14,763	-14,763
Total comprehensive income	–	–	-14,763	-14,763
Equity, closing balance on 31 Dec 2023	60	56,967	-16,575	40,451
Equity, opening balance on 1 Jan 2024	60	56,967	-16,575	40,451
Comprehensive income				
Profit/loss for the period	–	–	-4,214	-4,214
Total comprehensive income	–	–	-4,214	-4,214
New share issue	595	25,071	–	25,666
Issue costs	–	-1,371	–	-1,371
Total transactions with shareholders	595	23,700	–	24,295
Equity, closing balance on 31 Dec 2024	655	80,667	-20,789	60,532

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2024 –31 Dec 2024	1 Jan 2023 –31 Dec 2023	1 Oct 2024 –31 Dec 2024	1 Oct 2023 –31 Dec 2023
Profit from property management	3,091	4,045	668	1,007
<i>Non-cash items</i>				
Financial items	118	94	23	23
Tax paid	–	–	6	–
Cash flow from operating activities before changes in working capital	3,209	4,139	697	1,031
Cash flow from changes in working capital				
Decrease/increase in other current receivables	488	89	270	-214
Increase/decrease in accounts payable	-34	-257	-318	11
Increase/decrease in other current liabilities	61	-383	133	378
Cash flow from operating activities	3,724	3,588	782	1,206
Investing activities				
Received insurance recovery	144	1,911	–	174
Investments in existing investment properties	-334	-2,312	-235	-231
Cash flow from investing activities	-190	-401	-235	-57
Financing activities				
New share issue	25,666	–	–	–
Issue costs	-1,371	–	–	–
Arrangement fees	-260	–	–	–
Principal repayments on liabilities to credit institutions	-25,416	-585	–	-585
Dividends paid	–	-1,012	–	–
Cash flow from financing activities	-1,381	-1,597	–	-585
Cash flow for the period	2,153	1,591	547	563
Cash and cash equivalents at the beginning of the period	9,373	7,783	31,671	8,810
Cash and cash equivalents at the end of the period	11,525	9,373	11,525	9,373

PARENT COMPANY INCOME STATEMENT

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2024 –31 Dec 2024	1 Jan 2023 –31 Dec 2023	1 Oct 2024 –31 Dec 2024	1 Oct 2023 –31 Dec 2023
Net sales	244	82	63	47
Administration costs	-627	-304	-111	-108
Operating loss	-383	-222	-48	-61
Impairment of participations in subsidiaries	–	-10,253	–	-10,253
Financial items	-15	47	8	16
Profit/loss before tax	-398	-10,428	-40	-10,296
Deferred tax	–	–	–	–
Profit/loss for the period	-398	-10,428	-40	-10,296

PARENT COMPANY'S CONDENSED BALANCE SHEET

<i>Amounts in thousand euro, TEUR</i>	31 December 2024	31 December 2023
ASSETS		
Participations in subsidiaries	57,159	37,025
Non-current receivables from Group companies	1,389	1,389
Total non-current assets	58,548	38,414
Other current receivables	16	50
Current receivables from Group companies	1,423	1,385
Prepaid expenses and accrued income	11	111
Cash and bank balances	4,391	535
Total current assets	5,841	2,081
TOTAL ASSETS	64,389	40,495
EQUITY AND LIABILITIES		
Share capital	655	60
Non-restricted equity	63,694	40,391
Equity	64,349	40,451
Accounts payable	3	4
Accrued expenses and deferred income	37	40
Total current liabilities	40	44
TOTAL EQUITY AND LIABILITIES	64,389	40,495

GENERAL INFORMATION

Fleming Properties AB, corporate registration number 559207-9544, is a public listed company registered in Sweden and domiciled in Stockholm. The address of the company's head office is Skeppsbron 16, SE-111 30 Stockholm. The operations of the company and its subsidiaries (the Group) encompass owning and managing properties.

ACCOUNTING POLICIES

Fleming Properties AB applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The Parent Company's financial statements have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act.

The full accounting and valuation policies applied in this interim report are the same as those described in the annual report.

The company prepares five reports each year: The company prepares five reports each year: an annual report, a year-end report, a half-year report, and two interim reports.

AUDIT

This report has not been subject to review by the company's auditors.

DEFINITIONS

Earnings per share

Profit for the period divided by the number of shares outstanding

Profit from property management per share

Profit from property management divided by the number of shares outstanding

Equity per share

Equity divided by the number of shares outstanding

Surplus ratio

Net operating income divided by total rental income

Return on equity

Profit for the period attributable to the Parent Company's shareholders, restated as for 12 months, divided by average equity

Interest coverage ratio

Net operating income less administration costs and plus interest income divided by interest expenses

Equity/assets ratio

Equity divided by total assets

Loan-to-value (LTV) ratio

Liabilities to credit institutions divided by the market value of the properties

Net LTV ratio

Liabilities to credit institutions less cash and cash equivalents divided by the market value of the properties

NRV per share

Equity with add-back of interest-rate derivatives and deferred tax, divided by the number of shares outstanding

NRV per share and paid-up share

Equity with add-back of interest-rate derivatives and deferred tax, divided by the number of shares outstanding and paid-up shares (subscribed for and paid-up shares)

Property yield

Net operating income, restated as for 12 months, divided by the market value of the properties

Implicit property yield, %

Net operating income, restated as for 12 months, divided by the implicit value of the properties

Implicit value of the properties

The market value of the properties adjusted for the difference between the company's market capitalisation (shares and paid-up shares) and reported equity adjusted for deferred tax as of the balance-sheet date

Key ratios in SEK

Converted from EUR to SEK based on cross rates from the Swedish Central Bank as per the balance-sheet date

DECLARATION BY THE BOARD

The Board of Directors and the CEO hereby certify that this report provides a fair and accurate overview of the company's and the Group's operations, financial position and earnings, and describes the material risks and uncertainties faced by the company and the companies included in the Group.

The year-end report for Fleming Properties AB (publ) was adopted by the Board on 20 February 2025.

Stockholm, 20 February 2025
Fleming Properties AB
Corporate registration number: 559207-9544

Henrik Schmidt
Chairman

Carl-Mikael Lindholm
Board member

Erica Magnergård
Board member

Thomas Lindström
Chief Executive Officer & Board member

INFORMATION ON MAR

The information in this half-year report is of such a nature that Fleming Properties AB is legally required to disclose pursuant to the EU's Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons, on 20 February 2025.

REPORTING CALENDAR

9 April 2025	Annual General Meeting
27 May 2025	Q1 interim report 2025

FOR FURTHER INFO, PLEASE CONTACT

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