



Interim report

Q1 2022

Fleming Properties AB

www.flemingproperties.se

FIRST QUARTER JANUARY – MARCH 2022

- Group revenue for the period amounted to TEUR 1,686 (1,794)
- Net operating income for the period amounted to TEUR 1,360 (1,470)
- Profit for the period was TEUR 903 (792)

CEO'S COMMENTS ON THE PERIOD

Operations have continued as planned and have met the expected profit trend given the impact of the fire that broke out at the adjacent property at the end of the previous period.

SIGNIFICANT EVENTS DURING THE PERIOD

During the period, restoration started of the areas at the Vallilan Toimisto property that suffered damage due to the fire at the adjacent property at the end of the previous period. The cost of restoring the areas and any loss of income will be covered on an ongoing basis by the company's full value insurance. Work is progressing to plan and encompasses some 5,100 square metres, of which about one third is let.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events have taken place after the end of the period.

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, which was approximately 92% let as of 31 March 2022.

The company's CEO is John Malmström and the company is administered by Pareto Business Management AB.

FINANCIAL PERFORMANCE

The Group's earnings have performed in line with expectations. The Group has long-term secured cash flows via the existing lease agreements and a solid liquidity ensures future investments and dividends.

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 appraiser at the end of the second and fourth quarters. At the balance-sheet date, 31 March 2022, the properties were valued at TEUR 134,000 (131,000).

FINANCIAL OVERVIEW AND SELECTED PERFORMANCE INDICATORS, GROUP

Unless otherwise stated all amounts are in thousand euro (TEUR).

	1 Jan 2022 –31 Mar 2022	1 Jan 2021 –31 Mar 2021
Revenue	1,686	1,794
Net operating income	1,360	1,470
Profit from property management	925	1,043
Profit for the period	903	792
Earnings per share, EUR	0.15	0.13
Market value of properties	134,000	131,000
No. of shares outstanding	5,950,000	5,950,000
Surplus ratio, %	80.65	81.94
Return on equity, %	5.97	5.56
Interest coverage ratio, multiple	4.41	4.38
Equity/assets ratio, %	40.83	38.42
LTV ratio, %	58.21	59.54
Net LTV ratio, %	51.13	50.69
NRV per share, EUR	10.28	9.54
Property yield, %	4.06	4.49

FINANCING

The Group has a loan with Deutsche Pfandbriefbank AG, with a fixed interest rate of 1.45%. The loan extends until 4 October 2024 and is free of amortisation payments. Capitalised arrangement fees for the loan amounted to TEUR 236 (330) as of 31 March 2022. Interest expenses for the period totalled TEUR 280 (280).

THE SHARE AND SHAREHOLDERS

The company had 566 (396) shareholders at the end of the period.

OTHER INFORMATION

Dividend

The Annual General Meeting held on 29 March 2022 resolved to distribute a dividend of EUR 0.70 per share, corresponding to a total of EUR 4,165,000. The dividend will be distributed in four instalments on four different dates during the year. The first and third instalments would amount to EUR 0.18 per share, corresponding to EUR 1,071,000. The second and fourth instalments would amount to EUR 0.17 per share, corresponding to EUR 1,011,500. The record dates for distribution of the dividend have been set as 31 March 2022, 30 June 2022, 30 September 2022, and 30 December 2022.

Employees

The Group had no employees during the period. The Group is administered by Pareto Business Management AB.

Related-party transactions

An internal management fee was paid between Fleming Properties AB and its subsidiary. No other related-party transactions have taken place.

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 tenant 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.

Vacancy risk arises from the risk of the tenant terminating its existing lease, the risk of which is limited at present due to the long duration of the 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2022 –31 Mar 2022	1 Jan 2021 –31 Mar 2021
Revenue	1,686	1,794
Operating and maintenance costs	-190	-191
Property tax	-136	-133
Net operating income	1,360	1,470
Administration costs	-127	-120
Financial income	2	2
Financial expenses	-310	-309
Profit from property management	925	1,043
Unrealised changes in value, properties	-26	–
Profit before tax	899	1,043
Tax	4	-251
Profit for the period	903	792
Earnings per share, EUR	0.15	0.13
Average number of shares, thousand	5,950	5,950

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in thousand euro, TEUR</i>	31 March 2022	31 December 2021
Assets		
Investment properties	134,000	134,000
Right-of-use assets	537	537
Total non-current assets	134,537	134,537
Accounts receivable	15	27
Other current receivables	181	181
Prepaid expenses and accrued income	95	85
Cash and cash equivalents	9,486	9,561
Total current assets	9,777	9,854
TOTAL ASSETS	144,314	144,391
Equity and liabilities		
Share capital	60	60
Non-restricted equity	58,863	62,125
Total equity	58,923	62,185
Liabilities to credit institutions	77,764	77,741
Deferred tax liabilities	2,245	2,250
Non-current lease liabilities	537	537
Total non-current liabilities	80,546	80,528
Accounts payable	31	4
Other current liabilities	4,370	1,273
Accrued expenses and deferred income	444	401
Total current liabilities	4,845	1,678
Total liabilities	85,391	82,206
TOTAL EQUITY AND LIABILITIES	144,314	144,391

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2022 –31 Mar 2022	1 Jan 2021 –31 Mar 2021
Profit from property management	925	1,043
<i>Non-cash items</i>		
Financial items	23	23
Tax paid	-1	-1
Cash flow from operating activities before changes in working capital	947	1,065
Cash flow from changes in working capital		
Decrease in other current receivables	0	-8
Increase in accounts payable	27	-36
Increase in other current liabilities	-65	354
Cash flow from operating activities	909	1,375
Investing activities		
Received insurance recovery	376	–
Investments in existing investment properties	-348	-217
Cash flow from investing activities	28	-217
Financing activities		
Dividends paid	-1,012	-1,012
Cash flow from financing activities	- 1,012	-1,012
Cash flow for the period	-75	145
Cash and cash equivalents at the beginning of the period	9,561	11,455
Cash and cash equivalents at the end of the period	9,486	11,600

PARENT COMPANY INCOME STATEMENT

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2022	1 Jan 2021
	-31 Mar 2022	-31 Mar 2021
Net sales	10	10
Administration costs	-73	-58
Operating loss	-63	-48
<i>Profit from financial items</i>		
Financial items	8	59
Profit/loss after financial items	-55	11
Profit/loss before tax	-55	11
Tax	-	-
Profit/loss for the period	-55	11

PARENT COMPANY'S CONDENSED BALANCE SHEET

<i>Amounts in thousand euro, TEUR</i>	31 March 2022	31 December 2021
ASSETS		
Participations in subsidiaries	47,278	47,278
Non-current receivables from Group companies	1,388	1,388
Total non-current assets	48,666	48,666
Other current receivables	182	165
Current receivables from Group companies	949	1,937
Prepaid expenses and accrued income	40	85
Cash and cash equivalents	1,207	1,252
Total current assets	2,378	3,439
TOTAL ASSETS	51,044	52,105
EQUITY AND LIABILITIES		
Share capital	60	60
Non-restricted equity	46,785	51,004
Equity	46,845	51,064
Accounts payable	14	4
Other current liabilities	4,165	1,012
Accrued expenses and deferred income	20	25
Total current liabilities	4,199	1,041
TOTAL EQUITY AND LIABILITIES	51,044	52,105

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 Berzelii Park 9, Box 7415, SE-103 91 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 interim 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 year-end report are the same as those described in the annual report for 2021.

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

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

Property yield

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

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 interim report for Fleming Properties AB was adopted by the Board on 23 May 2022.

Stockholm, 23 May 2022
Fleming Properties AB
Corporate registration number: 559207-9544

Thomas Lindström
Chairman

Erica Magnergård
Board member

Patrik von Hacht
Board member

Henrik Schmidt
Board member

Karl Runeberg
Board member

John Malmström
CEO

INFORMATION ON MAR

The information in this interim 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 above, on 23 May 2022.

REPORTING CALENDAR

30 August 2022	Q2 interim report
29 November 2022	Q3 interim report
22 February 2023	Year-end report

FOR FURTHER INFO, PLEASE CONTACT

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