ANNUAL REPORT

and

CONSOLIDATED FINANCIAL STATEMENTS

1 Jan 2024–31 Dec 2024

Fleming Properties AB

559207-9544

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ANNUAL REPORT FOR FLEMING PROPERTIES AB

ADMINISTRATION REPORT

The Board of Directors and the CEO for Fleming Properties AB ("Fleming") hereby submit the annual accounts for the Group and the Parent Company for the 2024 financial year.

Operations

Fleming is a property company that owns and manages a property portfolio located in central Helsinki, Finland. The company works closely with current and potential tenants to develop and refine the portfolio, thereby creating value for tenants and shareholders alike.

Together, the properties comprise one large office building with office space of about 41,000 square metres together with a modern underground garage comprising some 500 parking spaces.

The properties are located in Vallila, Helsinki, which has undergone major development in recent years. For example, Nordea, the largest supplier of financial services in the Nordic countries, has relocated the company's head office from Sweden to Finland and gradually expanded its lease to adjacent properties under the project name Nordea Campus. In addition to Nordea, the area is home to the headquarters of other well-known companies such as OP, General Electric, Amer Sports, Securitas, Grano, Nets Finland, Digita and Unilever Finland.

Today, the properties are mainly used as the headquarters of SOK, the S Group administrative organisation, which is Finland's largest grocery retailer and, in terms of revenue, one of the largest companies in Finland. SOK leases about 91 per cent of the total lettable area, including 100 per cent of the area in Ässäkeskus, 69 per cent in Vallilan Toimisto and 85 per cent of the parking spaces in Ässäparkki. The portfolio includes two further tenants who, together, lease office space of about 1,000 square metres at Vallilan Toimisto.

Ässäkeskus was built in 1991 and comprises a total lettable area of approximately 27,200 square metres and 121 parking spaces. The property was completely refurbished in November 2019 and has eight floors above ground, an attic and two basement floors. SOK has had its office in the property since it was built and leases the entire property.

Vallilan Toimisto was built in 1920 and expanded in 1932. Allocated across six floors and one basement floor, the building comprises a total lettable area of about 13,900 square metres and five parking spaces. The building has been totally refurbished, with the most recent refurbishment for part of the property completed in 2023. The building is environmentally certified in accordance with BREEAM In-Use Very Good.

Ässäparkki was built in 2009 and comprises an underground car park of 14,500 square metres with 372 parking spaces, of which 318 are let to Fleming's tenants. The underground parking facility is accessed from Hamnbanegatan, one of the streets outside the office building. The entrance tunnel is situated on a plot leased from the City of Helsinki. The leasehold agreement extends until 31 August 2049 and also includes the right for the property owner to extend the agreement provided that the leasehold is utilised with an unchanged purpose.

The company is administered by Colony Real Estate AB (publ) and its CEO is the company's sole employee.

Comments on the Group's performance

Net operating income for the period amounted to TEUR 6,090 (5,890). The change was primarily due to indexation clauses in the company's leases, which led to upward adjustment to the rents of 4.84% as of 1 January 2024.

The company's financial expenses totalled TEUR 2,163 (1,288). The increase from the previous year was mainly the result of increased interest expenses related to the company's new bank loans, which are subject to fixed interest of 5.57% with a tenor until 11 January 2027.

The Group's post-tax earnings for 2024 amounted to a loss of TEUR 4,214 (loss: 14,763). This was mainly attributable to the decline in value of the company's property portfolio by TEUR 7,291 (decrease: 14,131), which was primarily driven by increased yield requirements.

Significant events during the financial year

The refinancing of the existing bank loan, which expired at the beginning of the summer, was completed and replaced by the current loan of MEUR 52. A new share issue was completed in the second quarter to adapt the debt level from the previous low interest-rate environment to the prevailing market conditions, thereby strengthening the company's balance sheet, and enabling the implementation of value creating property development projects and tenant adaptations. The share issue was oversubscribed and raised proceeds of about MEUR 25.

The issue resulted in a net LTV ratio of 37.4%, which strengthens the company's position for tenant negotiations and future refinancing.

Fleming entered into a management services agreement with Colony Real Estate AB (publ) during the year with the aim of reinforcing the company's local presence and strengthening its offering to the lettings market. The agreement means that the company has added resources, experience and know-how related to lettings, marketing and property development. The agreement also includes operational property management services. Through this strategic investment, Fleming's properties are now included in Colony's concept (www.colonyoffices.com). Colony is also the largest shareholder in the company. Tenants can now leverage an expanded service offering including options such as checking in at other properties to or from meetings. Fleming believes that the addition of expertise and more active, local property management will make it more competitive and better equipped in the lettings market.

Since the end of June, the company has signed two new leases. A 16-year lease and a long-term partnership agreement was signed with Ole Fit. The lease is for about 910 square metres at Vallilan Tomisto with a square metre rent that exceeds the portfolio's average rent level. The letting is in line with the company's strategic efforts to strengthen the property's service offering and to increase the attraction of the premises for existing and potential tenants. In addition, a five-year agreement was signed for 403 square metres with Tietoa Finland Oy and following the end of the year, two additional leases were signed totalling 648 square metres.

On 1 September, a new Chief Executive Officer, Thomas Lindström, former Chairman of Fleming, was appointed. Henrik Schmidt then stepped in as Acting Chair until the 2025 AGM.

Expected future performance

The Group has long-term secured cash flows via the existing lease agreements with indexation clauses and has good liquidity that enables future investments to secure additional tenants.

Parent Company

The Parent Company does not own any properties, but its activities comprise owning shares, managing stock market-related issues and Group-wide business functions such as administration, transactions, management, legal issues, project development and finance. The Parent Company posted earnings after tax amounting to a loss of TEUR 398 (loss: 10,428). The company has one employee who is the CEO.

Financing

Fleming finances its assets with equity and bank loans. As of 31 December, equity amounted to TEUR 60,532 (40,451) and the Group's bank loans amounted to TEUR 51,785 (77,343), corresponding to a net LTV ratio of 37.4% (59.0). The bank loan is interest-only and is subject to a fixed interest rate of 5.57%. The loan extends until 11 January 2027.

The terms and conditions of the company's external financing include requirements for the loan-to-value ratio and interest coverage ratio. The company had met all covenants as of 31 December 2024. For further information about financing, refer to notes 14 and 23.

Share capital and ownership

Fleming Properties AB's shares have been traded on Spotlight Stock Market since 14 October 2019. The company has one class of shares and has a registered share capital of EUR 654,500 distributed over 65,450,000 shares. The quotient value of the share is EUR 0.01 and each share entitles the holder to one vote. The company had 535 (781) registered shareholders as of 31 December 2024 and the largest shareholders were:

	Share, %	**No. of shares**
Colony Real Estate	37.45	24,514,004
Lovisa Hamrin with family	8.81	5,762,966
LGT Bank LTD	4.70	3,074,500
Anders Carlsson	4.62	3,023,741
Avanza Pension	3.75	2,455,710
Total	**59.33**	**38,830,921**
Other	40.67	26,619,079
Total	**100.00**	**65,450,000**

Key performance indicators

Unless otherwise stated all amounts are in thousand euro (TEUR).	2024	2023	2022	2021	2020
Property-related					
Rental income	7,682	7,376	6,932	6,989	7,132
Net operating income	6,090	5,890	5,487	5,805	6,071
Profit from property management	3,091	4,045	3,742	4,048	4,332
Lettable area, square metres	41,135	41,135	41,135	41,135	41,135
Market value of properties	108,200	115,300	129,000	134,000	131,000
Property yield, %	5.6	5.1	4.3	4.3	4.6
Surplus ratio, %	79.3	79.9	79.1	83.1	85.1
Financial					
Profit/loss before tax	-4,200	-10,086	-2,805	7,739	5,332
Total assets	119,899	125,758	137,957	144,391	143,619
Return on equity, %	neg.	neg.	neg.	12.8	6.2
Equity/assets ratio, %	50.5	32.2	40.0	43.1	40.8
LTV ratio, %	48.1	67.1	60.5	58.2	59.5
Interest coverage ratio, multiple	2.7	4.5	4.4	4.7	4.5
Net LTV ratio, %	37.4	59.0	54.4	51.1	50.8
Share-related					
Profit from property management per share, EUR	0.05	0.68	0.63	0.68	0.73
Earnings after tax per share, EUR	neg.	neg.	neg.	1.30	0.61
NRV per share, EUR	1.02	7.86	9.55	10.83	10.02
No. of shares outstanding	65,450,000	5,950,000	5,950,000	5,950,000	5,950,000
Proposed dividend per share, EUR	0.03	–	–	0.70	0.70

See page 26 for definitions of key performance indicators

SIGNIFICANT RISKS AND UNCERTAINTIES

Rental income

Fleming's revenue consists of rental income and, accordingly, any reduction in rental income and/or a lower occupancy rate could adversely impact the company's financial position and earnings.

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 2025, an approximately 0.8% upward adjustment was made to the rents.

The Group's risks include the risk of additional vacancies as a consequence of the tenant terminating its existing lease or becoming insolvent. The Group also runs the risk of being unable to let the current vacant premises.

The Group is also exposed to a limited risk associated with operating and maintenance costs since the leases for the let properties stipulate 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.

The properties

The Group recognises the properties at fair value, based on market valuations completed by independent valuation institutes. There is the risk of changes in value for the properties as a result of changed cash flows and changes in yield requirements. The Group is also exposed to liquidity, interest-rate and financing risks, which are described in more detail in Note 23.

THE BOARD'S PROPOSAL FOR THE ALLOCATION OF PROFIT

The following distributable earnings of the Parent Company Fleming Properties AB are at the disposal of the AGM with amounts in EUR.

Non-restricted equity, EUR	
Share premium reserve	80,666,508
Retained earnings	-16,575,460
Profit/loss for the year	-397,926
Total non-restricted equity	**63,693,122**

Funds at the disposal of the AGM	
Dividend to shareholders	1,963,500
To be carried forward	61,729,622
Total	**63,693,122**

The Board of Directors' statement on the proposed dividend

After taking into account the need for liquidity, the submitted budget and investment plans, it is the Board's assessment that no indications exist that the proposed dividend would result in the company's and the Group's equity becoming insufficient in relation to the nature, extent and risks of the business. The Board of Directors thus finds the proposed dividend justifiable pursuant to Chapter 17, Section 3 of the Swedish Companies Act.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro (TEUR)	**Note**	**2024**	**2023**
Rental income	3	7,682	7,376
Operating and maintenance costs	4	-846	-834
Property tax	4	-746	-652
Net operating income		**6,090**	**5,890**
Central administration	5, 6	-934	-566
Financial income		98	10
Financial expenses	7	-2,163	-1,288
Profit from property management		**3,091**	**4,045**
Changes in value to properties, unrealised	9	-7,291	-14,131
Profit/loss before tax		**-4,200**	**-10,086**
Current tax	8	–	–
Deferred tax	8	-14	-4,677
Profit/loss for the year		**-4,214**	**-14,763**
Other comprehensive income – items that may be reclassified to profit or loss:			
Profit/loss for the year		-4,214	-14,763
Other comprehensive income		–	–
Total comprehensive income[2]		**-4,214**	**-14,763**

[2]*Profit for the year and comprehensive income are attributable in their entirety to the Parent Company shareholders*

Average No. of shares outstanding	13	35,700,000	5,950,000
Basic and diluted earnings per share, EUR		-0.06	-2.48
Proposed dividend per share		0.03	–

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousand euro (TEUR)	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Investment properties	9	108,200	115,300
Right-of-use assets leaseholds	15	114	537
Total non-current assets		**108,314**	**115,837**
Current assets			
Rental receivables		30	20
Other current receivables	10	12	388
Prepaid expenses and accrued income	11	18	139
Cash and cash equivalents	12	11,525	9,373
Total current assets		**11,585**	**9,921**
TOTAL ASSETS		**119,899**	**125,758**
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	**13**		
Share capital		655	60
Other contributed capital		80,667	56,967
Retained earnings including profit for the year		-20,789	-16,575
Total equity		**60,532**	**40,451**
Non-current liabilities			
Borrowings	14	51,785	–
Deferred tax liabilities	16	6,313	6,299
Non-current lease liabilities	15	114	537
Total non-current liabilities		**58,212**	**6,836**
Current liabilities			
Liabilities to credit institutions	14	–	77,343
Accounts payable		33	67
Other current liabilities	17	271	572
Accrued expenses and deferred income	18	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

Amounts in thousand euro (TEUR)	Share capital	Other contributed capital	Retained earnings including profit for the year	Total equity
Equity, opening balance on 1 January 2023, as per approved annual report	**60**	**53,967**	**1,188**	**55,215**
Correction of previous year[1]		3,000	-3,000	-
Equity, opening balance on 1 January 2023 after correction	**30**	**56,967**	**-1,812**	**55,215**
Comprehensive income				
Profit/loss for the year	–	–	-14,763	-14,763
Total comprehensive income			**-14,763**	**-14,763**
Transactions with shareholders				
Dividend	–	–	–	–
Total transactions with shareholders	**–**	**–**	**–**	**–**
Equity, closing balance on 31 December 2023	**60**	**56,967**	**-16,575**	**40,451**
Equity, opening balance on 1 January 2024	**60**	**56,967**	**-16,575**	**40,451**
Comprehensive income				
Profit/loss for the year	–	–	-4,214	-4,214
Total comprehensive income	**–**	**–**	**-4,214**	**-4,214**
Transactions with shareholders				
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 December 2024	**655**	**80,667**	**-20,789**	**60,532**

[1]Corrected error from 2022 that had an effect on the opening balances of 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in thousand euro (TEUR)	Note	2024	2023
Operating activities			
Profit from property management		3,091	4,045
Adjustments for non-cash items	22		
Financial items		118	94
Tax paid		–	0
Cash flow from operating activities before changes in working capital		**3,209**	**4,139**
Cash flow from changes in working capital			
Change in other current receivables		488	89
Change in accounts payable		-34	-257
Change in other current liabilities		61	383
Cash flow from operating activities		**3,724**	**3,588**
Investing activities			
Insurance recovery		144	1,911
Investment projects in properties		-334	-2,312
Cash flow from investing activities		**-190**	**-401**
Financing activities	**23**		
New share issue		25,666	–
Issue costs		-1,371	–
Borrowings raised		-260	–
Loan repayments		-25,416	-585
Dividend		–	-1,012
Cash flow from financing activities		**-1,381**	**-1,597**
Cash flow for the year		**2,153**	**1,591**
Cash and cash equivalents at the beginning of the year		**9,373**	**7,783**
Cash and cash equivalents at the end of the financial year	**12**	**11,525**	**9,373**

FLEMING PROPERTIES

PARENT COMPANY INCOME STATEMENT

Amounts in thousand euro (TEUR)	Note	2024	2023
Net sales	21	244	82
Administration costs	5, 6	-627	-304
Operating loss		**-383**	**-222**
Impairment of financial assets	19	–	-10,253
Financial items	7	-15	47
Profit/loss after financial items		**-398**	**-10,428**
Profit/loss before tax		**-398**	**-10,428**
Deferred tax	8	–	–
Profit/loss for the year		**-398**	**-10,428**

PARENT COMPANY INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

Amounts in thousand euro (TEUR)	2024	2023
Profit/loss for the year	-398	-10,428
Other comprehensive income	–	–
Total comprehensive income	**-398**	**-10,428**

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

Amounts in thousand euro (TEUR)	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Financial assets			
Participations in subsidiaries	19	57,159	37,025
Other non-current receivables from Group companies	21	1,389	1,389
Total financial assets		**58,548**	**38,414**
Current assets			
Current receivables from Group companies	21	1,423	1,385
Other current receivables	10	16	50
Prepaid expenses and accrued income	11	11	111
Cash and cash equivalents	12	4,391	535
Total current assets		**5,841**	**2,081**
TOTAL ASSETS		**64,389**	**40,495**
EQUITY AND LIABILITIES			
Equity	**13**		
Restricted equity			
Share capital		655	60
Total restricted equity		**655**	**60**
Non-restricted equity			
Share premium reserve		80,667	56,966
Retained earnings including profit for the year		-16,973	-16,575
Total non-restricted equity		**63,694**	**40,391**
Total equity		**64,349**	**40,451**
Current liabilities			
Accounts payable		3	4
Accrued expenses and deferred income	18	37	40
Total current liabilities		**40**	**44**
TOTAL EQUITY AND LIABILITIES		**64,389**	**40,495**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euro (TEUR)	**Share capital**	**Other contributed capital**	**Retained earnings including profit for the year**	**Total equity**
Equity, opening balance on 1 January 2023	**60**	**56,966**	**-6,147**	**50,879**
Profit/loss for the year	–	–	-10,428	**-10,428**
Transactions with shareholders				
Dividend	–	–	–	–
Total transactions with shareholders	**–**	**–**	**–**	**–**
Equity, closing balance on 31 December 2023	**60**	**56,966**	**-16,575**	**40,451**
Equity, opening balance on 1 January 2024	**60**	**56,966**	**-16,575**	**40,451**
Profit/loss for the year	–	–	-398	-398
Transactions with shareholders				
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 December 2024	**655**	**80,667**	**-16,973**	**64,349**

PARENT COMPANY STATEMENT OF CASH FLOWS

Amounts in thousand euro (TEUR)	Note	2024	2023
Operating activities			
Profit/loss after financial items		-398	-10,428
Adjustments for non-cash items	**22**	-49	10,253
Cash flow from operating activities before changes in working capital		**-447**	**-176**
Cash flow from changes in working capital			
Change in other current receivables		147	515
Change in accounts payable		-1	-99
Change in other current liabilities		-3	7
Cash flow from operating activities		**-304**	**248**
Financing activities	**23**		
New share issue		25,666	–
Issue costs		-1,371	–
Loaned out capital		-20,135	–
Dividend		–	-1,012
Cash flow from financing activities		**4,160**	**-1,012**
Cash flow for the year		**3,856**	**-764**
Cash and cash equivalents at the beginning of the year		**535**	**1,299**
Cash and cash equivalents at the end of the financial year	**12**	**4,391**	**535**

NOTES TO THE FINANCIAL STATEMENTS

Note 1 General information about the company

Fleming Properties AB, corporate registration number 559207–9544, is a public listed company registered in Sweden and domiciled in Stockholm. The company's address is Berzelii Park 9, Box 7415, SE-103 91 Stockholm. The operations of the company and its subsidiaries (the "Group") encompass owning, managing and developing the company's property portfolio. Fleming Properties AB was founded on 3 June 2019. The annual accounts and consolidated accounts were approved by the Board for publication on 10 March 2025 and will be submitted to the Annual General Meeting for adoption on 9 April 2025.

Note 2 Significant accounting policies

The consolidated accounts for Fleming have been prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS) together with the interpretations issued by the IFRS Interpretations Committee (IFRIC). Moreover, the Group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups.

Assets and liabilities are recognised at cost except for investment properties, which are measured at fair value. Fleming owns 100% of the capital and votes in subsidiaries. The consolidated accounts are presented in accordance with the acquisition method.

The significant accounting policies that have been applied are described below.

New or amended IFRS standards and new interpretations in 2024

During the 2024 financial year, amendments to IAS 1 – Presentation of Financial Statements entered force. The amendments clarify the criteria to determine when a liability is to be classified as current or non-current, the settlement of a liability and the introduction of additional disclosure requirements. The amendments are not expected to have any material impact on Fleming. It is assessed that there are no additional amendments that would entail any material impact on the company's earnings or financial position.

New or amended IFRS standards and new interpretations that have yet to enter into force:

IFRS 18 to replace IAS 1 Presentation of Financial Statements will enter force on 1 January 2027. The standard aims to increase comparability and transparency in how companies' earnings are presented. Fleming is yet to analyse and assess the consequences of the application of IFRS 18 for the company.

Consolidated accounts

When the Group acquires a company with one or more properties, the acquisition is classified as an asset acquisition. For asset acquisitions, no deferred tax attributable to the acquisition of the property is recognised. Instead, any deferred tax discount reduces the cost of the property. As a result, the changes in value will be impacted by the tax discount in subsequent valuations.

Segment reporting

The company only conducts operations in one segment, which comprises the ownership and management of properties for light industry and warehouses. The properties are monitored as a whole by the Board in terms of such factors as rental income and market value. Accordingly, the company does not report any operating segments.

Currency

The Group and the Parent Company report in euro (EUR). Foreign transactions are translated into EUR at the exchange rate at the time of the transaction. Financial assets and liabilities are translated at the closing rate at the balance-sheet date.

Leases

The Group comprises the lessor for leases concerning Group-owned properties. Leases are treated as operating leases in which all the significant risks and benefits associated with the ownership are retained by the lessor. Lease payments on operating leases are expensed on a straight-line basis over the lease. In cases where a lease entails a discounted rent during a certain period that is offset by a higher rent at other times, the effect is distributed over the term of the lease.

The Group comprises the lessee for one leasehold agreement. The leasehold agreement is recognised as a right-of-use asset together with a corresponding lease liability. Leaseholds are assessed as perpetual leases and recognised at fair value. Therefore, no depreciation is applied for leaseholds. Instead, the value of the right-of-use asset remains until the next renegotiation of the respective ground rent. A non-current lease liability is recognised corresponding to the value of the right-of-use asset. The lease liability is not repayable, but rather the value remains unchanged until renegotiation of the respective ground rent. The ground rent is recognised in the income statement as a separate line item in connection with financial expenses. The Group does not otherwise hold leases in which the Group is the lessee. For more information, refer to notes 3, 15 and 23.

Tax

Total tax comprises current and deferred tax. Deferred tax is calculated using the balance-sheet method based on temporary differences between carrying amounts and the tax base of assets and liabilities. Deferred tax liabilities are calculated in accordance with the expected tax rates applicable for the period since receivables are deducted or taxes are settled based on the tax legislation applicable on the balance-sheet date. Deferred tax assets attributable to unused tax losses are recognised if it is probable that future taxable amounts will be available to utilise against those unused tax losses. Deferred tax liabilities are recognised at the nominal amount of the difference between the property's carrying amount and the tax base and are consolidated in the statement of financial position. No deferred tax is recognised for temporary differences on the initial recognition of an asset since this has no effect on profit or loss. The exemption does not apply for deferred tax on right-of-use assets and non-current lease liabilities, which are disclosed gross in the notes. When a property-owning company within the Group is acquired, it is classified as an asset acquisition for which only deferred tax following the acquisition is recognised.

Cash-flow statement

The cash-flow statement is prepared in accordance with the indirect method. The recognised cash flow includes only those transactions that entail inflows and outflows.

Parent Company accounting policies

The Parent Company applies the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The application of RFR 2 entails that the Parent Company applies, as far as possible, all of the EU-adopted IFRS within the framework of the Annual Accounts Act and with regard to the relation between recognition and taxation. The differences between the Parent Company's and the Group's accounting policies are described below.

Leases

The Parent Company makes use of the exemption in the application of IFRS 16 Leases, which means that all leases are recognised as straight-line costs over the lease period.

Financial instruments

The Parent Company does not apply IFRS 9 as a legal entity. Instead, financial instruments are recognised based on their cost.

In calculating the net realisable value of financial assets recognised as current assets, the policies for impairment testing and loss risk reserves in IFRS 9 are applied.

Classification and presentation format

The Parent Company's income statement and balance sheet follow the structure of the Annual Accounts Act.

Subsidiaries

Participations in subsidiaries are recognised at cost less any need for impairment in the Parent Company's financial statements. Acquisition-related costs for subsidiaries, which are recognised in the consolidated accounts, are included in the cost of participations in subsidiaries.

Group and shareholder contributions

Group contributions are recognised as an appropriation in accordance with the alternative rule. Shareholder contributions are entered directly in the recipient's equity and are capitalised in shares and participations in the giver.

Rounding of amounts

Unless otherwise stated all amounts are presented in thousand euro (TEUR). Rounding of amounts may occur.

Note 3 Revenue

Rental income

Group revenue primarily consists of rental income from leases (rent for the provision of premises). See below for more information on leases. Rents in accordance with the contracts are paid in advance on a monthly or quarterly basis. The rental contracts have indexation clauses linked to the base rent, which is compared to the consumer price index and adjusted on the first date of each new financial year. Rental income is allocated in a straight line. In the event that the lease entails a discounted rent during a period of the lease that is offset by higher rent at other times, the resulting deficit or surplus is distributed over the term of the lease. Prepayments of rent are recognised as deferred rental income in the balance sheet.

The Group applies IFRS 15 Revenue from Contracts with Customers, which means that a disaggregation of revenue occurs between the rental income and service income. Rental income comprises customary rent imposed, including indexes, add-on billing for any investments and re-invoicing of property tax. Service income comprises all other add-on billing or re-invoicing such as for heating and water. Fleming acts primarily as principal in its role as a property owner.

Rental income Group	**2024**	**2023**
Rental income	7,565	6,874
Service income	117	501
Total	**7,682**	**7,376**

Maturity structure, rental value	**2024**	**2023**
Within one year	6,799	6,836
Later than one but within two years	6,177	6,836
Later than two but within three years	6,177	6,298
Later than three but within four years	6,089	6,298
Later than four but within five years	5,990	6,203
More than five years	5,990	12,406
Total	**37,222**	**44,877**

The table above shows the minimum rental payments, which is to say, the base rent for each period during the contract's term. The properties are let under operating leases and generate rental income. The Parent Company holds no leases.

FLEMING PROPERTIES

Note 4 Property expenses

Property expenses are recognised in profit or loss for the period in which they arise. Property expenses are comprised in part by costs related to the operation, management, letting, administration and maintenance of the property portfolio.

Property expenses, including direct property expenses such as operating and maintenance costs as well as property tax and indirect costs for property administration amounted to TEUR 1,592 (1,486) in 2024. For most of Fleming's leases, the tenant bears certain property expenses. Fleming has also signed triple net leases, which involve the tenant bearing all operating and maintenance costs.

Operating and maintenance costs

Operating and maintenance costs include costs for electricity, heating, water, property upkeep, insurance and maintenance. In the case of Fleming signing contracts for operating and maintenance costs, the costs are in most cases passed on to the tenant. Operating costs amounted to TEUR 720 (707) and maintenance costs amounted to TEUR 126 (127) in 2024.

Property tax

Property tax is expensed in its entirety when the obligation arises. Since the obligation arises annually on 1 January, the Group recognises the entire year's liability for property tax as of 1 January. Moreover, a prepaid expense for property tax is recognised, which is distributed in a straight line over the financial year.

In Finland, property taxes are municipal and tax rates vary from municipality to municipality. For Fleming's properties, property taxes range from 1.1% on determined tax assessment values. Property tax totalled TEUR 746 (652) for 2024.

Operating costs

Group	2024	2023
Property upkeep	189	173
Repairs and maintenance	126	127
Electricity	153	158
Heating	302	318
Water and sewage	20	21
Insurance premiums	42	35
Other	15	2
Total	**846**	**834**

Note 5 Central administration costs and information about auditors' fees and expenses

Group administration costs consist of costs for company administration and ownership of subsidiaries and are recognised in the period in which they are incurred.

Group	2024	2023
Financial administration	293	281
Stock exchange fees	39	31
Other administration	602	254
Total	**934**	**566**

Parent Company	2024	2023
Financial administration	368	157
Stock exchange fees	39	31
Other	220	117
Total	**627**	**304**

Information on auditors' fees

	Group		Parent Company	
	2024	2023	2024	2023
BDO Mälardalen AB	29	–	12	–
Ernst & Young AB	–	25	–	19
Total	**29**	**25**	**12**	**19**

The auditing assignment pertains to the auditor's remuneration for the statutory audit. The assignment encompasses the examination of the annual accounts, consolidated accounts, the accounting records and the administration by the Board and the CEO as well as the fees for audit advice provided in conjunction with the audit assignment. In 2023, Ernst & Young AB was the company's auditor.

Note 6 Number of employees, salaries, other benefits and social security expenses

Only the Board of the Parent Company receives fees in accordance with the table below, including social security expenses.

	Group		Parent Company	
	2024	2023	2024	2023
Thomas Lindström	5	6	5	6
Erica Magnergård	4	4	4	4
Karl Runeberg	4	4	4	4
Henrik Schmidt	5	4	5	4
Patrik von Hacht	–	4	–	4
Total	**18**	**22**	**18**	**22**

Note 7 Financial items

Financial expenses pertain to interest, fees and other costs that arise when Fleming raises interest-bearing debt as well as costs linked to ground rents. Financial expenses are recognised in profit or loss for the period in which they arise.

Group	2024	2023
Interest expenses	1,963	1,186
Other financial expenses	200	103
Total	**2,163**	**1,288**

Parent Company	2024	2023
Other financial expenses	15	-47
Total	**15**	**-47**

All interest expenses are attributable to financial liabilities measured at amortised cost. Other financial expenses pertain to about TEUR 118 (94) of accrued arrangement fees attributable to the bank loan.

Note 8 Income tax

Income tax comprises current and deferred tax. Income taxes are recognised in profit or loss except when the underlying transaction is recognised in other comprehensive income or directly in equity, in which case the accompanying tax effect is recognised in other comprehensive income or in equity. Current tax is tax that is to be paid or received for the current year and is calculated based on recognised profit or loss with add-ons for non-deductible items less non-taxable revenue. Income tax is recognised is accordance with the balance-sheet method, whereby deferred tax is calculated for temporary differences identified at the balance-sheet date between the tax bases of assets and liabilities, and their carrying amounts. Temporary differences occur primarily for real estate and financial instruments. Temporary differences are measured at the nominal tax rate and the change from the previous balance-sheet date is recognised in the income statement as deferred tax. Deferred tax assets regarding deductible temporary differences and unused tax losses are only recognised to the extent to which it is probable that they are able to be utilised. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilised.

		Group	Parent Company	
Current tax	**2024**	**2023**	**2024**	**2023**
Current tax on profit/loss for the year	–	–	–	–
Total	**–**	**–**	**–**	**–**
Deferred tax				
Temporary differences attributable to properties	29	4,677	–	–
Deferred tax attributable to financing expenses	-43	–	–	–
Total	**-14**	**4,677**	**–**	**–**
Total tax expense recognised	**-14**	**4,677**	**–**	**–**

Income tax and deferred tax is calculated at 20.6% of taxable earnings for the year in the Swedish companies and at 20.0% for the Finnish subsidiaries. A reconciliation between recognised earnings and the tax expense for the year is presented in the following table. For more information about deferred tax, refer to Note 16.

The application of the interest deduction limitation rules means that the right to deduct net interest expense is limited to 30% of taxable EBITDA or alternatively a maximum net interest expense of MSEK 5 that can always be deducted at Group level in Sweden. In Finland, similar rules apply concerning interest deduction limitations, but with certain differences. The right to deduction is limited to 25% of taxable EBITDA or alternatively a maximum net interest expense that can always be deducted amounting to TEUR 500 per company.

A reconciliation between recognised earnings and
the tax expense for year is presented below. For more information about deferred tax, refer to
Note 16.

Reconciliation, tax expense for the year

	Group		Parent Company	
	2024	**2023**	**2024**	**2023**
Profit/loss before tax	-4,200	-10,086	-398	-10,428
Tax expense for the year	**-14**	**4,677**	**–**	**–**
Tax according to Swedish tax rates	865	2,078	82	2,148
Non-deductible expenses	-16	-1	–	-2,112
Difference in overseas tax rates	-23	-70	–	–
Tax effect of closing temporary differences on properties being less than temporary differences at acquisition.	-768	-6,640	–	–
Write-downs in tax return	44	–	–	–
Non-capitalised unused tax losses	-117	-44	-82	-36
Total	**-14**	**-4,677**	**–**	**–**

Note 9 Investment properties

Properties in the Group are classified as investment properties. An investment property is such a property that is held to generate rental income or value increase or a combination of the two. Investment properties are initially recognised at cost, which includes directly attributable expenses and adjustments to the purchase price for estimated deferred tax. Thereafter, the investment properties are recognised at fair value. Gains and losses attributable to changes in the fair value of investment properties are recognised in profit or loss for the period in which they arise. The Group recognises the investment properties at fair value pursuant to measurement level 3 as defined in IFRS 13, the measurement model whereby material inputs are based on unobservable inputs. Fair value is based on external market valuations that are performed twice per year, for the half-year and year-end accounts.

Contingent considerations are measured at fair value on an ongoing basis (Level 3 of IFRS 13) and the liability is adjusted for changes in fair value through profit or loss. The calculation of considerations is based on parameters in the respective acquisition agreement.

Subsequent expenditure is only included in the carrying amount when it is probable that the future economic benefits attributable to the item will accrue to the Group and that the cost can be measured reliably. All other costs for repairs and maintenance as well as subsequent expenditure are recognised in profit or loss for the period in which they arise.

Acquisitions of investment properties are recognised in conjunction with the transfer of the risks and benefits associated with ownership to the buyer.

Valuation assumptions

Fair value measurement applies a cash-flow calculation based on a present-value calculation of future cash flows. The calculation period is 11 years and during this period, income comprises the agreed rents until the end of the contract period. For the period thereafter, rental income is calculated at the current market rent. Operating and maintenance costs have been assessed based on the company's actual costs, and have been adjusted to the condition and age of the properties. The costs are expected to rise in line with inflation that is expected to amount to 2% in the long term. Investments have been assessed based on actual requirements. Property tax is estimated based on the most recent tax assessment value. Long-term vacancies are taken into account in the valuations and are assessed based on the location and condition of the properties. The cost of capital and yield requirements are based on the external valuers' experience-based assessments of market return requirements.

Group	**2024**	**2023**
Average annual inflation, %	2.00	2.00
Average interest rate, %	7.90	8.93
Yield requirement, %	5.88	5.78
Average long-term vacancy, %	6.00	5.00

Sensitivity analysis property valuations

Valuation parameters

	Assumption	*Average (TEUR)*	
		2024	**2023**
Rental income	+/-5.00%	6,300 / -6,400	7,000 / -7,000
Yield requirement	+/-0.25%	-2,900 / 2,800	-5,000 / 4,000
Long-term vacancy rate	+/-2.00%	-2,000 / 1,900	3,000 / 2,000

The Group owns the following properties, which are owned freehold.

The properties	**Municipality**
Vallilan Tomisto	Helsinki
Ässäkeskus	Helsinki
Ässäparkki	Helsinki

Group	**31 Dec 2024**	**31 Dec 2023**
Opening balance	115,300	129,000
Investments in existing portfolio	334	431
Repaid insurance claims	-143	–
Unrealised changes in value	-7,291	-14,131
Closing fair value	**108,200**	**115,300**

The market value per square meter of the property portfolio amounts to EUR 2,630 per square metre (2,803).

Note 10 Other current receivables

Receivables from tenants are recognised net after any loss allowance for bad debts and the amount corresponds to the amount expected to be collected based on circumstances known at the balance-sheet date. Payment of rental receivables is expected in the near future and fair value corresponds to amortised cost less accumulated impairment losses. Other current receivables are recognised at the carrying amount when payment is expected in the near future.

Group	**2024**	**2023**
Tax account	5	16
VAT receivables	–	35
Other	7	337
Total	**12**	**388**

Parent Company	**31 Dec 2024**	**31 Dec 2023**
Tax account	5	8
VAT receivables	3	35
Other	8	8
Total	**16**	**50**

Note 11 Prepaid expenses and accrued income

Accrued income is recognised at the carrying amount when payment is expected in the near future.

Group	**2024**	**2023**
Prepaid expenses	18	139
Accrued income	–	–
Total	**18**	**139**

Parent Company	**31 Dec 2024**	**31 Dec 2023**
Prepaid expenses	11	99
Accrued income	–	12
Total	**11**	**111**

Note 12 Cash and cash equivalents

Cash and cash equivalents comprise balances at banks, which are recognised at nominal value at the balance-sheet date.

Note 13 Equity

Share capital

All shares are of the same class of shares, are fully paid and entitle the holder to one vote. No shares are reserved for assignment under option contracts or other agreements. The number of shares at the end of the financial year amounted to 65,450,000 with a quotient value of EUR 0.01.

	31 Dec 2024	31 Dec 2023
No. of shares outstanding before dilution	65,450,000	5,950,000
No. of shares outstanding after dilution	65,450,000	5,950,000

Earnings per share

Recognised earnings per share have been calculated by dividing the profit for the year attributable to the Parent Company shareholders by the average number of shares outstanding during the period.

	31 Dec 2024	31 Dec 2023
Profit/loss attributable to the Parent Company shareholders, EUR	- 4,496,896	-14,763,020
Average No. of shares	35,700,000	5,950,000
Earnings per share, EUR	**-0.13**	**-2.48**

Non-restricted equity

Non-restricted equity, meaning the amount available for distribution to the shareholders, comprises total equity less the share capital. Other contributed capital regarding the share premium reserve is attributable to previously completed share issues in conjunction with property acquisitions.

Note 14 Borrowings

Raised external financing is classified as "financial liabilities" and is valued at amortised cost in using the effective interest method. Any differences between the loan amounts received (net after transaction costs) and repayments of loans are recognised over the loan's maturity in accordance with the Group's accounting policy for borrowing costs.

Group	**31 Dec 2024**	**31 Dec 2023**
Opening current liabilities to credit institutions	77,343	–
Current liabilities to credit institutions		77,415
Principal repayments	-25,416	
Arrangement fees	-142	-72
Total	**51,785**	**77,343**

Note 15 Leases

The Group has a leasehold agreement in the company Ässäparkki. The ground rent period is 30 years and the next adjustment date is 1 January 2050. Annual ground rent amounted to approximately TEUR 8 (7). The discount rate applied when valuing the leasehold ground rent amounted to approximately 1.32%.

In 2024, the Group did not have any other agreements where the Group is the lessee.

Right-of-use assets

Group

Carrying amount	**31 Dec 2024**	**31 Dec 2023**
Leasehold agreements	114	537
Total	**114**	**537**

The leasehold agreement was recognised for the first time on 9 October 2019 when the Group acquired the Ässäparkki property as a leasehold. No other agreements have been entered into or expired during the financial year. No depreciation of the leasehold agreement took place since it is treated as a perpetual lease.

Lease liabilities:

Group **Carrying amount**	**31 Dec 2024**	**31 Dec 2023**
Non-current lease liabilities	114	537
Total	**114**	**537**

Amounts recognised in profit or loss:

Group **Carrying amount**	**31 Dec 2024**	**31 Dec 2023**
Income for onward invoicing of right-of-use assets	8	7
Ground rent	-8	-7
Total	**-**	**-**

Note 16 Deferred tax assets and liabilities

Deferred tax

	Group		Parent Company	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
At the beginning of the year	-6,298	-1,621	–	–
Recognised in profit or loss	-15	-4,677	–	–
Recognised liability at the end of the year	**-6,313**	**-6,299**	**–**	**–**

Deferred tax assets				
Unused tax losses	–	–	–	–
Lease liabilities	–	107	–	–
Total	**–**	**107**	**–**	**–**
Deferred tax liabilities				
Deferred tax attributable to financing expenses	-43	–	–	–
Temporary differences attributable to properties	-6,270	-6,299	–	–
Right-of-use assets	–	-107	–	–
Total deferred tax	**-6,313**	**-6,299**	**–**	**–**
Deferred tax liabilities, net	**-6,313**	**-6,299**	**–**	**–**

Deferred tax assets pertaining to the carry forward of unused tax losses are recognised to the extent that it is probable that they will be utilised against future taxable earnings. The consolidated loss amounted to TEUR 3,782 (3,349) taking into account income for the 2024 financial year. The opportunity to utilise the tax losses is affected by tax regulations governing time-limited restrictions. For the Parent Company, the corresponding amount was TEUR 3,606 (3,308).

Note 17 Other current liabilities

Group	31 Dec 2024	31 Dec 2023
Other	271	572
Total	**271**	**572**

Parent Company	31 Dec 2024	31 Dec 2023
VAT liability	–	–
Total	**–**	**–**

Note 18 Accrued expenses and deferred income

Group	31 Dec 2024	31 Dec 2023
Deferred rental income	–	84
Accrued interest	668	255
Other	183	150
Total	**851**	**489**

Parent Company	31 Dec 2024	31 Dec 2023
Other	37	40
Total	**37**	**40**

Note 19 Participations in subsidiaries

Subsidiaries	Share of equity	Share of voting rights	Carrying amount	Equity
Fleming Midco 1 Properties Oy	100%	100%	57,159	62,930

Subsidiaries	Corp. Reg. No.	Registered office
Fleming Midco 1 Properties Oy	3008909-3	Helsinki

An impairment of TEUR 0 (-10,253) related to the participations in the subsidiary was recognised in 2024.

Note 20 Pledged assets and contingent liabilities

Property deeds are pledged as collateral for the Group's interest-bearing liabilities.

Group	31 Dec 2024	31 Dec 2023
Property deeds	101,420	95,030
Total	**101,420**	**95,030**
Contingent liabilities	**None**	**None**

Note 21 Transactions with related parties

Transactions between the company and its subsidiaries, which are related to the company, have taken place with regard to interest on internal loans and pertain to the charging of transaction costs of TEUR 244 (82). As of 31 December 2024, the Parent Company's liabilities to Group companies amounted to TEUR – (–) and the Parent Company's receivables from Group companies amounted to TEUR 2,812 (2,774). All internal balances have been eliminated through consolidation and additional information about these transactions is therefore not presented in this note. For transactions with key individuals, refer to Note 6.

FLEMING PROPERTIES

An intra-Group management fee was paid between Fleming Properties AB and its subsidiaries. Consultancy fees amounting to SEK 17,500 were also paid to the company's former Chairman of the Board during the period, and pertained to consultation related to the company's refinancing. No other related-party transactions have taken place.

Under IAS 24, Pareto Business Management AB, until 31 August 2024, is a related parties to Fleming Properties AB through the provision of services under business management agreements. Fees for the year amounted to TEUR 105 (191). Pareto Securities AB, which is an affiliate of Pareto Business Management AB, provided corporate advisory services to Fleming for the period amounted to TEUR 8 (23).

Under IAS 24, Colony Real Estate AB is a related party from 1 September 2024 through the provision of services under the business management agreements, with the fees for the period amounting to TEUR 255 (0).

Note 22 Cash-flow statement

Adjustment for items not included in cash flow

Group	2024	2023
Loan arrangement fees	118	94
Total	**118**	**94**

Parent Company	2024	2023
Impairment of financial assets	–	10,253
Interest received	-49	–
Total	**-49**	**10,253**

Note 23 Financial risk management and financial instruments

Through its operations, the Group is exposed to various types of financial risks. The Group is particularly exposed to liquidity and credit risk as well as interest-rate and refinancing risks. The company's Board has ultimate responsibility for exposure, management and follow-up of the Group's financial risks. The Board monitors the frameworks that apply for exposure, management and follow-up of financial risks on an ongoing basis.

Liquidity and credit risk

Liquidity risks pertain to the risk that the Group experiences problems in meeting its undertakings relating to the Group's financial liabilities. The properties are about 92% let meaning that the company is dependent of the tenants' economy, financial position and payment capacity since the company's income is entirely comprised of rental income. The company's risk profile is based on counterparties and contract terms, resulting in varying risk profiles for leases depending on their term. The credit risk is managed by the Group continuously following up on past-due rental receivables

To minimise liquidity risk, liquidity forecasts are conducted on an ongoing basis to secure short- and long-term liquidity. Fleming believes that the company's tenants are in a good financial position and, to date, the company has not suffered any rental losses as a result of either COVID-19 or Russia's war in Ukraine.

The Group's and the Parent Company's maximum credit risk exposure is assessed to correspond to the carrying amounts for all financial assets and is presented in the table below.

	Group 31 Dec 2024	Parent Company 31 Dec 2024
Receivables from tenants	30	–
Other receivables	12	16
Intra-Group receivables	–	1,423
Cash and cash equivalents	11,525	4,391
Maximum credit risk exposure	**11,567**	**5,830**

	Group 31 Dec 2023	Parent Company 31 Dec 2023
Receivables from tenants	20	–
Other receivables	388	43
Intra-Group receivables	–	1,385
Cash and cash equivalents	9,373	535
Maximum credit risk exposure	**9,782**	**1,963**

The carrying amounts for other financial assets and liabilities are assessed to be a good approximation of the fair values. No significant effects arise from discounting based on current market conditions since operating receivables and liabilities mature in less than three months.

Interest-rate risk

For Fleming, interest-rate risk refers to the risk of higher interest expenses and therefore a deterioration in earnings and cash flow due to higher market interest rates. The risk also includes the choice of a high proportion of fixed interest rates in a climate of falling interest rates or low variable interest rates over time. The Riksbank's monetary policy, expectations of financial trends both internationally and nationally, and unexpected events impact market interest rates and are difficult to predict. The Group has highly limited interest rate exposure since financing takes the form of fixed interest until the loans mature in January 2027. If the market interest rate rises 1%, the impact on the Group's profit before tax would amount to TEUR 0 (0).

FLEMING PROPERTIES

Financing risk

Financing risk pertains to the long-term risk that securing the Group's capital requirements and refinancing loans outstanding will become more difficult or more expensive. Fleming's financing consists of equity and interest-bearing liabilities. The counterparty for the interest-bearing liabilities is Deutsche Pfandbriefbank AG, with a fixed interest rate of 5.57%. The loan is free of amortisation payments and extends until 11 January 2027. The payment of interest and operating costs is managed by the Group continually receiving rent payments. The company will need to refinance its liabilities outstanding on the due date. The Board discusses ongoing needs for future financing. The Group's ability to successfully refinance this debt depends on the prevailing conditions in the financial markets at that time. Accordingly, at any one specific time, the Group may not have access to funding sources at advantageous terms, or at all. The Group's ability to refinance its debt obligations at advantageous terms, or at all, may have a materially negative effect on the Group's operations, financial position and earnings, for which the Board continually discusses the need for future financing.

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 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%.

The maturity breakdown of contractual payment commitments related to the Group's and the Parent Company's financial liabilities is presented in the tables below. The Group's loan agreements do not otherwise contain any separate conditions that could lead to the payment dates becoming significantly earlier than what is presented in the tables below.

Group

31 Dec 2024	**Within 3 months**	**Within 3–12 months**	**Within 1–5 years**	**More than 5 years**
Borrowings	–	–	52,000	–
Interest, net	724	2,213	3,009	
Lease liabilities	–	–	–	114
Accounts payable	33	–	–	–
Other current liabilities	271	–	–	–
Accrued expenses and deferred income	851	–	–	–
Total	**1,879**	**2,213**	**55,009**	**114**

Group

31 Dec 2023	**Within 3 months**	**Within 3–12 months**	**Within 1–5 years**	**More than 5 years**
Borrowings	–	77,415	–	–
Interest, net	281	315	–	–
Lease liabilities	–	–	–	537
Accounts payable	67	–	–	–
Other current liabilities	572	–	–	–
Accrued expenses and deferred income	489	–	–	–
Total	**1,409**	**77,730**	**–**	**537**

Parent Company

31 Dec 2024	**Within 3 months**	**Within 3–12 months**	**Within 1–5 years**	**More than 5 years**
Accounts payable	3	–	–	–
Accrued expenses and deferred income	37	–	–	–
Total	**40**	**–**	**–**	**–**

Parent Company

31 Dec 2023	**Within 3 months**	**Within 3–12 months**	**Within 1–5 years**	**More than 5 years**
Accounts payable	4	–	–	–
Accrued expenses and deferred income	40	–	–	–
Total	**44**	**–**	**–**	**–**

The Group's undertakings for financial liabilities are covered with cash flow from the contracted leases. To minimise liquidity risk, liquidity forecasts are conducted on an ongoing basis to secure short- and long-term liquidity.

Change in financial liabilities in the cash-flow statement's financing activities

Group	**Borrowings**	**Lease liabilities**	**Total**
OB 1 Jan 2024	77,343	537	77,880
Repayment of liabilities	-25,416	–	-25,416
Arrangement fees	-260	–	-260
Non-cash items:			
-arrangement fees	118	–	118
-reclassification		-423	-423
CB 31 Dec 2024	**51,785**	**114**	**51,899**

Group	Borrowings	Lease liabilities	Total
OB 1 Jan 2023	77,834	537	78,371
Repayment of liabilities	-585	–	-585
Non-cash items:			
-arrangement fees	94	–	94
CB 31 Dec 2023	**77,343**	**537**	**77,880**

Financial instruments

Financial instruments recognised in the balance sheet include, on the asset side, rental receivables, other receivables, prepaid expenses and accrued income, and cash and cash equivalents. On the liabilities side, they include interest-bearing liabilities, lease liabilities, accounts payable, other liabilities, and accrued expenses and deferred income.

Recognition in and derecognition from the balance sheet
A financial asset or financial liability is recognised in the balance sheet when the company becomes a party according to the instrument's contractual conditions. A financial asset is derecognised from the balance sheet when the contractual right to cash flows from the asset has expired or been settled, or when the Group loses control of the asset. A financial liability is derecognised from the balance sheet when the contractual obligation is discharged or otherwise extinguished.

A receivable is recognised when the company has performed and the counterparty has a contractual obligation to pay, even if an invoice has not yet been sent. Rental receivables are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has performed and has a contractual obligation to pay, even if an invoice has not yet been sent. Accounts payable are recognised when the invoice is received.

Classification and measurement
Financial assets are classified based on the Group's business model used for the administration of the assets and the characteristics of the contractual cash flows. Financial assets are initially recognised at cost, corresponding to the fair value of the instrument plus transaction costs. The Group's financial instruments have been classified and reported as follows:

Financial assets are valued at amortised cost.
Financial assets in this category pertain to rental receivables, other receivables, and cash and cash equivalents, and are held under the business model of generating value by receiving contractual payments. Financial assets are valued at amortised cost and are initially recognised at invoiced value. After initial recognition, they are measured at amortised cost. The Group's provisions for credit losses are based on the company's expectations of tenants' payment capacity. Fleming did not have any credit losses during the reporting period.

Financial liabilities valued at amortised cost.
Financial liabilities in this category relate mainly to loans, accounts payable and other liabilities. Financial liabilities recognised at amortised cost are initially measured at fair value, including any transaction costs, with the exception of derivatives. After initial recognition, they are measured at amortised cost. Interest expense, and foreign exchange gains and losses are recognised in profit or loss.

Impairment of financial assets
The Group's credit risk exposure is primarily attributable to rental receivables, other current receivables, and cash and cash equivalents. The simplified approach in IFRS 9 is used to calculate the credit losses on the Group's accounts receivable. The Group defines default as it being unlikely that the counterparty till fulfil its undertakings due to indicators of financial difficulties and missed payments. Notwithstanding the above, default is deemed to have taken place when the payment is 90 days past due. The Group writes off a receivable when it is assessed that it presents no possibility of further cash flows.

When calculating expected credit losses, rental receivables are analysed individually and assessed based on previous events, current conditions and future economic forecasts. Cash and cash equivalents are encompassed by the general approach, under which an exemption for low credit risk is applied. The Group immediately recognises the expected credit losses for the remaining maturities of the rental receivables. As of 31 December 2024, the Group had no credit losses.

Classification of financial instruments

The carrying amounts for financial assets and liabilities broken down by valuation category in accordance with IFRS 9 are presented in the table below. The fair value is the same as the carrying amount.

Financial assets 31 Dec 2024	Measured at amortised cost	Carrying amount
Rental receivables	30	30
Other receivables	12	12
Cash and cash equivalents	11,525	11,525
Total	**11,567**	**11,567**

Financial assets 31 Dec 2023	Measured at amortised cost	Carrying amount
Rental receivables	20	20
Other receivables	388	388
Cash and cash equivalents	9,373	9,373
Total	**9,782**	**9,782**

Financial liabilities 31 Dec 2024	Measured at amortised cost	Carrying amount
Liabilities to credit institutions	51,785	51,785
Lease liabilities	114	114
Accounts payable	33	33
Other current liabilities	271	271
Total	**52,203**	**52,203**

Financial liabilities 31 Dec 2023	Measured at amortised cost	Carrying amount
Liabilities to credit institutions	77,343	77,343
Lease liabilities	537	537
Accounts payable	67	67
Other current liabilities	572	572
Total	**78,519**	**78,519**

Note 24 Significant events after the end of the financial year

After the end of the period, Fleming contracted a new lease for 461 square metres with occupancy in May 2025 as well as an additional contract for 187 square metres, both of which have a three-year lease period.

Note 25 Proposed appropriation of profits

The following distributable earnings are at the disposal of the AGM (EUR)

Share premium reserve	80,666,508
Retained earnings	-16,575,460
Profit/loss for the year	-397,926
	63,693,122

The Board of Directors proposes that the distributable earnings be appropriated as follows:

dividend to shareholders	1,963,500
to be carried forward	61,729,622
	63,693,122

The Board proposes distribution of a dividend to shareholders of EUR 0.03 per share, meaning a total dividend of EUR 1,963,500 and that the dividend should be distributed directly after the Annual General Meeting 2025.

SIGNING OF THE ANNUAL REPORT

The Annual Report was adopted by the Board of Directors and approved for publication on the date shown in our electronic signature 2025.

The Board of Directors and CEO hereby certify that the consolidated accounts and the annual accounts have been prepared in accordance with the International Financial Reporting standards (IFRS) as adopted by the EU, and generally accepted accounting principles, and provide a fair and accurate overview of the Group's and the Parent Company's operations, financial position and results. Moreover, the Administration Report for the Group and the Parent Company provides a fair and accurate overview of the Group's and the Parent Company's operations, financial position and results, and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm on the date shown in our electronic signature

Henrik Schmidt	**Carl-Mikael Lindholm**	**Erica Magnergård**
Chairman of the Board	Board Member	Board Member

Thomas Lindström
Chief Executive Officer

Our auditor's report was submitted on the date shown in our electronic signature

BDO Mälardalen AB

John Larsson
Authorised Public Accountant

Definitions

Return on equity
Profit for the period attributable to the Parent Company shareholders, divided by average equity.

Loan-to-value (LTV) ratio
Liabilities to credit institutions divided by the market value of the properties.

Property yield
Net operating income, divided by the market value of the properties.

Profit from property management per share
Profit from property management divided by the average number of shares outstanding.

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

Earnings after tax per share
Profit for the year divided by the average number of shares outstanding.

Earnings per share
Profit for the period divided by the number of shares outstanding

Interest coverage ratio
Net operating income less administration costs and plus financial income divided by interest expenses.

Equity/assets ratio
Equity, adjusted for untaxed provisions, divided by total assets.

Surplus ratio
Net operating income divided by total rental income.

Auditor's report

To the general meeting of the shareholders of Fleming Properties AB. Corporate identity number 559207-9544

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Fleming Properties AB for the year 2024.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material aspects, the financial position of the parent as of December 31, 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other matters

The audit of the annual accounts and consolidated accounts for the prior financial year was performed by another auditor whose engagement was prematurely terminated and who submitted an auditor's report dated March 18, 2024, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

The previous auditor has not prepared a notification of his early retirement in accordance with Chapter 9, Section 23 of the Swedish Companies Act or a notification in accordance with Chapter 9, Section 23 a of the Swedish Companies Act.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Actand, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. the Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.
In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of the company's and the group's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and the group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

• Conclude on the appropriateness of the Board of Directors’ [and Managing Director's] use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, We are required to draw attention in our auditor’s report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company or a group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

• We plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the companies or business units within the group as a basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors and the Managing Director of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Fleming Properties AB for the year 2024 and the proposed appropriations of the company's profit or loss.
We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.
The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

• has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

• in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Stockholm on the date shown by our electronic signature on the Swedish original

BDO Mälardalen AB
John-David Larsson
Auktoriserad revisor

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.