



Interim report

Q3 2024

PERIOD FROM JANUARY–SEPTEMBER 2024

- Group revenue for the period amounted to TEUR 5,745 (5,520)
- Net operating income for the period amounted to TEUR 4,559 (4,384)
- Profit from property management for the period amounted to TEUR 2,423 (3,038)
- Profit/loss for the period was TEUR -1,729 (-2,199)

THIRD QUARTER JULY–SEPTEMBER 2024

- Group revenue for the period amounted to TEUR 1,929 (1,902)
- Net operating income for the period amounted to TEUR 1,583 (1,553)
- Profit from property management for the period amounted to TEUR 391 (1,089)
- Profit for the period was TEUR 329 (831)

CEO'S COMMENTS ON THE PERIOD

Operations have proceeded according to plan and posted an expected year-on-year earnings trend. The company's loan-to-value ratio has decreased to 47% (63) due to the previously announced new debt structure that was implemented in the third quarter. The company's debt financing now amounts to MEUR 52 with a tenor of 2.5 years.

Tenant adaptations linked to the new 15-year agreement with OleFit are progressing and are expected to be completed by the year end.

Colony Real Estate AB took over full management of the Fleming portfolio at the end of the quarter. The seasoned local lettings team is currently pursuing interesting discussions with a number of potential new tenants. Hopes are cautiously positive in a lettings market that remains challenging.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

After the end of the period, Fleming contracted a new five-year lease for 438 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 completed in the period has enabled adaptation of the company's capital structure to prevailing market conditions while concurrently improving the company's operational conditions. By complementing the property management organisation with 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 Jul 2024	1 Jul 2023
	–30 Sep 2024	–30 Sep 2023	–30 Sep 2024	–30 Sep 2023
Revenue	5,745	5,520	1,929	1,902
Net operating income	4,559	4,384	1,583	1,553
Profit from property management	2,423	3,038	391	1,089
Profit/loss for the period	-1,729	-2,199	329	831
Profit from property management per share, EUR	0.04	0.51	0.01	0.18
Earnings per share, EUR	neg.	neg.	0.01	0.14
Equity per share, EUR	0.97	8.91	0.97	8.91
Market value of properties	110,600	123,600	110,600	123,600
No. of shares outstanding	65,450,000	5,950,000	65,450,000	5,950,000
Surplus ratio, %	79.36	79.41	82.06	81.64
Return on equity, %	neg.	neg.	2.09	6.31
Interest coverage ratio, multiple	3.12	4.63	1.71	4.82
Equity/assets ratio, %	51.75	39.78	51.75	39.78
LTV ratio, %	47.02	63.11	47.02	63.11
Net LTV ratio, %	37.09	55.98	37.09	55.98
NRV per share, EUR	1.05	9.10	1.05	9.10
Property yield, %	5.50	4.73	5.73	5.02
Implicit property yield, %	8.11	7.26	8.45	7.71

SHARE RELATED PERFORMANCE INDICATORS, SEK

	1 Jan 2024 –30 Sep 2024	1 Jan 2023 –30 Sep 2023	1 Jul 2024 –30 Sep 2024	1 Jul 2023 –30 Sep 2023
Profit from property management per share, SEK	0.42	5.87	0.07	2.10
Earnings per share, SEK	neg.	neg.	0.06	1.60
Equity per share, SEK	10.93	102.40	10.93	102.40
NRV per share, SEK	11.88	104.55	11.88	104.55
Stock market price per balance sheet day, SEK	6.00	36.00	6.00	36.00
EUR/SEK per balance sheet day	11.30	11.49	11.30	11.49

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 110,600 (123,600).

Leases

On 30 September 2024, the company's occupancy rate was about 92%. Of the total rental value, 97% 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 9.4% 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 notified of its intent before the end of the year to exercise the former of the two options. As of the balance-sheet date, the average remaining lease term was 6.0 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, a 4.8% 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 30 September 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 1,223 (859).

The share and shareholders

The company had 566 (814) shareholders at the end of the period.

OTHER INFORMATION

Employees

The Group's CEO as from the 1st of September employed by the Company. 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 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 MEUR 72 to MEUR 52, 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 –30 Sep 2024	1 Jan 2023 –30 Sep 2023	1 Jul 2024 –30 Sep 2024	1 Jul 2023 –30 Sep 2023
Revenue	5,745	5,520	1,929	1,902
Operating and maintenance costs	-628	-614	-158	-174
Property tax	-558	-522	-188	-175
Net operating income	4,559	4,384	1,583	1,553
Administration costs	-745	-404	-396	-153
Financial income	2	2	–	–
Financial expenses	-1,393	-944	-796	-311
Profit from property management	2,423	3,038	391	1,089
Unrealised changes in value, properties	-4,655	-5,745	-14	-31
Profit before tax	-2,232	-2,707	377	1,058
Deferred tax	503	508	-48	-227
Profit/loss for the period	-1,729	-2,199	329	831
Earnings per share, EUR	neg.	neg.	0.01	0.14
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>	30 September 2024	31 December 2023
Assets		
Investment properties	110,600	115,300
Deferred tax assets	287	–
Right-of-use assets	116	537
Total non-current assets	111,003	115,837
Accounts receivable	23	20
Other current receivables	22	388
Prepaid expenses and accrued income	284	139
Cash and cash equivalents	10,979	9,373
Total current assets	11,308	9,921
TOTAL ASSETS	122,311	125,758
Equity and liabilities		
Share capital	655	60
Non-restricted equity	62,645	40,392
Total equity	63,300	40,451
Liabilities to credit institutions	51,763	–
Deferred tax liabilities	5,799	6,299
Non-current lease liabilities	116	537
Total non-current liabilities	57,678	6,836
Liabilities to credit institutions	–	77,343
Accounts payable	351	67
Other current liabilities	244	572
Accrued expenses and deferred income	738	489
Total current liabilities	1,333	78,471
Total liabilities	59,011	85,307
TOTAL EQUITY AND LIABILITIES	122,311	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	–	–	-1,729	-1,729
Total comprehensive income	–	–	-1,729	-1,729
New share issue	595	25,071	–	25,666
Issue costs	–	-1,371	–	-1,371
Deferred tax, issue costs	–	282	–	282
Total transactions with shareholders	–	23,982	–	24,577
Equity, closing balance on 30 Sep 2024	655	80,949	-18,304	63,300

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2024 –30 Sep 2024	1 Jan 2023 –30 Sep 2023	1 Jul 2024 –30 Sep 2024	1 Jul 2023 –30 Sep 2023
Profit from property management	2,423	3,038	391	1,089
<i>Non-cash items</i>				
Financial items	95	70	48	23
Tax paid	-6	–	-6	–
Cash flow from operating activities before changes in working capital	2,512	3,108	433	1,112
Cash flow from changes in working capital				
Decrease/increase in other current receivables	218	304	-21	-95
Increase/decrease in accounts payable	284	-268	301	-470
Increase/decrease in other current liabilities	-72	-761	-1,615	-373
Cash flow from operating activities	2,942	2,383	-902	174
Investing activities				
Received insurance recovery	144	1,736	–	527
Investments in existing investment properties	-99	-2,081	-14	-558
Cash flow from investing activities	45	-344	-14	-31
Financing activities				
New share issue	25,666	–	–	–
Issue costs	-1,371	–	97	–
Arrangement fees	-260	–	-260	–
Principal repayments on liabilities to credit institutions	-25,416	–	-19,612	–
Dividends paid	–	-1,012	–	–
Cash flow from financing activities	-1,381	-1,012	-19,775	–
Cash flow for the period	1,606	1,027	-20,691	143
Cash and cash equivalents at the beginning of the period	9,373	7,783	31,671	8,667
Cash and cash equivalents at the end of the period	10,979	8,809	10,979	8,809

PARENT COMPANY INCOME STATEMENT

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2024 –30 Sep 2024	1 Jan 2023 –30 Sep 2023	1 Jul 2024 –30 Sep 2024	1 Jul 2023 –30 Sep 2023
Net sales	181	35	156	11
Administration costs	-516	-196	-320	-62
Operating loss	-335	-161	-164	-51
Financial items	-23	31	-31	17
Profit/loss for the period	-358	-130	-195	-34

PARENT COMPANY'S CONDENSED BALANCE SHEET

<i>Amounts in thousand euro, TEUR</i>	30 September 2024	31 December 2023
ASSETS		
Participations in subsidiaries	57,160	37,025
Deferred tax assets	282	–
Non-current receivables from Group companies	1,389	1,389
Total non-current assets	58,831	38,414
Other current receivables	116	50
Current receivables from Group companies	1,630	1,385
Prepaid expenses and accrued income	92	111
Cash and bank balances	4,441	535
Total current assets	6,279	2,081
TOTAL ASSETS	65,110	40,495
EQUITY AND LIABILITIES		
Share capital	655	60
Non-restricted equity	64,016	40,391
Equity	64,671	40,451
Accounts payable	343	4
Accrued expenses and deferred income	96	40
Total current liabilities	439	44
TOTAL EQUITY AND LIABILITIES	65,110	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 interim report for Fleming Properties AB (publ) was adopted by the Board on 26 November 2024.

Stockholm, 26 November 2024
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 above, on 26 November 2024.

REPORTING CALENDAR

25 February 2025 Year-end report 2024
9 April 2025 Annual General Meeting

FOR FURTHER INFO, PLEASE CONTACT

Thomas Lindström, Chief Executive Officer
thomas.lindstrom@temell.se
+ 46 (0) 70 892 51 30

Fleming Properties AB
c/o Altaal
Skeppsbron 16
SE-111 30 Stockholm, Sweden

Corporate registration number: 559207-9544
www.flemingproperties.se