



Interim report

Q1 2025

PERIOD FROM JANUARY – MARCH 2025

- Group revenue for the period amounted to TEUR 2,021 (1,897)
- Net operating income for the period amounted to TEUR 1,532 (1,421)
- Profit from property management for the period amounted to TEUR 546 (947)
- Profit for the period was TEUR 68 (773)

CEO'S COMMENTS ON THE PERIOD

Operational activities have proceeded according to plan, with earnings in line with expectations. Net operating income increased year-on-year while profit from property management was negatively impacted by rising interest expenses.

Letting efforts from the local lettings team are continuing. A minor letting was completed during the quarter to an architect firm, confirming the property's qualities and attractive design.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events took place after the end of the period.

FLEMING PROPERTIES IN BRIEF

Fleming Properties AB, corporate registration number 559207–9544, is a Swedish property company registered in June 2019 and the indirect owner of a property portfolio through subsidiaries. Together,

the properties comprise one large office building with office space of about 41,000 square metres together with an underground garage comprising some 500 parking spaces in Helsinki in 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

For the first quarter of 2025, the Group posted a stable revenue increase to TEUR 2,021 (1,897), corresponding to year-on-year growth of approximately 6.5%. Net operating income increased to TEUR 1,532 (1,421), reflecting the increased efficiency of the property portfolio management.

Profit from property management for the quarter developed in line with expectations and amounted to TEUR 546, which was a year-on-year decline. The decline stemmed mainly from higher interest expenses as a result of the loan refinancing that was completed last year in a higher interest-rate environment. Despite lower net earnings, the Group posted continued financial stability. The equity/assets ratio increased to 50.4% (33.9) and the loan-to-value (LTV) ratio declined to 48.1% (62.6), which overall contributed to a robust balance sheet. Moreover, the property portfolio continues to generate an attractive property yield of 5.7% (4.9).

FINANCIAL OVERVIEW AND SELECTED PERFORMANCE INDICATORS, GROUP

	1 Jan 2025	1 Jan 2024
	–31 Mar 2025	–31 Mar 2024
<i>Unless otherwise stated all amounts are in thousand euro (TEUR).</i>		
Revenue	2,021	1,897
Net operating income	1,532	1,421
Profit from property management	546	947
Profit for the period	68	773
Profit from property management per share, EUR	0.0	0.2
Earnings per share, EUR	0.0	0.1
Equity per share, EUR	0.9	6.9
Market value of properties	108,200	115,300
No. of shares outstanding	65,450,000	5,950,000
Surplus ratio, %	75.8	74.9
Return on equity, %	0.5	7.6
Interest coverage ratio, multiple	1.8	4.6
Equity/assets ratio, %	50.4	33.9
LTV ratio, %	48.1	62.6
Net LTV ratio, %	37.7	57.9
NRV per share, EUR	1.0	8.0
Property yield, %	5.7	4.9
Implicit property yield, %	8.2	7.8

SHARE RELATED PERFORMANCE INDICATORS, SEK

	1 Jan 2025 –31 Mar 2025	1 Jan 2024 –31 Mar 2024
Profit from property management per share, SEK	0.1	1.8
Earnings per share, SEK	0.0	1.5
Equity per share, SEK	10.0	79.9
NRV per share, SEK	11.1	92.2
Stock market price per balance sheet day, SEK	5.7	13.5
EUR/SEK per balance sheet day	10.9	11.5

Property valuations

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

Leases

On 31 March 2025, the company's occupancy rate was about 95%. Of the total rental value, 92% 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 5.1 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.

Financing

As of the balance-sheet date, the Group has an interest-only loan that amounted to TEUR 52,000 (78,000) on 31 March 2025 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 724 (269).

The share and shareholders

The company had 519 (703) shareholders at the end of the period.

OTHER INFORMATION

Employees

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

Related-party transactions

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

affiliate of Pareto Business Management AB, has provided corporate advisory services to Fleming Properties AB.

Significant risks and uncertainties

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

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

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

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2025 –31 Mar 2025	1 Jan 2024 –31 Mar 2024
Revenue	2,020	1,897
Operating and maintenance costs	-303	-284
Property tax	-186	-192
Net operating income	1,532	1,421
Administration costs	-245	-179
Financial expenses	-741	-295
Profit from property management	546	947
Unrealised changes in value, properties	-477	-82
Profit before tax	69	865
Deferred tax	-1	-92
Profit for the period	68	773
Earnings per share, EUR	0.0	0.1
Average No. of shares	65,450,000	5,950,000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in thousand euro, TEUR</i>	31 March 2025	31 December 2024
Assets		
Investment properties	108,200	108,200
Right-of-use assets	114	114
Total non-current assets	108,314	108,314
Accounts receivable	42	30
Other current receivables	514	12
Prepaid expenses and accrued income	74	18
Cash and cash equivalents	11,253	11,525
Total current assets	11,884	11,585
TOTAL ASSETS	120,198	119,899
Equity and liabilities		
Share capital	655	655
Non-restricted equity	59,944	59,877
Total equity	60,599	60,532
Liabilities to credit institutions	51,812	51,785
Deferred tax liabilities	6,314	6,313
Non-current lease liabilities	114	114
Total non-current liabilities	58,240	58,212
Accounts payable	350	33
Other current liabilities	31	271
Accrued expenses and deferred income	978	851
Total current liabilities	1,359	1,155
Total liabilities	59,599	59,367
TOTAL EQUITY AND LIABILITIES	120,198	119,899

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 2024	60	56,967	-16,575	40,451
Comprehensive income				
Profit/loss for the period	–	–	-4,214	-4,214
Total comprehensive income	–	–	-4,214	-4,214
 New share issue	595	25,071	–	25,666
Issue costs	–	-1,371	–	-1,371
Total transactions with shareholders	595	23,700	–	24,295
 Equity, closing balance on 31 Dec 2024	655	80,667	-20,789	60,532
 Equity, opening balance on 1 Jan 2025	655	80,667	-20,789	60,532
Comprehensive income				
Profit for the period	–	–	68	68
Total comprehensive income	–	–	68	68
 Equity, closing balance on 31 Mars 2025	655	80,667	-20,721	60,599

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2025 –31 Mar 2025	1 Jan 2024 –31 Mar 2024
Profit from property management	546	947
<i>Non-cash items</i>		
Financial items	27	23
Tax paid	-2	–
Cash flow from operating activities before changes in working capital	571	969
Cash flow from changes in working capital		
Decrease/increase in other current receivables	-572	106
Increase/decrease in accounts payable	317	65
Increase/decrease in other current liabilities	-111	223
Cash flow from operating activities	205	1,363
Investing activities		
Investments in existing investment properties	-477	-82
Cash flow from investing activities	-477	-82
Financing activities		
Principal repayments on liabilities to credit institutions	–	-5,218
Cash flow from financing activities	–	-5,218
Cash flow for the period	-272	-3,937
Cash and cash equivalents at the beginning of the period	11,525	9,373
Cash and cash equivalents at the end of the period	11,253	5,436

PARENT COMPANY INCOME STATEMENT

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2025 –31 Mar 2025	1 Jan 2024 –31 Mar 2024
Net sales	143	13
Administration costs	-219	-94
Operating loss	-76	-81
Financial items	24	10
Profit/loss for the period	-52	71

PARENT COMPANY'S CONDENSED BALANCE SHEET

<i>Amounts in thousand euro, TEUR</i>	31 March 2025	31 December 2024
ASSETS		
Participations in subsidiaries	57,159	57,159
Non-current receivables from Group companies	1,389	1,389
Total non-current assets	58,548	58,548
Other current receivables	63	16
Current receivables from Group companies	1,578	1,423
Prepaid expenses and accrued income	9	11
Cash and bank balances	4,382	4,391
Total current assets	6,032	5,841
TOTAL ASSETS	64,580	64,389
EQUITY AND LIABILITIES		
Share capital	655	655
Non-restricted equity	63,641	63,694
Equity	64,296	64,349
Accounts payable	254	3
Accrued expenses and deferred income	30	37
Total current liabilities	284	40
TOTAL EQUITY AND LIABILITIES	64,580	64,389

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.

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

DEFINITIONS

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 27 May 2025.

Stockholm, 27 May 2025
Fleming Properties AB
Corporate registration number: 559207-9544

Henrik Schmidt
Chairman

Carl-Mikael Lindholm
Board member

Erica Magnergård
Board member

Thomas Lindström
Chief Executive Officer & Board member

INFORMATION ON MAR

The information in this half-year report is of such a nature that Fleming Properties AB is legally required to disclose pursuant to the EU's Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons above, on 27 May 2025.

REPORTING CALENDAR

26 Aug 2025	Q2 interim report 2025
25 Nov 2025	Q3 interim report 2025

FOR FURTHER INFO, PLEASE CONTACT

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