



Fleming Properties AB

Interim report 1 January 2021 – 31 March 2021

1 JANUARY 2021 – 31 MARCH 2021

- Consolidated rental income for the period amounted to TEUR 1,794 (1,775)
- Net operating income for the period amounted to TEUR 1,470 (1,522)
- Profit for the period amounted to TEUR 792 (996)

CEO'S COMMENTS ON THE PERIOD

Despite the current global crisis, with an ongoing pandemic, the company's operations and results performed stably and according to plan through the beginning of 2021. Following the completion of the total renovation of the Vallilan Toimisto property, two tenants moved in during the first quarter with leases corresponding to an annual rental value of TEUR 193 including add-ons.

SIGNIFICANT EVENTS DURING THE PERIOD

Market conditions changed during the period due to the concern regarding the spread of COVID-19. This has not impacted the company to date, and company management believes that the risk of a negative impact going forward is low.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

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

FLEMING PROPERTIES IN BRIEF

Fleming Properties AB (publ), corporate registration number 559207–9544, is a Swedish property company registered in June 2019 and the indirect owner of a property portfolio through subsidiaries. The portfolio comprises approximately 41,000 square metres of lettable area at a property located in Helsinki, Finland, which, excluding the rental guarantee, was approximately 92% let as of 31 March 2021.

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

FINANCIAL OVERVIEW AND SELECTED PERFORMANCE INDICATORS, GROUP

<i>Unless otherwise stated all amounts are in thousand euro (TEUR).</i>	1 Jan 2021 – 31 Mar 2021	1 Jan 2020 – 31 Mar 2020
Rental income	1,794	1,775
Net operating income	1,470	1,522
Profit from property management	1,043	1,107
Profit for the period	792	996
Earnings per share, EUR	0.13	0.17
Market value of properties	131,000	130,000
No. of shares outstanding	5,950,000	5,950,000
Surplus ratio, %	81.94	85.73
Return on equity, %	5.56	6.68
Interest coverage ratio, multiple	4.38	5.02
Equity/assets ratio, %	38.42	40.15
LTV ratio, %	59.54	60.00
EPRA NRV per share, EUR	9.54	10.06
Property yield, %	4.49	4.68

FINANCIAL PERFORMANCE

The Group's earnings were in line with expectations and the scope of the Group's operations remained unchanged.

Property valuations

The Group recognises its investment properties at fair value in accordance with IFRS. The properties are valued twice each year by an external appraiser at the end of the second and fourth quarters. The company's management has assessed the fair value at the end of the first quarter as being unchanged compared with 31 December 2020. The next external valuation is scheduled for 30 June 2021.

FINANCING

The Group has a loan with Deutsche Pfandbriefbank AG, with a fixed interest rate of 1.45%. The loan extends until 4 October 2024 and is free of amortisation payments. Capitalised arrangement fees for the loan amounted to TEUR 330 (423) as of 31 March 2021. Interest expenses for the period totalled TEUR 280 (283).

THE SHARE AND SHAREHOLDERS

The company had 396 (346) shareholders at the end of the period.

OTHER INFORMATION

Dividend

The Annual General Meeting held on 30 March 2021 resolved to distribute a dividend of EUR 0.70 per share, corresponding to a total of TEUR 4,165. The dividend will be distributed in four instalments on four different dates during the year. The first and third instalments would amount to EUR 0.18 per share, corresponding to TEUR 1,071. The second and fourth instalments would amount to EUR 0.17 per share, corresponding to TEUR 1,011.5. The record dates for distribution of the dividend have been set at 1 April 2021, 30 June 2021, 30 September 2021 and 30 December 2021.

Employees

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

Related-party transactions

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

Significant risks and uncertainties

The economic trend in the market and the business environment has been uncertain due to concern regarding the spread of COVID-19. For Fleming Properties AB, the changed market conditions could entail risks in the form of a decline in property values and the Group's tenant encountering liquidity problems as a result of decreased income and thus difficulties in paying rent. This could also entail difficulties in letting vacant premises in the property portfolio. The Group has a rental guarantee for the vacant premises until 9 October 2021.

The Group's main risks include a risk of vacancies as a consequence of the tenant terminating its existing lease.

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.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2021 – 31 Mar 2021	1 Jan 2020 – 31 Mar 2020
Rental income	1,794	1,775
Operating and maintenance costs	-191	-130
Property tax	-133	-123
Net operating income	1,470	1,522
Administration costs	-120	-105
Financial income	2	1
Financial expenses	-309	-311
Profit from property management	1,043	1,107
Profit before tax	1,043	1,107
Deferred tax	-251	-111
Profit for the period	792	996
Earnings per share, EUR	0.13	0.17
Average number of shares, thousand	5,950	5,950

CONSOLIDATED BALANCE SHEET

<i>Amounts in thousand euro, TEUR</i>	31 March 2021	31 December 2020
Assets		
Investment properties	131,000	131,000
Right-of-use assets	854	854
Total non-current assets	131,854	131,854
Rental receivables	12	11
Other current receivables	220	213
Prepaid expenses and accrued income	87	86
Cash and cash equivalents	11,600	11,455
Total current assets	11,919	11,765
TOTAL ASSETS	143,773	143,619
Equity and liabilities		
Share capital	60	60
Non-restricted equity	55,178	58,531
Total equity	55,238	58,591
Borrowings	77,670	77,647
Deferred tax liabilities	1,551	1,319
Non-current lease liabilities	854	854
Total non-current liabilities	80,075	79,820
Accounts payable	319	355
Other current liabilities	7,749	4,662
Accrued expenses and deferred income	392	191
Total current liabilities	8,460	5,208
Total liabilities	88,535	85,028
TOTAL EQUITY AND LIABILITIES	143,773	143,619

CONSOLIDATED CASH-FLOW STATEMENT

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2021 – 31 Mar 2021	1 Jan 2020 – 31 Mar 2020
Profit from property management	1,043	1,107
<i>Non-cash items</i>		
Financial items	23	24
Tax paid	-1	–
Cash flow from operating activities before changes in working capital	1,065	1,131
<i>Cash flow from changes in working capital</i>		
Decrease in other current receivables	-8	6,462
Increase in accounts payable	-36	481
Increase in other current liabilities	354	1,137
Cash flow from operating activities	1,375	9,211
<i>Investing activities</i>		
Investments in current properties	-217	-6,576
Cash flow from investing activities	-217	-6,576
<i>Financing activities</i>		
Dividend	-1,012	–
Cash flow from financing activities	-1,012	–
Cash flow for the period	146	2,635
Cash and cash equivalents at the beginning of the period	11,455	15,681
Cash and cash equivalents at the end of the period	11,600	18,316

PARENT COMPANY INCOME STATEMENT

<i>Amounts in thousand euro, TEUR</i>	1 Jan 2021 – 31 Mar 2021	1 Jan 2020 – 31 Mar 2020
Net sales	10	10
Administration costs	-58	-58
Operating loss	-48	-48
<i>Profit from financial items</i>		
Financial income	59	58
Profit after financial items	11	10
Profit before tax	11	10
Tax	–	–
Profit for the period	11	10

PARENT COMPANY'S CONDENSED BALANCE SHEET

<i>Amounts in thousand euro, TEUR</i>	31 March 2021	31 December 2020
Assets		
Participations in subsidiaries	47,278	47,278
Non-current receivables from Group companies	7,000	7,000
Total non-current assets	54,278	54,278
Other current receivables	130	126
Prepaid expenses and accrued income	69	84
Cash and cash equivalents	1,435	1,395
Total current assets	1,634	1,605
TOTAL ASSETS	55,912	55,883
EQUITY AND LIABILITIES		
Share capital	60	60
Non-restricted equity	48,021	52,175
Equity	48,081	52,235
Accounts payable	17	10
Current liabilities to Group companies	3,600	2,600
Other current liabilities	4,165	1,012
Accrued expenses and deferred income	49	26
Total current liabilities	7,831	3,648
TOTAL EQUITY AND LIABILITIES	55,912	55,883

GENERAL INFORMATION

Fleming Properties AB, corporate registration number 559207-9544, is a public listed company registered in Sweden and domiciled in Stockholm. The address of the company's head office is Berzelii Park 9, Box 7415, SE-103 91 Stockholm. The operations of the company and its subsidiaries (the Group) encompass owning and managing properties.

ACCOUNTING POLICIES

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

The Parent Company's financial statements have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The accounting and valuation policies applied in this interim report are the same as those described in the annual report for 2020.

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

For full accounting policies, refer to the Group's annual report for 2020.

AUDIT

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

DEFINITIONS

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

EPRA NRV per share

Equity with add-back of interest-rate derivatives and deferred tax, 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

Adjusted equity divided by total assets

Loan-to-value (LTV) ratio

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

Property yield

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

DECLARATION BY THE BOARD

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

The interim report for Fleming Properties AB (publ) was adopted by the Board on 25 May 2021.

Stockholm, 25 May 2021
Fleming Properties AB (publ)
Corporate registration number: 559207–9544

Hanna Ekdahl
Chairman

Thomas Lindström
Board member

Erica Magnergård
Board member

Patrik von Hacht
Board member

John Malmström
CEO

INFORMATION ON MAR

The information in this interim report is of such a nature that Fleming Properties AB (publ) 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 25 May 2021.

REPORTING CALENDAR

24 August 2021	Half-year report
26 November 2021	Q3 interim report

FOR FURTHER INFORMATION, PLEASE CONTACT

John Malmström, Chief Executive Officer
john.malmstrom@paretosec.com
+ 46 (0)8 402 53 84

Ingeborg Magnusson, IR Contact
Ingeborg.magnusson@paretosec.com
+ 46 (0)8 402 51 05

Fleming Properties AB (publ)
c/o Pareto Business Management AB
Box 7415
SE-103 91 Stockholm, Sweden

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