INTERIM REPORT JANUARY – MARCH 2022

AB | SAGAX

AB Sagax is a property company whose business concept is to invest in commercial properties, primarily in the warehouse and light industrial segment

Interim report January – March 2022

FIRST QUARTER OF 2022

- Rental revenue increased 21% to SEK 885 M (SEK 731 M in the year-earlier period).
- Profit from property management increased 23% to SEK 786 M (637).
- Profit from property management per Class A and B share after dilution rose 26% to SEK 2.27 (1.80).
- In total, property revaluation affected profit by SEK 864 M (1,381).
- Revaluation of financial instruments had an impact on profit of SEK –233 M (226).
- Profit after tax for the period amounted to SEK 1,581 M (2,157), corresponding to SEK 4.77 (6.59) per Class A and B share after dilution.
- Cash flow from operating activities before changes in working capital amounted to SEK 670 M (414), corresponding to SEK 1.91 (1.10) per Class A and B share after dilution.
- Net investments amounted to SEK 1,116 M (971), of which property acquisitions accounted for SEK 964 M (1,057).

UNCHANGED FORECAST FOR 2022

Profit from property management for 2022, meaning profit before revaluations and tax, based on the current property portfolio, announced acquisitions and divestments and current exchange rates, is expected to amount to SEK 3,200 M. The forecast was presented in the 2021 Year-end Report.

Selected key performance indicators[1)]

	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec	2018 Jan-Dec	2017 Jan-Dec
Profit from property management per Class A and B share after dilution, SEK	2.27	1.80	7.99	6.62	5.51	4.31	3.70
Change compared with preceding year, %	*26*	*14*	*21*	*20*	*28*	*16*	*24*
Earnings per Class A and B share after dilution, SEK	4.77	6.59	30.04	10.78	12.13	9.24	8.85
Dividend per Class A and B share, SEK (2021 proposed)	–	–	2.15	1.65	1.30	1.00	0.90
Net debt/EBITDA, multiple	6.9	6.8	5.8	6.4	6.6	7.4	8.1
Interest coverage ratio, multiple	7.3	5.4	6.5	5.7	4.9	4.2	3.7
Debt ratio, %	42	43	42	43	44	47	50
Properties' market value, SEK M	48,403	40,410	46,067	37,548	32,625	29,024	23,771
Property yield, %	5.8	6.0	6.0	6.3	6.4	6.8	6.9

1) Definitions of key performance indicators are provided on pages 30–31.

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The Veluwezoom 22 property in the Netherlands was acquired in the first quarter. The property is located 25 km from Amsterdam and encompasses 5,100 square metres of lettable area. The property is fully let.

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Business concept, goals and strategies

BUSINESS CONCEPT

AB Sagax is a property company whose business concept is to invest in commercial properties, primarily in the warehouse and light industrial segment.

COMPANY GOALS

The overriding objective is the long-term generation of the maximum possible risk-adjusted return to the company's owners. To achieve this objective, Sagax has set the following business targets:

- Operations must generate a long-term sustainable return and strong cash flows.
- The company will continue to grow through property acquisitions after taking into account the risk-adjusted return.
- Cash flows from the existing property portfolio are to rise more than inflation.

FINANCIAL TARGETS

The table and charts below illustrate the outcome for the past five years in relation to the financial targets.

STRATEGIES

Investment strategy

Sagax invests primarily in warehouse and industrial properties. Properties designed as warehouses and for light industries are attractive investment opportunities, since they generate a high yield combined with a low rate of new production and stable occupancy rates. Sagax invests in add-on acquisitions and in existing properties. Property acquisitions and investments in the existing portfolio aim to increase cash flow and diversify rental revenue, thereby reducing the company's operational and financial risks.

Financing strategy

Sagax's financial structure is designed with a clear focus on operating cash flow and interest coverage ratio. This is expected to create both excellent prerequisites for expansion and an attractive return on equity.

The company has three classes of shares: Class A, B and D common shares. The Class D shares attract investor categories that value steady ongoing dividends.

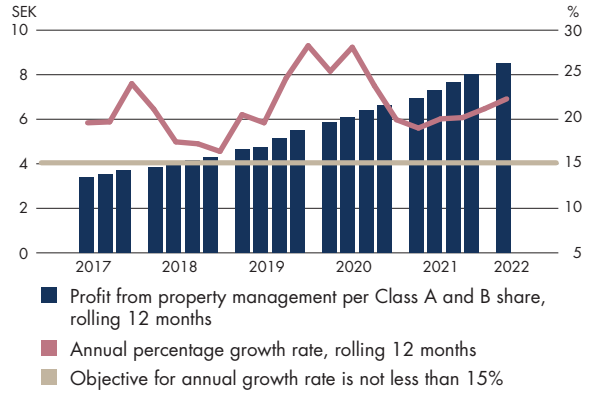
Management strategy

Sagax pursues efficiency and sustainability in its management strategy. The management strategy includes clearly prioritising reputable customers with high credit ratings and obtaining long leases. This is regarded as being advantageous since it reduces the risk of vacancies, while leading to lower costs for letting premises and adapting premises to tenant needs. The company mainly enters into triple net leases and is thus only affected to a limited extent by changes in consumption or changed rates for such utilities as heating, water and sewage.

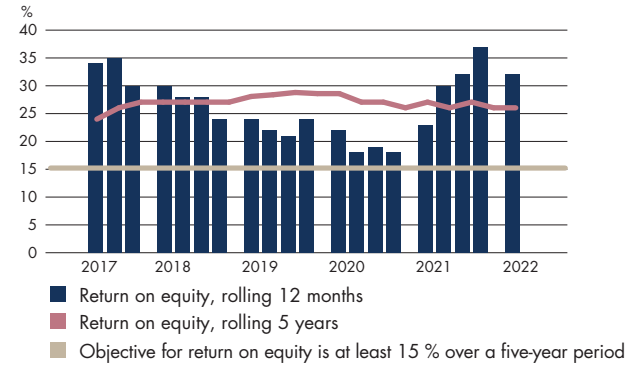
Financial targets

	Outcome rolling 12 months	Five-year average
Return on equity, measured over a five-year period, should not fall below 15% per year	32%	26%
Profit from property management per Class A and B share should increase by a minimum of 15% on an annual basis	22%	21%

Profit from property management per Class A and B share



Return on equity



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SUSTAINABILITY ACTIVITIES

The aim of Sagax's sustainability activities is to avoid short-term gains arising at the expense of negative longer-term consequences, such as in the form of externalities. The company's investing activities, management and funding are conducted to achieve the best possible long-term – meaning sustainable – outcome. The planning, governance and monitoring of sustainability activities follow Sagax's organisational structure with well-defined delegation of responsibilities and authorities. Sustainability activities are based on applicable legislation and internal policies.

Sagax regards the precautionary approach of the Swedish Environmental Code and laws and regulations as minimum requirements. Sagax follows the Global Compact's ten principles on human rights, labour, environment and anti-corruption. Sagax also works to promote the UN Sustainable Development Goals (SDGs) and has selected seven of the 17 SDGs that the company has the most opportunity to contribute to. Sustainability activities are reported in accordance with the guidelines for sustainability reporting developed by the Global Reporting Initiative (GRI).

Sagax's sustainability strategy is based on four focus areas: Environmental and resource efficiency, business ethics, financial sustainability and professional and dedicated employees.

Environmental and resource efficiency

Sagax strives to reduce its impact on the climate by reducing the company's energy consumption and carbon emissions. Sagax obtains sustainability ratings for new buildings that are constructed and is working to have existing buildings sustainability rated. Property management is focusing on: energy savings, installing renewable energy (mainly solar panels), purchases of green energy and changing to renewable district heating. Green leases are signed for new lettings.

Business ethics

Sagax works actively to combat all forms of corruption and has a whistle-blower function that is administered by an external party and available on the Group's website. A Code of Conduct for Suppliers ensures that working conditions at the companies that deliver products and services fulfil Sagax's requirements in terms of health and safety and ethical standards as well as that the assignments are conducted in an environmentally responsible manner

Financial sustainability

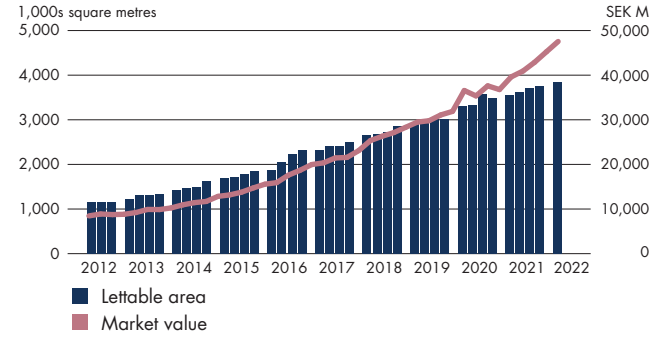
Sagax's business model is characterised in all areas by a long-term approach. Short-term gains are subordinate to the company's long-term value creation. Sagax invests primarily in regions experiencing stable population growth and that have diversified business activities. The company seeks out reputable and creditworthy tenants. The company's policy is to abstain from maximising rent levels at all points of time in favour of signing leases of a longer duration with solvent tenants.

Professional and dedicated employees

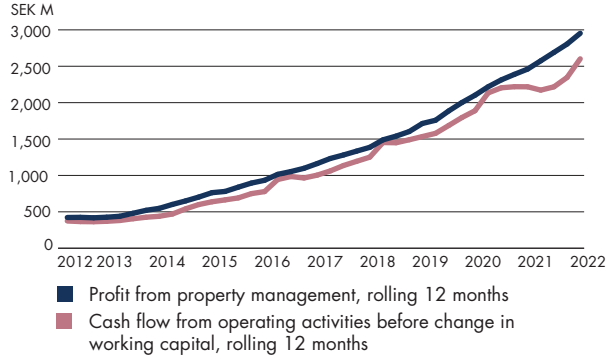
Sagax's performance is dependent on skilled employees and attaches great value to offering favourable employment conditions. In addition to offering competitive employment conditions, the company has, for a number of years, also offered all employees the opportunity to participate in an incentive plan. The purpose is to increase employee involvement in the development of the company. Employees are expected to assume responsibility for their work duties and serve as good representatives of the company's values and culture. Combating discrimination and victimisation is important for being an attractive employer that attracts skilled personnel.

Additional information on Sagax's sustainability activities is available in the sustainability report in Sagax's 2021 Annual Report.

Market value and area of properties



Profit from property management and cash flow



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Earnings, revenue and expenses

The profit/loss and cash flow items below refer to the January to March 2022 period. The comparative items refer to the year-earlier period. Amounts for the balance-sheet items and comparative figures refer to the position at the end of the current period and end of the year-earlier period.

EARNINGS

Profit from property management rose 23% to SEK 786 M (637), of which joint ventures and associated companies accounted for SEK 187 M (161). The increase in profit from property management was attributable to property acquisitions and higher profit from property management in joint ventures and associated companies. Profit from property management per Class A and B share after dilution rose 26% to SEK 2.27 (1.80).

Changes in the value of properties increased profit by SEK 865 M (1,381).

Revaluation of financial instruments had an impact on profit of SEK –233 M (226), of which SEK 138 M (41) from joint ventures. The revaluation of listed shares resulted in an unrealised change in value of SEK –544 M (116). The revaluation of financial instruments attributable to joint ventures amounted to SEK 85 M (52) pursuant to IFRS 9, while fixed income derivatives accounted for SEK 83 M (76) and other financial instruments for SEK 5 M (–17).

Profit after tax for the period was SEK 1,581 M (2,157).

REVENUE

Rental revenue rose 21% to SEK 885 M (731). Revenue was primarily positively affected by property acquisitions. Revenue was also positively impacted by SEK 18 M compared with the year-earlier period due to the EUR strengthening against the SEK.

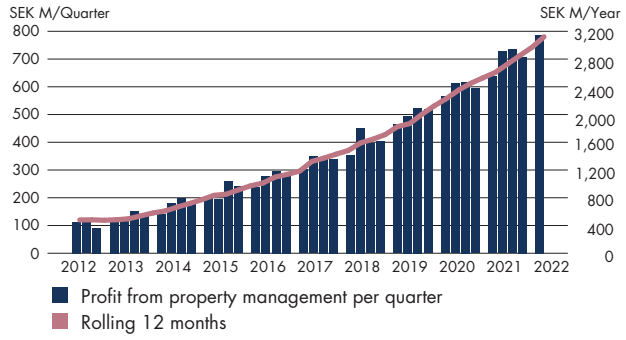
During the period, rental revenue in comparable portfolios increased 4.8% (0.9) excluding currency effects. The market segments with the largest increases were Spain with 9.9% and Finland with 6.5%. Rental revenue for other market segments increased 3.0% in comparable portfolios excluding currency effects.

Other revenue amounted to SEK 6 M (14).

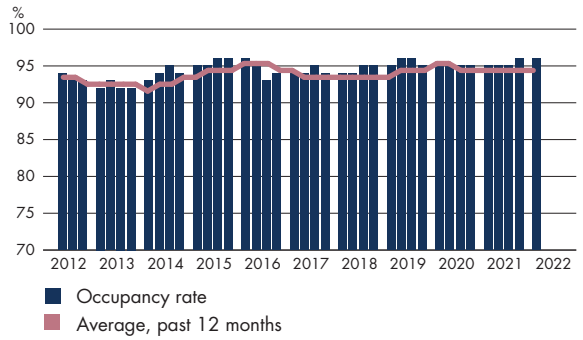
CHANGE IN THE ECONOMIC OCCUPANCY RATE

The economic occupancy rate amounted to 96% (95). During the period, the vacancy value rose SEK 43 M (27) due to tenants vacating premises and declined SEK 52 M (27) due to new lettings. Fixed-term rent discounts for new tenants increased SEK 8 M (4) to SEK 45 M (31) on an annual basis at the end of the period. Acquisitions and property divestments during the period impacted the vacancy value by SEK 4 M (0). In total, the vacancy value increased SEK 4 M (decrease: 2) to SEK 139 M (157) at the end of the period.

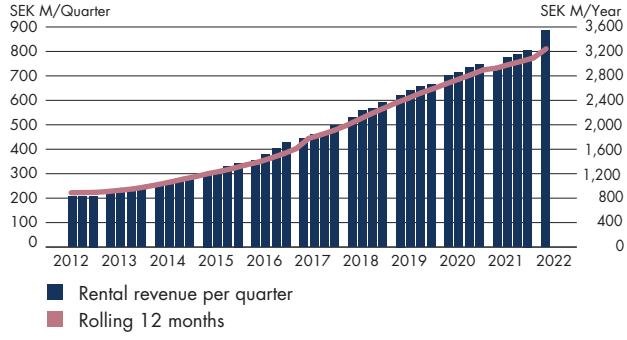
Profit from property management



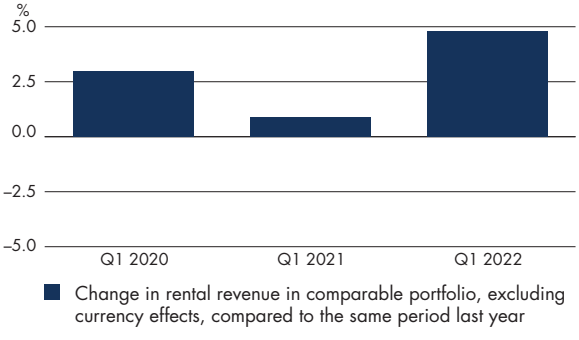
Economic occupancy rate



Rental revenue



Rental revenue, comparable portfolios



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FUTURE VACANCY CHANGES

At the end of the period, notice of termination had been served for leases with a rental value of SEK 120 M (111), of which leases with notice of vacating the premises accounted for SEK 119 M (110) and leases with notice of renegotiation for SEK 1 M (1). Of the leases for which notice had been received, vacancies corresponding to a rental value of SEK 50 M will occur in 2022. Lettings of premises that have not yet been occupied reduced the adjusted vacancy value by SEK 29 M (34).

PROPERTY EXPENSES

Operating and maintenance costs amounted to a total of SEK 116 M (92). Expenses for property tax increased to SEK 44 M (36). Other property expenses rose to SEK 20 M (15). The increase was primarily due to property acquisitions and price increases for electricity and heating.

CENTRAL ADMINISTRATION

Central administration costs amounted to SEK 35 M (30), corresponding to 4.0% (4.0) of the period's rental revenue.

At the end of the period, Sagax had 89 (84) employees. Functions such as property caretaking and on-call operations are outsourced. Sagax has offices in Stockholm, Helsinki, Rotterdam, Paris and Barcelona.

Number of employees

Country	Total
Sweden	36
Finland	30
France	10
Netherlands	7
Spain	6
Total	**89**

Vacancy changes

Amounts in SEK M	2022 Jan-Mar	2021 Jan-Dec
Opening vacancy for each year	135	159
Vacancies	43	134
New lettings	–52	–159
Change in discounts provided	8	2
Vacancy value, acquired properties	4	11
Vacancy value, sold properties	–	–14
Change in exchange rates	1	2
Closing vacancy value	**139**	**135**
Terminated for renegotiation	1	2
Terminated lease, not vacated	119	105
Letting, not occupied	–29	–34
Adjusted closing vacancy value	**229**	**207**

Leases terminated for vacancy

Year of vacancy	No. of leases	Rental value, SEK M
2022	63	50
2023	19	52
2024	2	5
2025	4	4
2026	–	–
>2026	1	8
Total	**89**	**119**

Vacancies, 1 April 2022

Segment	Rental value, SEK M	Vacancy value, SEK M[1)]	Economic vacancy rate[1)]	Lettable area, sqm	Vacant area, sqm	Vacancy rate by area
Sweden	897	51	6%	900,000	20,000	2%
Finland	1,377	43	3%	1,341,000	50,000	4%
France	496	11	2%	493,000	11,000	2%
Netherlands	443	21	5%	589,000	22,000	4%
Spain	291	10	3%	441,000	33,000	7%
Germany	94	2	2%	77,000	5,000	6%
Rest of Europe	10	–	0%	6,000	–	–
Total	**3,608**	**139**	**4%**	**3,847,000**	**141,000**	**4%**

1) The vacancy value and economic vacancy rate take into account both vacancies and discounts provided.

PROFIT FROM JOINT VENTURES AND ASSOCIATED COMPANIES

Profit from joint ventures and associated companies for the period amounted to SEK 687 M (470), of which profit from property management accounted for SEK 187 M (161), changes in the value of fixed income derivatives for SEK 138 M (41) and changes in the value of properties for SEK 541 M (402). Profit was charged with tax of SEK 179 M (135).

NET FINANCIAL ITEMS

Interest-bearing liabilities increased to SEK 27,948 M (21,701).

Financial expenses amounted to SEK 117 M (107). The average interest rate was 1.5% (1.6) on 31 March 2022 due to refinancing and new borrowing at lower interest rates.

Financial income of SEK 39 M (11) pertained to dividends primarily from holdings in Nyfosa and interest on bonds and other financial investments.

REVALUATION OF PROPERTIES

Sagax obtains external valuations to determine the properties' market value. The valuations are carried out by independent valuation companies and updated on a quarterly basis, except for five German properties that are only valued externally at year end. As of 31 March, 99% of the properties had been valued by authorised property appraisers. For other properties, the market value was determined as the acquisition price or internal valuations were applied. The value growth for the properties amounted to SEK 865 M (1,381), of which unrealised changes in value amounted to SEK 870 M (1,378).

Unrealised changes in value

Amounts in SEK M	Jan-Mar 2022
New lettings/Renegotiations	71
Vacancies/Renegotiations	–31
General change in market value	830
Total	**870**

REVALUATION OF FINANCIAL INSTRUMENTS

The change in the value of financial instruments amounted to SEK –233 M (226), of which SEK 138 M (41) referred to joint ventures.

The change in value attributable to fixed income derivatives amounted to SEK 221 M (76), of which SEK 138 M (41) referred to joint ventures.

Revaluation of listed shares resulted in an unrealised change in value of SEK –544 M (116).

The revaluation of financial instruments attributable to joint ventures amounted to SEK 85 M (52) in accordance with IFRS 9.

TAX

Sagax recognised a current tax expense of SEK 20 M (33). The deferred tax expense amounted to SEK 179 M (321). The Group's deferred tax liabilities at the end of the period amounted to SEK 3,279 M (2,827).

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 670 M (414). Changes in working capital had a positive impact of SEK –195 M (–384) on cash flow. Investing activities had an impact of SEK –1,442 M (–1,497) on cash flow, while cash flow from financing activities amounted to SEK 1,289 M (1,459). In total, cash and cash equivalents rose SEK 318 M (–8) during the period.

PARENT COMPANY

The Parent Company, AB Sagax, is responsible for stock market issues, such as financial reporting and stock market information. Services between Group companies are charged on commercial terms and conditions and in accordance with market-based pricing. Intra-Group services comprise management services and internal interest charging. The Parent Company's management fees from Group companies amounted to SEK 20 M (15).

Forecast and current earnings capacity

UNCHANGED FORECAST FOR 2022

Profit from property management for 2022, meaning profit before revaluations and tax, based on the current property portfolio, announced acquisitions and divestments and current exchange rates, is expected to amount to SEK 3,200 M. The forecast was presented in the 2021 Year-end Report.

CURRENT EARNINGS CAPACITY

Current earnings capacity is reported in conjunction with interim reports and year-end reports.

The table below shows the earnings capacity on a 12-month basis on 1 April 2022. It is important to note that this capacity cannot be compared with a forecast for the forthcoming 12 months because it does not contain assessments about, for example, future vacancies, the interest rate scenario, currency effects, rent trends or changes in value.

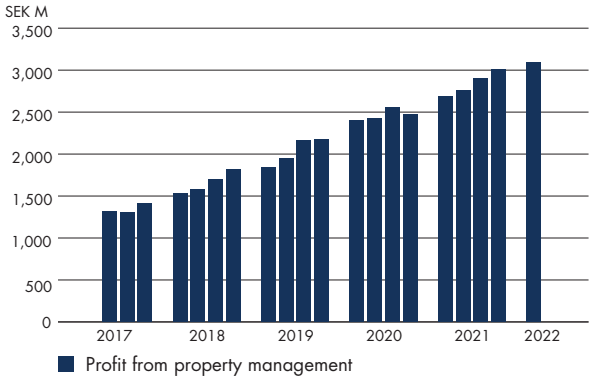
The rental value is based on contractual rental revenue on an annual basis, with supplements for estimated market rents for vacant premises. Property expenses are based on actual outcomes over the past 12 months adjusted for the holding period. Central administration costs are based on actual outcomes over the past 12 months. Net financial items are calculated based on interest-bearing liabilities and assets on the balance sheet date. Expenses for interest-bearing liabilities are based on the Group's estimated average interest rate, plus financing costs allocated over time and costs attributable to credit facilities that were unutilised on the balance sheet date. Lease expenses essentially pertain to site leasehold fees that are based on actual outcomes over the past 12 months adjusted for the holding period. Dividends attributable to the company's holdings of listed shares were not taken into account in the earnings capacity. Tax is calculated at the standard tax rate of 18% (18).

Earnings capacity from joint ventures and associated companies is calculated in accordance with the same assumptions as for Sagax, taking into account the size of the participations.

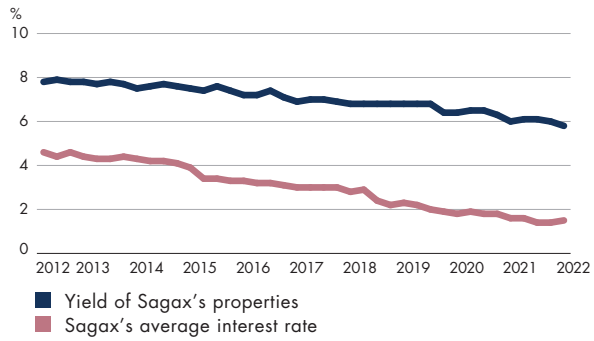
Current earnings capacity

Amounts in SEK M	1 Apr 2022	1 Jan 2022
Rental value	3,608	3,459
Vacancy	–139	–135
Rental revenue	**3,469**	**3,324**
Property expenses	–610	–563
Net operating income	**2,859**	**2,761**
Central administration	–153	–147
Joint ventures and associated companies	813	780
Net financial items	–399	–354
Lease expenses	–28	–28
Profit from property management	**3,091**	**3,012**
Tax	–556	–542
Profit after tax	**2,535**	**2,470**
– of which, holders of Class D shares	252	252
– of which, holders of Class A and B shares	2,282	2,218
Run rate yield, %	5.8	5.9
Net debt/run rate EBITDA, multiple	6.5	5.4

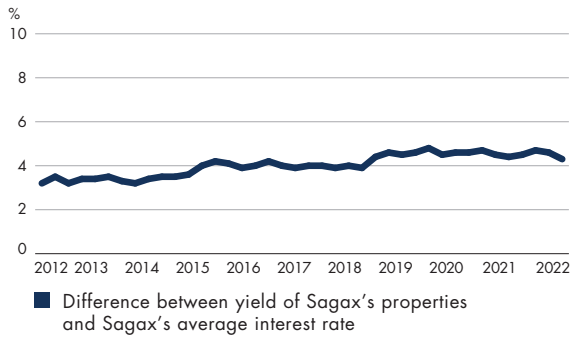
Current earnings capacity before tax



Yield and interest rate



Difference between yield and interest rate



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Property portfolio

On 31 March 2022, the property portfolio comprised 690 (681) properties with a lettable area of 3,847,000 square metres (3,544,000). At the end of the period, the rental value and contractual annual rent amounted to SEK 3,608 M (3,176) and SEK 3,469 M (3,019), respectively. This corresponds to an economic occupancy rate of 96% (95).

INVESTMENTS

During the period, Sagax invested SEK 1,116 M (1,175), of which property acquisitions accounted for SEK 964 M (1,057).

Properties were acquired with a total lettable area of 84,000 square metres. The largest investment referred to 18,000 square metres of lettable area and 41,000 square metres of land in the France segment. A total of SEK 152 M (120) was invested in the existing property portfolio. SEK 8 M of the investments for the period were made against rent supplements, SEK 52 M was invested in conjunction with new lettings, SEK 54 M in conjunction with new production and SEK 37 M pertained to property maintenance. A total of SEK 11 M was invested in solar power facilities and other energy-saving investments.

The Group has agreed to acquire 81 properties for a corresponding SEK 1,285 M for which possession will be taken after the end of the period. The acquired properties encompass 112,000 square metres of lettable area. The occupancy rate is 89%, refer also to page 27 for additional information.

DIVESTMENTS

No properties were divested during the period.

PROPERTY PORTFOLIO YIELD

The yield for the period in relation to market value amounted to 5.8% (6.0).

Summary of property portfolio, 1 April 2022

	Market value								
Segment	SEK M	Share	SEK per sqm	No. of properties	Lettable area, sqm	Vacant area, sqm	Rental value, SEK M	Economic occupancy rate	Contractual annual rent, SEK M
Sweden	14,166	29%	15,700	111	900,000	20,000	897	95%	846
Finland	15,793	33%	11,800	204	1,341,000	50,000	1,377	97%	1,334
France	5,971	12%	12,100	123	493,000	11,000	496	98%	485
Netherlands	6,624	14%	11,200	126	589,000	22,000	443	95%	422
Spain	4,507	9%	10,200	117	441,000	33,000	291	97%	280
Germany	1,210	3%	15,700	7	77,000	5,000	94	98%	92
Rest of Europe	132	0%	22,000	2	6,000	–	10	100%	10
Total	**48,403**	**100%**	**12,600**	**690**	**3,847,000**	**141,000**	**3,608**	**96%**	**3,469**

Property investments January–March 2022

Amounts in SEK M	Property acquisitions	Existing portfolio	Total	Share of total investments	Divestments	Net investments
Sweden	22	52	74	7%	–	74
Finland	175	67	241	22%	–	241
France	369	7	376	34%	–	376
Netherlands	200	9	209	19%	–	209
Spain	145	18	163	15%	–	163
Germany	52	–	52	5%	–	52
Rest of Europe	–	–	–	– %	–	–
Total	**964**	**152**	**1,116**	**100%**	**–**	**1,116**

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LEASE STRUCTURE

Sagax has a diverse lease structure, which better allows the company to maintain an even occupancy rate. To reduce the risk of lower rental revenue, Sagax endeavours to create long-term relationships with the company's existing tenants and to achieve favourable diversification in terms of the length and size of its leases.

Sagax's annual rent at the end of the period was distributed between 2,130 leases (1,828). The table below presents the size of Sagax's leases in relation to the Group's annual rent at the end of the period. The table shows that 2,120 leases (1,817) each had a rental value of less than 1% of the Group's annual rent. The total rental value for these leases accounted for 83% (81) of Sagax's annual rent. In addition, Sagax is party to eight leases (nine) with a rental value corresponding to 1–2% of the Group's annual rent. Combined, these leases total 11% (13) of Sagax's annual rent. Two (two) of Sagax's leases had an annual rental value that accounted for more than 2% of the Group's rental revenue. These leases together represented 6% (6) of the Group's contractual annual rent.

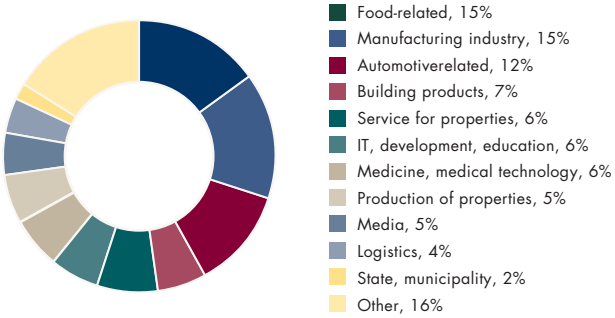
Sagax's tenants operate in a variety of sectors. 15% (17) of rental revenue comes from tenants with food-related operations, 15% (15) from companies in the manufacturing industry and 12% (11) in the automotive-related industry, including sales, service and manufacturing. Diverse tenant industries is considered to lower the risk of vacancies and rent losses. The main sectors are presented in the pie chart below.

According to Sagax's management strategy, the company strives to secure long-term leases and an even distribution of contract maturities over the years. This is deemed to reduce the risk of significant variations in the Group's occupancy rate. Leases representing 46% of the annual rent expire in or after 2026. 11-16% of annual rent expires every year between 2022 and 2025.

Distribution of leases

Share of contractual annual rent	Annual rent		No. of leases	Average annual rent, SEK M	Lease term, years
	SEK M	Share, %			
>2%	203	6	2	101	9
1–2%	373	11	8	47	6
<1%	2,893	83	2,120	1	4
Total	**3,469**	**100**	**2,130**	**2**	**5**

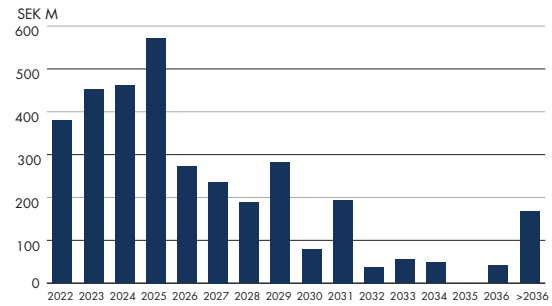
Industry exposure



Lease terms

Year of expiry	Area, sqm	SEK M	Share
2022	371,000	380	11%
2023	445,000	452	13%
2024	449,000	461	13%
2025	730,000	572	16%
2026	298,000	272	8%
>2026	1,413,000	1,333	38%
Total	**3,706,000**	**3,469**	**100%**

Year of maturity of annual rent



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Market value of property portfolio

Sagax prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The company has decided to measure its properties at fair value according to the Fair Value Method, pursuant to Level 3 of IFRS 13.

Sagax obtains external valuations to determine the properties' market value. The valuations are carried out by independent valuation companies and updated on a quarterly basis.

On 31 March 2022, the total market value of Sagax's 690 (681) properties was SEK 48,403 M (40,410). Exchange rate fluctuations during the period resulted in property values denominated in EUR and Danish crowns increasing by SEK 350 M (513).

The recognised unrealised change in value amounted to SEK 870 M (1,378) for the period.

VALUATION METHOD AND IMPLEMENTATION

The valuations were carried out in accordance with generally accepted international valuation methods. As of 31 March 2022, 99% of valuation objects were valued by authorised property appraisers from independent valuation companies.

The principal method of appraisal used was cash flow calculations in which the present value of net operating income, investments and residual values was calculated. The calculation period was adjusted to the remaining term of existing leases and varies between five and 20 years. As a rule, the calculation period is ten years. For more information, see Sagax's 2021 Annual Report, page 92.

ANALYSIS AND GENERAL CONDITIONS

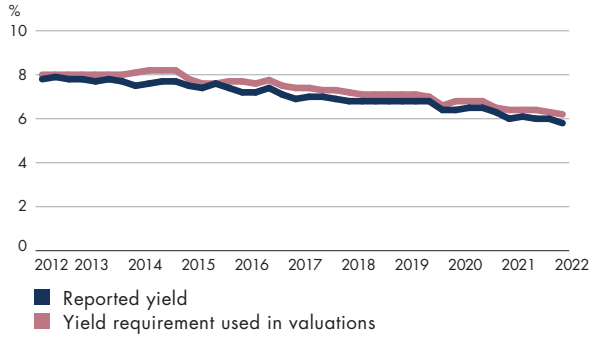
The cost of capital for the present value calculation of cash flows (4.2–15.6%), the cost of capital for the present value calculation of residual values (4.5–15.6%) and the yield requirement for the residual value calculations (4.0–14.0%) are based on analyses of transactions carried out and on individual assessments of the risk level and market position of each property.

The weighted cost of capital for the present value calculation of cash flows and residual values for the property portfolio was 7.3% (7.3) and 7.4% (7.5), respectively. The weighted yield requirement was 6.2% (6.4) on 31 March 2022. By comparison, the yield reported by Sagax for the period was 5.8% (6.0). A comparison of the yield reported over time and the yield requirement used in valuations is provided below.

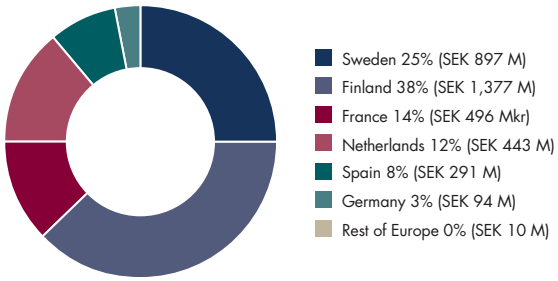
Change in the carrying amounts of properties

	SEK M	No.
Property portfolio, 31 December 2021	46,067	673
Acquisition of properties	964	17
Investments in the current portfolio	152	
Divestment of properties	–	–
Currency translation effect	350	
Unrealised changes in value	870	
Property portfolio, 31 March 2022	**48,403**	**690**

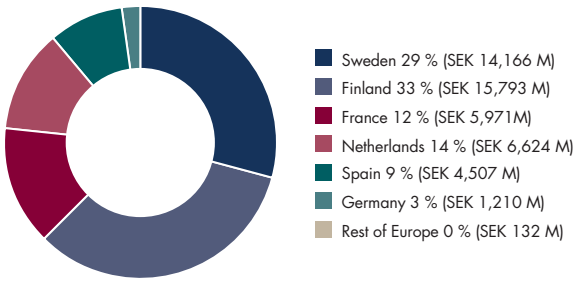
Yield compared with yield requirement



Group's rental value



Market value of properties



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Joint ventures and associated companies

Sagax's joint ventures and associated companies contributed a total of SEK 187 M (161) to profit from property management during the period. Sagax's share of changes in the value of properties amounted to SEK 541 M (402) and the share of changes in the value of derivatives was SEK 138 M (41) for the period. The total value of the commitment related to ownership of joint ventures and associated companies amounted to SEK 10,504 M (7,478).

JOINT VENTURES

Hemsö Fastigheter AB

Via Hemsö Intressenter AB, Sagax indirectly owns 15% of Hemsö Fastighets AB (Hemsö), with the remaining share owned by the Third Swedish National Pension Fund. Hemsö conducts operations in Sweden, Germany and Finland. Operations consist of owning, managing and developing public properties. 94% of rental revenue derives from tax-financed operations. For more information, refer to the company's website, hemso.se.

Söderport Property Investment AB

Sagax owns 50% of Söderport Property Investment (Söderport), with the remaining share owned by Nyfosa AB. Söderport's operations consist of owning, managing and developing properties in Sweden. On behalf of Söderport, Sagax handles the financial administration and most of the property management.

A corresponding 75% of Söderport's rental value of SEK 947 M was located in Stockholm on 31 March 2022. Söderport's economic vacancies amounted to SEK 44 M (49) at the end of the period, corresponding to a vacancy rate of 5% (5). Of the economic vacancies, SEK 21 M (19) comprised fixed-term rent discounts provided for new lettings. At the end of the period, Stockholm accounted for 94% of the economic vacancies. Söderport also owns 78.1% of Torslanda Property Investment AB, which is thus included as a subsidiary in Söderport's consolidated financial statements.

Fastighetsaktiebolaget Ess-Sierra

Sagax owns 50% of Fastighetsaktiebolaget Ess-Sierra (Ess-Sierra), with the remainder owned by NP3 Fastigheter AB. Ess-Sierra was founded in December 2020 and its operations entail owning and managing 39 properties that are let to Beijer Byggmaterial AB. The lettable area amounts to 184,000 square metres, of which 100% comprises warehouse premises/building materials retail. Most of the properties are situated in university and regional towns.

ASSOCIATED COMPANIES

NP3 Fastigheter AB

Sagax owns 21.8% of the votes and 15.3% of the capital in NP3 Fastigheter AB. NP3 Fastigheter AB is a property company focusing on commercial investment properties with high yields mainly in northern Sweden. The company's property portfolio encompassed 458 properties with a total property value of SEK 17.9 billion and a rental value of SEK 1,575 M on 31 March 2022. NP3 Fastigheter AB is listed on Nasdaq Stockholm, Large Cap. The market value of Sagax's properties amounted to SEK 3,972 M. The carrying amount on the balance sheet date amounted to SEK 1,996 M. For more information, refer to the company's website, np3fastigheter.se.

Fastighetsbolaget Emilshus AB

Sagax owns 25.9% of the votes and 25.1% of the capital in Fastighetsbolaget Emilshus AB. Emilshus acquires, develops and manages commercial properties in Småland and nearby growth regions. The company's property portfolio encompassed 102 properties with a total market value of SEK 5.1 billion on 31 March 2022. For more information, refer to the company's website, emilshus.com.

Sagax's joint ventures

	Hemsö		Söderport		Ess-Sierra	
	Jan–Mar 2022	Jan–Mar 2021	Jan–Mar 2022	Jan–Mar 2021	Jan–Mar 2022	Jan–Mar 2021
Sagax's participating interest, %	15	15	50	50	50	50
Rental revenue, SEK M	983	857	220	213	23	23
Profit from property management, SEK M	572	481	123	117	16	15
Profit for the period, SEK M	1,934	935	579	394	46	19
Sagax share of profit comprehensive income, SEK M	261	137	265	188	23	15
Sagax's share of profit from property management, SEK M	73	60	58	54	8	7
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
No. of properties	448	408	84	82	39	37
Carrying amount of properties, SEK M	79,987	65,528	13,850	12,311	1,553	1,449
Lettable area, sqm	2,286,000	2,101,000	761,000	782,000	184,000	203,000
Lease term, years	9.6	9.8	4.4	4.8	6.4	6.5
Economic vacancy rate, %	2	2	5	5	–	–
Interest-bearing liabilities, SEK M	44,375	41,626	6,606	6,330	872	843
Loan maturity, years	6.6	6.9	2.2	3.2	2.7	3.7
Fixed interest, years	5.8	6.6	2.1	2.9	1.9	2.2
Market value of derivatives, SEK M	309	–95	8	–177	–	–
Carrying amount, SEK M	4,922	3,395	2,754	2,097	314	280

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Funding

EQUITY

Consolidated equity amounted to SEK 32,783 M (24,783) on 31 March 2022. During the period, equity increased due to comprehensive income of SEK 1,703 M.

INTEREST-BEARING LIABILITIES

Sagax's interest-bearing liabilities at the end of the period amounted to SEK 27,948 M (21,701). An amount corresponding to SEK 26,877 M (17,667) of liabilities was recognised in EUR.

Interest-bearing liabilities attributable to listed bonds amounted to SEK 26,528 M (18,340). The remaining interest-bearing debt comprised commercial paper of SEK 1,296 M (1,911) and liabilities to banks of SEK 124 M (1,451).

Unsecured liabilities corresponded to 100% (85) of interest-bearing liabilities.

The interest coverage ratio at the end of the period amounted to 727% (545) and the debt ratio to 43% (43). Net interest-bearing debt for the past 12 months was 6.9 (6.8) times EBITDA and 6.5 (6.6) times run rate EBITDA, see page 7 for more information.

A total of SEK 3,151 M (5,284) in loans was raised, of which SEK 3,117 M (3,993) in the form of bond loans under the framework of Sagax's EMTN programme. Repayments during the period totalled SEK 1,787 M (3,745). Exchange rate fluctuations increased interest-bearing liabilities by SEK 228 M (319).

Net interest-bearing debt amounted to SEK 18,422 M (18,398).

The average remaining fixed interest and loan maturity terms were 4.1 years (4.0) and 4.3 years (4.1), respectively, at the end of the period. The average interest rate on interest-bearing liabilities was 1.5% (1.6), including the effect of derivatives.

Sagax has SEK 26,028 M (16,593) in loans at fixed interest rates. The company has interest-rate caps and interest-rate swaps with a total nominal value of SEK 2,016 M (4,095), of which interest-rate swaps with an average interest rate of 1.3% (1.1) accounted for SEK 882 M (1,534). Fixed interest exceeds interest-bearing liabilities by SEK 1,392 M.

Fixed interest period and loan maturity, 31 March 2022

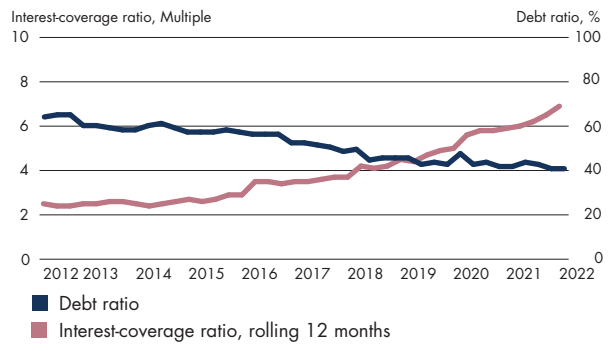
	Fixed interest			Loan maturity		Interest-rate swaps	
Year of expiry	SEK M	Interest rate	Share	SEK M	Share	SEK M	Interest rate
2022	1,296	0.7%	4%	64	0%	–	–
2023	1,414	0.6%	5%	749	3%	253	0.5%
2024	5,382	2.0%	18%	6,456	23%	–	–
2025	4,156	2.1%	14%	4,216	15%	–	–
2026	3,083	1.8%	11%	3,083	11%	–	–
>2026	14,008	1.0%	48%	13,379	48%	629	1.7%
Total/average	**29,340**	**1.4%**[1)]	**100%**	**27,948**	**100%**	**882**	**1.3%**

1) Based on fixed interest amount.

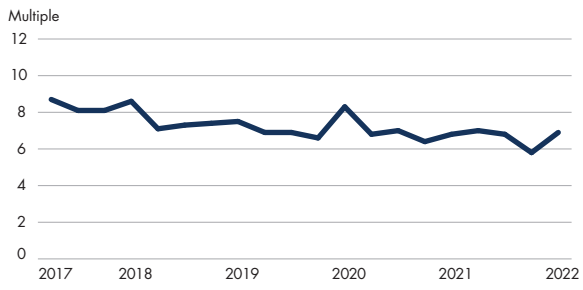
Net debt

Amounts in SEK M	31 Mar 2022	31 Mar 2021
Interest-bearing liabilities	27,948	21,701
Interest-bearing assets	–687	–540
Listed shares	–8,436	–2,746
Cash and cash equivalents	–402	–17
Net debt	**18,422**	**18,398**

Debt ratio and interest-coverage ratio



Net debt/EBITDA, rolling 12 month



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WORKING CAPITAL AND UNUTILISED CREDIT FACILITIES

Sagax's working capital amounted to SEK 3,148 M (–2,352) on 31 March. At the same date, unutilised credit facilities including back-up facilities for commercial paper programmes amounted to SEK 7,578 M (5,031). No additional collateral needs to be pledged to utilise these credit facilities.

Listed bonds, 31 March 2022

Maturity	Nominal amount, SEK M	Liability, SEK M	Effective interest	Interest terms	Maturity date	ISIN code
2019-2023	500	500	0.98%	Stibor 3M+0.90%	16 Jun 2023	XS2093119175
2019-2023[1)]	250	250	1.18%	1.13%	16 Jun 2023	XS2093119845
Total/average	**750**	**749**	**1.05%**			

Maturity	Nominal amount, EUR M	Liabilities, EUR M	Effective interest	Coupon rate	Maturity date	ISIN code
2018-2024[1)]	500	499	2.10%	2.00%	17 Jan 2024	XS1877540465
2019-2025[1)]	400	402	2.05%	2.25%	13 Mar 2025	XS1962543820
2022-2026[1)]	300	298	1.78%	1.62%	24 Feb 2026	XS2447539060
2020-2027[1)]	300	298	1.26%	1.12%	30 Jan 2027	XS2112816934
2021-2028[1)]	500	496	0.88%	0.75%	26 Jan 2028	XS2291340433
2021-2029[1)]	500	500	1.01%	1.00%	17 May 2029	XS2342227837
Total/average	**2,500**	**2,493**	**1.49%**			

1) Fixed-rate loans.

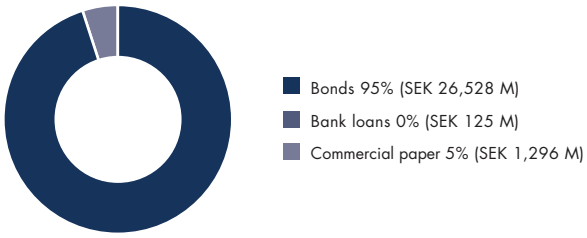
Derivative contracts, 31 March 2022

Amounts in SEK M	Nominal amount	Years to maturity	Market value 31 Mar 2022	Market value 31 Dec 2021	Change for the period
Nominal interest-rate swaps	882	5.0	4	–74	78
Interest-rate caps	1,133	1.4	3	0	3
Currency futures	–	–	–	2	–2
Total	**2,016**	**3.0**	**8**	**–72**	**80**

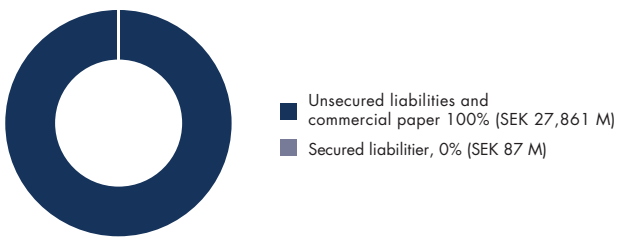
Rating and key performance indicators according to EMTN programme

	Financial covenant in EMTN programme	31 Mar 2022	31 Mar 2021	31 Dec 2021
Rating according to Moody's Investor Services		Baa3, Positive outlook	Baa3, Stable outlook	Baa3, Positive outlook
Net debt/Total assets	<65%	29%	37%	27%
Interest coverage ratio	>1.8x	11.1x	7.6x	9.4x
Secured liabilities/total assets	<45%	0%	0%	0%

Sources of financing



Distribution between secured and unsecured liabilities



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Other balance-sheet items

LEASES AND SITE LEASEHOLDS

Sagax values signed leases and site leaseholds in accordance with IFRS 16 and recognises the right-of-use asset as an asset with a corresponding liability. Sagax's leases and site leaseholds at the end of the period amounted to SEK 379 M (402).

INTEREST-BEARING NON-CURRENT RECEIVABLES

Interest-bearing non-current receivables amounted to SEK 687 M (540) and comprised convertible debentures issued by the French company Groupe BMG valued at SEK 531 M (496) maturing on 31 December 2024, a bond issued by Fastighetsbolaget Emilshus AB valued at SEK 44 M (44) expiring on 9 December 2022 and promissory notes valued at SEK 112 M (–) issued in connection with the sale of property in 2021.

LISTED SHARES

Sagax owns shares in Nyfosa AB, Cibus Nordic Real Estate AB, Mälaråsen AB and KMC Properties ASA. Listed shares are recognised at the closing price on the balance sheet date and amounted to SEK 4,465 M (1,292). The shares in Nyfosa AB were recognised at SEK 3,634 M (1,253), the shares in Cibus Nordic Real Estate AB at SEK 698 M (–), the shares in Mälaråsen AB at SEK 73 M (39) and the shares in KMC Properties ASA at SEK 60 M (–).

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Consolidated statement of comprehensive income

Amounts in SEK M	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	Rolling 12 months
Rental revenue	885	731	3,100	3,254
Other revenue	6	14	23	15
Operating expenses	–98	–73	–250	–275
Maintenance costs	–18	–19	–74	–73
Property tax	–44	–36	–153	–160
Other property expenses	–20	–15	–73	–78
Net operating income	**712**	**602**	**2,573**	**2,682**
Central administration	–35	–30	–147	–153
Profit from joint ventures and associated companies	687	470	2,718	2,935
– of which, profit from property management	187	161	713	739
– of which, changes in value	679	444	2,572	2,807
– of which, tax	–179	–135	–558	–602
– of which, other	–	–	–9	–9
Financial income	39	11	113	142
Financial expenses	–110	–100	–419	–428
Financial expense, interest component of leases	–7	–7	–28	–28
Profit including changes in value of joint ventures and associated companies	**1,286**	**947**	**4,809**	**5,150**
– of which, profit from property management	***786***	***637***	***2,805***	***2,953***
Properties, realised	–6	3	6	–2
Properties, unrealised	870	1,378	3,870	3,362
Financial instruments, realised	–	0	–10	–10
Financial instruments, unrealised	–371	185	1,868	1,313
Profit before tax	**1,780**	**2,512**	**10,543**	**9,811**
Deferred tax	–179	–321	–624	–481
Current tax	–20	–33	–112	–99
Profit for the period	**1,581**	**2,157**	**9,807**	**9,230**
Other comprehensive income *– items that may be reversed to profit or loss:*				
Translation differences for foreign operations	219	327	282	174
Share of other comprehensive income for joint ventures	8	9	8	7
Translation differences, hedge accounting	–110	–159	–141	–93
Tax on items that may be reversed	6	–4	6	20
Comprehensive income for the period	**1,704**	**2,331**	**9,963**	**9,338**
Earnings per Class A and B share, SEK	4.78	6.60	30.09	28.27
Earnings per Class A and B share after dilution, SEK	4.77	6.59	30.04	28.23
Earnings per Class D share, SEK	0.50	0.50	2.00	2.00
Average no. of Class A and B shares, millions	317.7	317.3	317.5	317.8
Average no. of Class A and B shares after dilution, millions	318.1	318.0	318.0	318.2
Average number of Class D shares, millions	126.3	125.9	126.2	126.3

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Condensed consolidated statement of financial position

Amounts in SEK M	2022 31 Mar	2021 31 Mar	2021 31 Dec
Investment properties	48,403	40,327	46,067
Investment properties for sale	–	83	–
Leases, right-of-use assets	347	370	355
Joint ventures and associated companies	10,504	7,478	9,818
Derivatives	9	–	–
Interest-bearing non-current receivables	687	540	676
Other fixed assets	151	144	103
Total fixed assets	**60,101**	**48,943**	**57,020**
Listed shares	4,465	1,292	4,772
Other current assets	796	634	596
Cash and bank balances	402	17	84
Total current assets	**5,663**	**1,942**	**5,452**
Total assets	**65,764**	**50,885**	**62,472**
Equity	**32,783**	**24,783**	**31,079**
Non-current interest-bearing liabilities	26,588	18,352	23,368
Deferred tax liabilities	3,279	2,827	3,087
Derivatives	1	76	74
Lease liability, right-of-use assets	379	401	390
Other non-current liabilities	217	152	195
Total non-current liabilities	**30,464**	**21,809**	**27,114**
Commercial paper	1,296	1,911	2,891
Other current interest-bearing liabilities	64	1,438	95
Other current liabilities	1,155	945	1,293
Total current liabilities	**2,515**	**4,294**	**4,279**
Total equity and liabilities	**65,764**	**50,885**	**62,472**

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Consolidated statement of cash flows

Amounts in SEK M	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	Rolling 12 months
Profit before tax	1,780	2,512	10,543	9,811
Changes in value of financial instruments	371	–185	–1,858	–1,303
Change in value of properties	–865	–1,381	–3,876	–3,359
Profit from joint ventures and associated companies	–687	–470	–2,718	–2,935
Dividend from joint ventures and associated companies	135	–	373	507
Dissolution of allocated borrowing costs	11	10	41	42
Other items not included in cash flow	–16	–6	–13	–23
Tax paid	–59	–66	–146	–139
Cash flow from operating activities before changes in working capital	**670**	**414**	**2,346**	**2,602**
Cash flow from changes in current receivables	–30	–107	–71	6
Cash flow from changes in current liabilities	–165	–278	103	216
Cash flow from operating activities	**472**	**30**	**2,379**	**2,824**
Acquisition of properties	–964	–1,046	–4,824	–4,742
Property sales	–6	208	867	653
Investments in existing properties	–152	–119	–658	–692
Acquisition of listed shares	–237	–437	–1,949	–1,748
Acquisition of financial instruments	–	–7	–7	–
Acquisition of joint ventures and associated companies	–	–92	–214	–122
Capital contribution and new share issue to joint ventures and associated companies	–40	–21	–271	–290
Dividend to joint ventures and associated companies	–24	–	–	–24
Increase in other fixed assets	–20	–	–16	–35
Decrease in other fixed assets	–	19	50	32
Cash flow from investing activities	**–1,442**	**–1,497**	**–7,023**	**–6,969**
Issue of Class D and B shares	–	–	36	36
Redemption of preference shares	–	–	–572	–572
Dividend paid to shareholders	–63	–71	–792	–784
Incentive plan	–	–	–24	–24
Borrowings	3,151	5,284	13,997	11,864
Repayment of loans	–1,787	–3,745	–7,880	–5,922
Redemption of financial instruments	–	–8	–21	–13
Decrease in other non-current liabilities	–11	–	–52	–63
Increase in other non-current liabilities	–	–	11	11
Cash flow from financing activities	**1,289**	**1,459**	**4,703**	**4,533**
Cash flow for the period	**320**	**–8**	**59**	**387**
Exchange rate differences in cash and cash equivalents	–2	–	–	–2
Change in cash and cash equivalents	318	–8	59	385
Cash and cash equivalents at beginning of period	84	24	24	17
Cash and cash equivalents at end of period	402	17	84	402

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Consolidated statement of changes in equity

Amounts in SEK M	Share capital	Other contributed capital	Reserves, translation differences	Profit earned incl. net profit for the period	Total equity[1)]
Equity, 31 December 2020	**808**	**3,542**	**338**	**17,765**	**22,452**
Profit for the period, January-March 2021	–	–	–	2,157	2,157
Other comprehensive income, January-March 2021	–	–	173	–	173
Profit for the period	**–**	**–**	**173**	**2,157**	**2,330**
Equity, 31 March 2021	**808**	**3,542**	**511**	**19,922**	**24,783**
Profit for the period, April-December 2021	–	–	–	7,650	7,650
Other comprehensive income, April-December 2021	–	–	–18	–	–18
Profit for the period	**–**	**–**	**–18**	**7,650**	**7,632**
Transactions with shareholders					
Issue of Class B shares, incentive plan	1	36	–	–	36
Redemption of preference shares	–29	–	–	–543	–571
Transaction costs	–	–	–	–1	–1
Dividends	–	–	–	–776	–776
Transactions with shareholders	**–28**	**36**	**–**	**–1,320**	**–1,312**
Other transactions					
Redemption of incentive plan	–	–	–	–31	–31
Incentive plan	–	–	–	7	7
Other transactions	**–**	**–**	**–**	**–24**	**–24**
Equity 31 December 2021	**780**	**3,578**	**493**	**26,228**	**31,079**
Profit for the period, January-March 2022	–	–	–	1,581	1,581
Other comprehensive income, January-March 2022	–	–	122	–	122
Comprehensive income for the period	**–**	**–**	**122**	**1,581**	**1,703**
Equity, 31 March 2022	**780**	**3,578**	**615**	**27,809**	**32,783**

1) Equity is attributable in its entirety to the Parent Company's shareholders.

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Parent Company income statement

Amounts in SEK M	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Net sales	26	20	88
Administration costs	–30	–23	–107
Loss before financial income and expenses	**–4**	**–2**	**–19**
Profit from participations in Group companies	–	–	1,154
Profit from participations in joint ventures	–	1	96
Financial income	79	335	745
Financial expenses	–181	–325	–751
Profit before tax and appropriations	**–106**	**9**	**1,224**
Appropriations	–	–	106
Tax	–	0	–2
Profit for the period	**–106**	**9**	**1,328**

Condensed Parent Company balance sheet

Amounts in SEK M	2022 31 Mar	2021 31 Mar	2021 31 Dec
Tangible fixed assets	1	1	–
Receivables from Group companies	1,737	1,330	1,725
Other financial fixed assets	13,066	7,143	13,080
Total fixed assets	**14,804**	**8,474**	**14,805**
Cash and bank balances	149	0	31
Receivables from Group companies	20,591	18,116	19,308
Other current assets	77	136	77
Total current assets	**20,817**	**18,252**	**19,416**
Total assets	**35,622**	**26,727**	**34,220**
Equity	4,107	4,236	4,213
Untaxed reserves	30	30	30
Non-current interest-bearing liabilities	9,052	10,233	8,992
Liabilities to Group companies	18,107	7,480	14,829
Deferred tax liabilities	4	4	4
Total non-current liabilities	**27,163**	**17,717**	**23,825**
Current interest-bearing liabilities	1,296	1,911	2,983
Liabilities to Group companies	2,845	2,582	2,885
Other current liabilities	180	251	284
Total current liabilities	**4,321**	**4,744**	**6,152**
Total equity, untaxed reserves and liabilities	**35,622**	**26,727**	**34,220**

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Segment information

Profit items per segment	Rental revenue[1]		Net operating income		Changes in value, properties: Unrealised		Changes in value, properties: Realised		Total yield	
Amounts in SEK M	2022 Jan-Mar	2021 Jan-Mar	2022 Jan-Mar	2021 Jan-Mar	2022 Jan-Mar	2021 Jan-Mar	2022 Jan-Mar	2021 Jan-Mar	2022 Jan-Mar	2021 Jan-Mar
Sweden	213	201	174	173	336	299	–	5	510	477
Finland	341	285	264	222	37	824	–6	–2	295	1,045
France	126	89	101	72	164	124	–	–	265	196
Netherlands	108	83	94	76	260	127	–	0	355	203
Spain	72	49	65	43	89	26	–	–	154	69
Germany	22	21	21	20	–15	–21	–	–	6	–1
Rest of Europe	3	2	2	2	–1	–1	–	–	1	2
Non-specified	–	–	–10	–8	–	–	–	–	–10	–8
Total	**885**	**731**	**712**	**602**	**870**	**1,378**	**–6**	**3**	**1,577**	**1,983**

Asset items per segment	Market value properties		Investments properties		Acquisition properties		Divestment properties	
Amounts in SEK M	2022 31 Mar	2021 31 Mar	2022 31 Mar	2021 31 Mar	2022 31 Mar	2021 31 Mar	2022 31 Mar	2021 31 Mar
Sweden	14,166	12,670	52	47	22	89	–	–203
Finland	15,793	14,428	67	56	175	814	–	–2
France	5,971	4,364	7	8	369	96	–	–
Netherlands	6,624	4,540	9	7	200	58	–	–
Spain	4,507	3,202	18	2	145	–	–	–
Germany	1,210	1,110	–	–	52	–	–	–
Rest of Europe	132	97	–	0	–	–	–	–
Total	**48,403**	**40,410**	**152**	**120**	**965**	**1,057**	**–**	**–205**

1) All rental revenue pertains to external tenants.

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Key performance indicators[1)]

	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec	2020 Jan-Dec	Jan-Dec 2019	2018 Jan-Dec	2017 Jan-Dec
Property-related key figures							
Property yield, %	5.8	6.0	6.0	6.3	6.4	6.8	6.9
Surplus ratio, %	82	83	83	83	83	83	83
Occupancy rate by area, %	96	95	96	95	95	95	95
Economic occupancy rate, %	96	95	96	95	95	95	94
Lettable area at the end of the period, 000 sqm	3,847	3,544	3,759	3,480	3,022	2,850	2,489
No. of properties at the end of the period	690	681	673	673	553	512	495
Financial key figures							
Return on total capital, %	6	6	6	7	7	7	7
Return on equity, %	20	37	37	18	24	24	30
Average interest rate, %	1.5	1.6	1.4	1.8	1.9	2.2	3.0
Fixed interest period incl. derivatives, years	4.1	4.0	4.0	3.4	3.5	3.0	2.1
Loan maturity, years	4.3	4.1	4.3	3.4	3.8	3.6	3.1
Equity/assets ratio, %	50	49	50	48	48	46	42
Debt ratio, %	42	43	42	43	44	47	50
Net debt/run rate EBITDA, multiple	6.5	6.6	5.4	6.4	6.6	7.1	7.7
Net debt/EBITDA, multiple	6.9	6.8	5.8	6.4	6.6	7.4	8.1
Interest coverage ratio, multiple	7.3	5.4	6.5	5.7	4.9	4.2	3.7
Interest coverage ratio, EMTN programme, multiple	11.1	7.6	9.4	6.4	5.3	4.3	4.0
Data per Class A and B share							
Price of Class B share at the end of the period, SEK	287.00	188.80	305.00	169.60	136.20	65.70	49.10
Net asset value, SEK	103.30	74.49	97.92	66.38	56.77	44.22	35.04
Equity, SEK	89.29	62.38	83.93	55.19	46.86	35.70	27.15
Equity after dilution, SEK	89.14	62.23	83.84	55.09	46.78	35.67	27.13
Earnings, SEK	4.78	6.60	30.09	10.80	12.15	9.24	8.86
Earnings after dilution, SEK	4.77	6.59	30.04	10.78	12.13	9.24	8.85
Profit from property management, SEK	2.27	1.81	8.01	6.63	5.51	4.31	3.71
Profit from property management after dilution, SEK	2.27	1.80	7.99	6.62	5.51	4.31	3.70
Cash flow, SEK	1.91	1.11	6.59	6.10	4.86	3.95	3.27
Cash flow after dilution, SEK	1.91	1.10	6.58	6.09	4.86	3.95	3.26
Dividend per share, SEK (proposed for 2021)	–	–	2.15	1.65	1.30	1.00	0.90
No. at end of period, millions	317.7	317.3	317.7	317.3	317.1	316.8	316.5
No. at end of period after dilution, millions	318.2	318.0	318.0	317.9	317.5	317.1	316.7
Average no., millions	317.7	317.3	317.5	317.1	316.9	316.7	316.5
Average no. after dilution, millions	318.1	318.0	318.0	317.7	317.3	316.9	317.0
Data per Class D share							
Share price at the end of period, SEK	32.30	32.35	33.40	32.05	36.35	31.70	29.92
Equity, SEK	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Earnings, SEK	0.50	0.50	2.00	2.00	2.00	2.00	2.00
Dividend per share, SEK (proposed for 2021)	–	–	2.00	2.00	2.00	2.00	2.00
No. at end of period, millions	126.3	126.3	126.3	125.8	107.8	101.9	63.6
Average no., millions	126.3	125.9	126.2	118.4	105.7	83.0	43.1

1) Definitions of key performance indicators are provided on pages 30–31

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The Sagax share and shareholders

At the end of the period, Sagax had 23,072 (20,616) shareholders. Sagax's market capitalisation amounted to SEK 95,298 M (64,324).

A total of 445,914,924 shares were outstanding at the end of the period, of which 2,000,000 were Class B treasury shares. Sagax has three classes of shares: Class A, B and D common shares. The shares are listed on Nasdaq Stockholm, Large Cap.

According to the Articles of Association, each Class D share is entitled to five times the total dividend on Class A and B shares, although not more than SEK 2.00 per share annually.

WARRANTS

Sagax has three warrant plans for the company's employees. In total, Sagax's employees hold warrants corresponding to 0.5% of the number of Class A and B shares outstanding. The company's CEO and Board Members do not participate in the plans. These plans are valid for three years, and encompass the periods 2019-2022, 2020-2023 and 2021-2024. The subscription price corresponds to the price paid for the Class B share at the start of the warrant plan, converted using the average share price trend for the listed property companies in accordance with Carnegie's Real Estate Index (CREX) during the corresponding period. Accordingly, the warrants will have a value on condition that the price performance of the Sagax share exceeds the average for the listed property companies during each three-year period.

PROFIT FROM PROPERTY MANAGEMENT PER COMMON SHARE

Profit from property management per Class B share after dilution on a rolling 12-month basis amounted to SEK 8.49 (6.85), which, compared with the share price of the Class B share at the end of the period, corresponded to a multiple of 33.8 (27.6).

EQUITY PER CLASS A AND B SHARE

Equity per Class A and B share after dilution amounted to SEK 89.14 (62.36). Net asset value per Class A and B share amounted to SEK 103.30 (74.61). The share price for the Class B share at the end of the period was 322% (303) of equity per Class B share and 278% (253) of NAV per Class B share.

Trade in the shares on the Nasdaq Stockholm

	Price paid, SEK		Turnover rate on an annual basis, %		Average trading volume per trading day, SEK M	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
Class A shares	289.00	188.80	2	3	0.6	0.5
Class B shares	287.00	188.00	33	54	101.2	116.6
Class D shares	32.30	32.35	69	43	10.9	6.9

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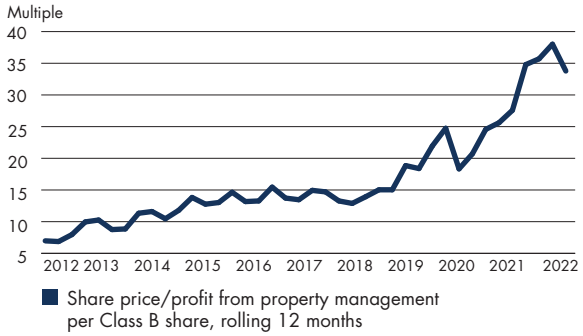
Key performance indicators per Class B share

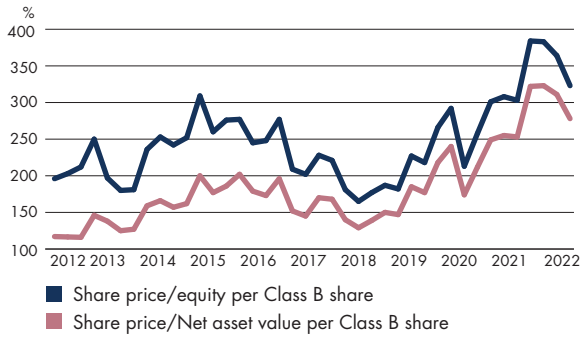
	2022 31 Mar	2021 31 Mar	2021 31 Dec	2020 31 Dec	2019 31 Dec	2018 31 Dec	2017 31 Dec
Share price at the end of period, SEK	287.00	188.80	305.00	169.60	136.20	64.70	49.10
Profit from property management after dilution, SEK[1)]	8.49	6.85	7.99	6.62	5.51	4.30	3.70
Cash flow after dilution, SEK[1)2)]	7.39	6.08	6.58	6.09	4.86	3.94	3.26
Equity after dilution, SEK	89.14	62.36	83.84	55.11	46.78	35.67	27.13
Net asset value, SEK	103.30	74.61	97.92	66.38	56.77	44.22	35.04
Share price/Profit from property management, multiple[1)]	33.8	27.6	38.2	25.6	24.7	15.0	13.3
Share price/Cash flow, multiple[1)2)]	38.8	31.0	46.4	27.9	28.0	16.4	15.1
Share price/Equity, %	322	303	364	308	292	182	181
Share price/Net asset value, %	278	253	311	255	240	147	140

1) Profit from property management and cash flow pertains to rolling 12 months.
2) Cash flow pertains to cash flow from operating activities before changes in working capital.

Share price/profit from property management per common share



Share price in relation to equity and Net asset value



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Ownership structure, 31 March 2022

No. of shares	No. of shareholders
1–500	16,604
501–1,000	1,863
1,001–2,000	1,384
2,001–5,000	1,378
5,001–10,000	659
10,001–50,000	784
50,001–	400
Total	**23,072**

Shareholder category	No.	Share of voting power
Private individuals residing in Sweden	20,921	8%
Private individuals residing abroad	124	0%
Companies/institutions in Sweden	700	76%
Companies/institutions abroad	1,327	16%
Total	**23,072**	**100%**

Shareholders by country	No.	Share of voting power
Sweden	21,621	94%
USA	54	0%
UK	70	1%
Switzerland	27	0%
Ireland	30	0%
Other	1,270	4%
Total	**23,072**	**100%**

Largest shareholders, 31 March 2022[1)]

	No. of shares			Percentage of	
	Class A shares	Class B shares	Class D shares	Share capital	Votes[2)]
David Mindus and companies	10,848,800	66,917,112	1,192,228	17.7%	25.8%
Staffan Salén and companies	4,264,928	32,970,660	95,600	8.4%	11.0%
Rutger Arnhult and companies	5,797,053	6,342,938	17,385,738	6.6%	11.9%
Fourth Swedish National Pension Fund	5,716	15,516,151	9,298,645	5.6%	3.6%
Third Swedish National Pension Fund	–	24,227,658	–	5.4%	3.5%
SEB Fonder	–	12,404,410	–	2.8%	1.8%
Avanza Pension	49,961	713,436	11,209,085	2.7%	1.8%
Vanguard	–	6,129,194	3,818,399	2.2%	1.5%
Länsförsäkringar Fonder	–	7,612,153	–	1.7%	1.1%
BlackRock	–	6,651,337	7,827	1.5%	1.0%
Swedbank Robur Fonder	500,000	5,976,362	–	1.5%	1.6%
Filip Engelbert and companies	241,000	1,869,784	4,200,000	1.4%	1.2%
Norges Bank	–	3,844,102	2,339,842	1.4%	0.9%
Handelsbanken Fonder	–	5,060,880	539,358	1.3%	0.8%
Erik Selin and companies	1,081,866	2,193,945	1,446,868	1.1%	2.1%
ODIN Fonder	–	4,123,090	–	0.9%	0.6%
Didner & Gerge Fonder	–	3,322,095	–	0.7%	0.5%
Johan Thorell and companies	203,254	2,332,540	354,164	0.6%	0.7%
Folksam	–	2,690,847	–	0.6%	0.4%
Björn Garat	121,530	1,824,578	329,099	0.5%	0.5%
Total 20 largest shareholders	**23,114,108**	**212,723,272**	**52,216,853**	**64.6%**	**72.4%**
Other shareholders	3,718,746	78,097,469	74,044,476	35.0%	27.6%
Sub-total	**26,832,854**	**290,820,741**	**126,261,329**	**99.6%**	**100.0%**
Shares held by AB Sagax	–	2,000,000	–	0.4%	0.0%
Total	**26,832,854**	**292,820,741**	**126,261,329**	**100.0%**	**100.0%**
– of which, Board and employees	*16,000,274*	*112,456,393*	*2,450,092*	*29.4%*	*40.1%*

1) The ownership structure on 31 March 2022 is based on information from Euroclear Sweden and Modular Finance.
2) Voting rights for treasury shares held by AB Sagax have been excluded.

Voting rights and proportion of share capital

Class of share	No.	Voting rights per share	Number of votes	Proportion of votes	Proportion of share capital
Class A shares	26,832,854	1.0	26,832,854.00	39%	6%
Class B shares	292,820,741	0.1	29,282,074.10	43%	66%
Class D shares	126,261,329	0.1	12,626,132.90	18%	28%
Total	**445,914,924**		**68,741,061.00**	**100%**	**100%**

Risks and uncertainties

To prepare the accounts based on generally accepted accounting policies, company management must make judgements and assumptions that affect asset and liability items, revenue and expense items recognised in the accounts and other information provided. The actual outcome may differ from these judgements. Sagax is also exposed to various risks that may be of significance to the company's future business, earnings and financial position.

PROPERTY-RELATED RISKS

The valuation of investment properties can be significantly affected by the judgments and assumptions made by company management. To reduce the risk of incorrect valuations, Sagax has engaged authorised external valuation companies to assess the market value of the majority of the properties as of 31 March 2022. When valuing properties, the constant existence of uncertainties regarding the assumptions made must be taken into account.

Sagax prioritises leasing to tenants with a high credit rating and long-term leases, despite these entailing slightly lower immediate earnings. The intention is to reduce the risk of rent losses and the risk of vacancies.

The geographic distribution of Sagax's property portfolio and the industries of its tenants are highly diversified. Sagax's lease structure of many small leases help reduce the risks of vacancies and rent losses.

FINANCIAL RISKS

Sagax's financial expenses comprise the single largest expense for the Group. To reduce Sagax's exposure to rising interest rates, the Group has a significant number of its interest expenses from fixed-rate loans. To limit interest-rate risk for loans at floating interest rates, interest-rate swaps and interest-rate caps are used. Sagax's funding primarily comprises equity and interest-bearing liabilities. Sagax endeavours to secure a long, average remaining term of interest-bearing liabilities in a bid to limit its refinancing risk, defined as the risk that refinancing existing debt cannot take place on reasonable terms. The company's long-term funding comprises listed bonds and bank loans. The complete terms and conditions for the bond loans are available at www.sagax.se.

CURRENCY RISKS

The amounts in the consolidated balance sheet are partly exposed to exchange rate fluctuations, particularly for the EUR. Net exposure on 31 March 2022, assets less liabilities in EUR, amounted to SEK 6,173 M (8,014). In preparing the consolidated financial statements, the balance sheets of the Group's foreign operations are translated from their functional currencies into SEK based on the exchange rates applying on the balance sheet date: EUR 1 was equivalent to SEK 10.34 and DKK 1 was equivalent to SEK 1.39. Revenue and expense items are translated at the average exchange rate for the period: EUR 1 was equivalent to SEK 10.42 and DKK 1 was equivalent to SEK 1.40. In accordance with IAS 21, the currency effects for foreign operations and hedge accounting are recognised in Other comprehensive income. Other currency effects are recognised in profit or loss.

OTHER RISKS

Uncertainty regarding the macroeconomic climate has increased as a result of Russia's invasion of Ukraine. Sagax does not conduct any operations in Ukraine or in Russia. Accordingly, Sagax is indirectly impacted by the war and its consequences. The company is monitoring developments to identify and, if possible, address any risks.

Sagax's other risks are described in the 2021 Annual Report, on pages 45-48.

Sensitivity analysis for property values

	–20%	–10%	0%	+10%	+20%
Value change, SEK M	–9,681	–4,840	0	4,840	9,681
Debt ratio, %	50	46	42	39	37

Sensitivity analysis for changes in the occupancy rate

	–10%	–5%	0%	+5%	+10%
Occupancy rate, %	87	91	96	N/A	N/A
Interest coverage ratio, %	652	690	728	N/A	N/A

Sensitivity analysis for property values

	Change	Value change, SEK M
Yield requirement	+/– 0.25% points	–1,496/+1,620
Cost of capital	+/– 0.25% points	–1,022/+1,042
Rental revenue	+/–5%	+2,047/–2,164
Property expenses	+/–5%	–309/+295

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SENSITIVITY ANALYSIS

Sagax's exposure to material risks in the company's operations is presented below.

Sensitivity analysis on 31 March 2022[1)]

Amounts in SEK M	Change	Effect on profit from property management, annual basis	Effect on profit after tax, annual basis	Effect on equity
Economic occupancy rate	+/–1% point	+/–36	+/–29	+/–29
Rental revenue	+/–1%	+/–35	+/–28	+/–28
Property expenses	+/–1%	–/+6	–/+5	–/+5
Interest expenses for liabilities in SEK including fixed income derivatives	+/–1% point	–1/+1	–1/+1	–1/+1
Interest expenses for liabilities in EUR including fixed income derivatives	+/–1% point	–7/+8	–5/+6	–5/+6
Change in SEK/EUR exchange rate[2)]	+/– 10%	+/–170	+/–136	+/–617
Changed rent level for contract maturity in 2022	+/– 10%	+/–49	+/–40	+/–40

1) Excluding shares in profit of joint ventures and associated companies.
2) Sagax's net exposure to the SEK/EUR exchange rate comprises assets and liabilities recognised in EUR, in addition to revenue and expenses in EUR.

Accounting policies and important events

ACCOUNTING POLICIES

This condensed interim report has been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting. The term "IFRS" in this report means application of the International Financial Reporting Standards (IFRS), as adopted by the EU, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The accounting policies and calculation methods are the same as those applied in the 2021 Annual Report and are to be read together with this Annual Report.

Sagax's segment division was changed as of 1 January 2022. The former segments that belonged to the same country have been merged into one segment. This means that properties that previously belonged to the Rest of Europe segment are now included in the segments for their respective countries. The former market segments Stockholm and Rest of Sweden are now included in the Sweden segment. Helsinki, University cities in Finland and Rest of Finland belong to the Finland segment. The former Paris segment and the properties situated in the rest of France and that were previously reported in the Rest of Europe segment have formed the France segment. Madrid & Barcelona and the properties situated in the rest of Spain and that were previously reported in the Rest of Europe segment have formed the Spain segment. The German properties that were previously included in the Rest of Europe segment are now included in the Germany market segment. The Netherlands segment is unchanged compared with prior periods and the Danish properties are reported as previously in the Rest of Europe segment. Comparative figures have been restated according to the new segment division.

There are no amendments to IFRS in 2022 that are deemed to have any material impact on the company's financial statements.

Rounding-off differences may occur.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

On 27 April, it was announced in a press release that Sagax had acquired 80 properties for a corresponding SEK 1,285 M based on 13 separate transactions. The properties comprise a lettable area of 111,500 square metres, primarily comprising premises for warehouses and industrial purposes. The annual rent corresponds to SEK 74 M and the surplus ratio is deemed to be 87%. 100% of all rental revenue is adjusted by the Consumer Price Index or similar index. The occupancy rate is 89% and the remaining average lease term is 3.0 years. The market rent is assessed at SEK 98 M including the letting of eight vacant properties with a vacancy value of SEK 9 M.Of these acquisitions, property corresponding to SEK 600 M has been taken into possession. Possession of the remaining SEK 685 M is expected to be taken in the second quarter of 2022. The acquisitions will be recognised in the following Sagax segments: France (SEK 962 M), Finland (SEK 179 M), Sweden (SEK 71 M), Spain (SEK 63 M) and the Netherlands (SEK 10 M).

This document is an in-house translation of the Swedish Interim report. In the event of discrepancies, the Swedish original will supersede the translation.

The Board of Directors and CEO give their assurance that this interim report provides a fair overview of the company's and the Group's operations, financial position and earnings and describes significant risks and uncertainties faced by the company and the companies included in the Group.

Stockholm, 11 May 2022
AB SAGAX (publ)
Corporate Registration Number 556520-0028

Staffan Salén Chairman of the Board	**Johan Cederlund** Board member	**Filip Engelbert** Board member
David Mindus CEO and Board member	**Johan Thorell** Board member	**Ulrika Werdelin** Board member

This interim report has not been reviewed by the company's auditors.

This constitutes information that AB Sagax (publ) is legally obliged to publish under the EU's Market Abuse Regulation. The information was released for publication on 11 May 2022 at 1:30 p.m. (CEST).

Calendar

Interim Report January-June 2022	14 July 2022
Interim Report January-September 2022	27 October 2022

SCHEDULE OF DIVIDEND PAYMENTS TO HOLDERS OF CLASS D SHARES[2)]

June 2022

■ Final day for trading including dividend rights	28 June 2022
■ First day for trading excluding dividend rights	29 June 2022
■ Record date for dividend payment	30 June 2022
■ Expected payment date by Euroclear[1)]	5 July 2022

September 2022

■ Final day for trading including dividend rights	28 September 2022
■ First day for trading excluding dividend rights	29 September 2022
■ Record date for dividend payment	30 September 2022
■ Expected payment date by Euroclear[1)]	5 October 2022

December 2022

■ Final day for trading including dividend rights	28 December 2022
■ First day for trading excluding dividend rights	29 December 2022
■ Record date for dividend payment	30 December 2022
■ Expected payment date by Euroclear[1)]	5 January 2023

March 2023

■ Final day for trading including dividend rights	29 March 2023
■ First day for trading excluding dividend rights	30 March 2023
■ Record date for dividend payment	31 March 2023
■ Expected payment date by Euroclear[1)]	5 April 2023

1) Payment is made on the third banking day following the record date for Swedish issuers. Sagax is unable to affect this date.
2) Date proposed by the Board.

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Definitions

Sagax applies the European Securities and Market Authority's (ESMA) Guidelines on the Alternative Performance Measures. Alternative performance measures refer to financial measures of historical or future earnings trends, financial position, financial results or cash flows that are not defined or stated in the applicable rules for financial reporting, which in Sagax's case is IFRS. The basis of the alternative performance measures provided is that they are used by company management to assess the financial performance and thus are considered to provide valuable information to shareholders and other stakeholders.

The table below presents definitions of Sagax's key performance indicators. The calculation of alternative performance measures is described separately on the following pages.

Key performance indicators	Description	Reason for alternative performance measure
Cash flow per Class A and B share	Profit before tax adjusted for items not included in cash flow less tax paid in relation to the average number of Class A and B shares. Dividends on Class D shares and preference shares for the period have also been deducted from profit before tax. Dividends received from joint ventures and associated companies have been added to profit before tax.	The KPI shows the amount of cash flow for the period that can be considered to be attributable to owners of Class A and Class B shares.
Dilution	Dilution due to outstanding warrants has been calculated, in line with IAS 33, as the number of Class A and B shares to be issued to cover the difference between the strike price and market price for all potential Class A and B shares (warrants) outstanding, insofar as it is probable that they will be utilised.	Not an APM.
Debt ratio	Interest-bearing liabilities at the end of the period in relation to total assets at the end of the period.	The KPI shows financial risk.
EBITDA	Net operating income less central administration costs plus dividends received from joint ventures and associated companies.	Sagax uses EBITDA so that the EBITDA/Net debt KPI shows financial risk.
Earnings per Class A and B share	Profit in relation to the average number of Class A and B shares after taking into account the portion of profit for the period represented by dividends on Class D shares and preference shares.	IFRS performance measure.
Earnings per Class D share	Class D shares are entitled to five times the total dividend on Class A and B shares, although not more than SEK 2.00 per share annually.	The KPI shows the shareholders' share of profit.
Equity/assets ratio	Equity in relation to total assets.	The KPI shows financial risk.
Equity per Class A and B share	Equity at the end of the period in relation to the number of Class A and B shares at the end of the period after taking into account equity attributable to Class D shares and preference shares.	The KPI shows the owner's share of equity.
Equity per Class D share	Equity at the end of the period in relation to the number of common shares at the end of the period after taking into account equity attributable to preference shares. Equity is restricted to SEK 35.00 per Class D share.	The KPI shows the owner's share of equity.
Economic occupancy rate	Contractual annual rent directly after the end of the period as a percentage of rental value directly after the end of the period.	The KPI shows the economic degree of utilisation of the Group's properties.
EURIBOR	EURIBOR, or the Euro Interbank Offered Rate, is a daily reference rate based on the average of the interest rates at which euro interbank term deposits are being offered by one prime bank to another within the EMU zone.	Not an APM.
Fixed income derivatives	Agreements on lending rates that may include the factors of time, inflation and/or maximum interest rates. Usually signed to hedge interest rates for interest-bearing loans.	Not an APM.
IFRS	International Financial Reporting Standards (IFRS), to be applied for consolidated financial statements by companies whose securities are listed on a regulated market.	Not an APM.
Interest coverage ratio	Profit from property management, excluding profit from joint ventures and associated companies but including dividends from joint ventures, after reversal of financial expenses in relation to financial expenses.	The KPI shows financial risk.
Interest coverage ratio, EMTN programme	Profit from property management after reversal of financial income and expenses as a percentage of net financial items.	The KPI shows financial risk.
Interest-rate swaps	An agreement between two parties to swap interest rate conditions on loans in the same currency. The swap entails that one party exchanges its floating interest rate for a fixed rate, while the other party receives a fixed rate in exchange for a floating rate. The purpose of an interest-rate swap is to reduce interest-rate risk.	Not an APM.
Joint ventures	Partnership form whereby several owners have a shared controlling influence.	Not an APM.

Key performance indicators	Description	Reason for alternative performance measure
Net asset value	Recognised equity according to the balance sheet with reversal of reserves for fixed income derivatives, deferred tax on temporary differences on property values and deferred tax on reserves for fixed income derivatives.	An established indicator of the Group's net asset value that facilitates analyses and comparisons with EPRA NAV.
Net debt	Interest-bearing liabilities less interest-bearing assets, cash and cash equivalents, and listed shares.	The KPI shows the Group's indebtedness.
Net debt/Total assets	Interest-bearing liabilities less interest-bearing assets, cash and cash equivalents, and listed shares as a percentage of total assets.	The KPI shows financial risk.
Net debt according to EMTN programme	Interest-bearing liabilities less listed securities and cash and cash equivalents.	The KPI shows the Group's indebtedness.
Net debt according to EMTN programme/Total assets	Interest-bearing liabilities less listed securities and cash and cash equivalents in relation to total assets.	The KPI shows financial risk.
Net investments	The net of property acquisitions and investments in the current property portfolio, as well as sales of properties.	The KPI shows the investment volume.
Occupancy rate by area	Contracted area directly after the end of the period as a percentage of total lettable area directly after the end of the period.	The KPI shows the occupancy situation.
Profit from property management	Profit excluding changes in value and tax.	An indicator of the earnings generation in the operations, excluding changes in value.
Profit from property management per Class A and B share after dilution	Profit from property management for the period reduced by dividends on Class D shares and preference shares, divided by the average number of Class A and B shares after dilution.	An indicator of the earnings generation of the assets, excluding the changes in value accruing to holders of Class A and B shares.
Property yield	Net operating income for the period (including property administration) with add-back of site leasehold fees, recalculated to 12 months, adjusted for the holding periods of the properties during the period as a percentage of the carrying amounts of the properties at the end of the period.	The KPI shows the earnings generation of the operations before financial expenses and central administration costs are taken into account.
Property	Pertains to properties held under title or site leasehold.	Not an APM.
Secured liabilities/total assets	Liabilities secured with pledged assets as a percentage of total assets.	The KPI shows financial risk for bond holders.
STIBOR	STIBOR, or Stockholm Interbank Offered Rate, a daily reference rate based on the average of the interest rates at which banks offer to lend unsecured funds to other banks in SEK in the Swedish wholesale money market.	Not an APM.
Surplus ratio	Net operating income for the period as a percentage of rental revenue for the period.	The key performance indicator shows the profitability of the properties.
Total return on shares	Total of the change in the share price during the period and the dividend paid during the period as a percentage of the share price at the end of the preceding year.	The KPI shows the total return that accrues to shareholders.
Total yield on property	Total of yield and property revaluations during the period as a percentage of the closing property value adjusted for revaluations for the period.	The KPI shows earnings generation and value growth for the properties for a period.
Triple net lease	A type of lease whereby the tenant pays, in addition to the rent, all costs incurred on the property that would normally have been paid by the property owner. These include operating expenses, maintenance, property tax, site leasehold fees, insurance, property caretaking, etc.	Not an APM.
Rental revenue, comparable portfolios	Rental revenue from properties that were included in the portfolio for the entire reporting period and the entire comparative period. Project properties and properties that were acquired or sold are not included.	The KPI shows the trend in rental revenue excluding non-recurring effects, such as prematurely vacating premises, not impacted by acquired and sold properties.
Rental value	The contractual annual rent applicable directly after the end of the period, with supplements for estimated market rents for vacant premises.	The key performance indicator shows the Group's income potential.
Return on equity	Profit for the period, recalculated to 12 months, as a percentage of average equity (opening and closing balances) divided by 2 for the period.	The KPI shows how shareholders' capital yields interest during the period.
Return on total capital	Profit for the period, recalculated to 12 months, after net financial items after reversal of financial expenses as a percentage of average total assets for the period.	The KPI shows the ability to generate earnings on the Group's assets, excluding financing costs.
Run rate yield	Net operating income (including property administration) according to current earnings capacity with add-back of site leasehold fees, as a percentage of the carrying amounts of the properties at the end of the period.	The KPI shows the earnings generation of the operations before financial expenses and central administration costs are taken into account.
Run rate EBITDA	Net operating income according to current earnings capacity less central administration costs plus dividends received from joint ventures and associated companies.	Sagax uses EBITDA so that the EBITDA/Net debt, run rate KPI shows financial risk.

The calculation of alternative performance measures is presented in the tables below.

Amounts in SEK M unless otherwise stated	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Return on equity			
Profit after tax	1,581	2,157	9,807
Addition for translation to annual value	4,743	6,471	–
Average equity	31,931	23,617	26,766
Return on equity	20%	37%	37%
Return on total capital			
Profit from property management	786	637	2,805
Addition for translation to annual value	2,358	1,911	–
Financial expenses	117	107	447
Addition for translation to annual value	351	321	–
Profit before financial expenses	3,612	2,976	3,252
Average total capital	64,099	48,754	54,725
Return on total capital	6%	6%	6%
Occupancy rate by area			
Contracted area, '000s sqm	3,706	3,374	3,625
Total lettable area, '000s sqm	3,847	3,544	3,759
Occupancy rate by area	96%	95%	96%
Debt ratio			
Interest-bearing liabilities	27,948	21,701	26,354
Total assets	65,762	50,885	62,472
Debt ratio	42%	43%	42%
Property yield			
Net operating income	712	602	2,573
Add-back of site leasehold fees	–7	–6	–26
Addition for translation to annual value	2,115	1,788	–
Holding adjustment, acquisitions/divestments	20	37	139
Currency translation to closing rate	–34	20	44
Adjusted net operating income	2,806	2,441	2,730
Carrying amount of properties	48,403	40,410	46,067
Property yield	5.8%	6.0%	6.0%
EBITDA rolling 12 months			
Net operating income	2,682	2,434	2,573
Central administration	–153	–133	–147
Dividends from joint ventures and associated companies	135	424	373
EBITDA	2,664	2,725	2,799
Equity per Class A and B share			
Equity	32,783	24,783	31,079
Equity attributable to Class D shares	–4,419	–4,990	–4,419
Equity attributable to Class A and B shares	28,364	19,793	26,660
No. of shares	317,653,595	317,279,530	317,653,595
No. of shares after dilution	318,187,942	318,037,989	317,984,595
Equity per Class A and B share, SEK	89.29	62.38	83.93
Equity per Class A and B share after dilution, SEK	89.14	62.23	83.84

Amounts in SEK M unless otherwise stated	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Economic occupancy rate			
Contractual annual rent	3,469	3,019	3,324
Rental value	3,608	3,176	3,459
Economic occupancy rate	96%	95%	96%
Run rate yield			
Net operating income according to current earnings capacity	2,859	2,496	2,761
Add-back of site leasehold fees	–28	–24	–26
Adjusted net operating income	2,831	2,472	2,735
Carrying amount of properties	48,403	40,410	46,067
Run rate yield	5.8%	6.1%	5.9%
Run rate EBITDA			
Net operating income according to current earnings capacity	2,682	2,496	2,761
Central administration	–153	–133	–147
Dividends from joint ventures and associated companies	135	424	373
Run rate EBITDA	2,664	2,787	2,987
Profit from property management			
Profit after tax	1,581	2,157	9,807
Tax	378	489	1,294
Changes in value	–1,173	–2,010	–8,297
Profit from property management	786	636	2,805
Profit from property management per Class A and B share after dilution			
Profit from property management	786	636	2,795
Dividends attributable to Class D shares	–63	–63	–253
Adjusted profit from property management	723	573	2,543
Profit from property management per Class A and B share after dilution, SEK	2.27	1.80	7.99
Profit from property management per Class A and B shares, rolling 12 months			
Profit from property management, rolling 12 months	2,935	2,461	2,805
Dividends attributable to Class D shares, rolling 12 months	–253	–253	–253
Adjusted profit from property management	2,700	2,208	2,552
No. of Class A and B shares after dilution, rolling 12 months	317,862,541	317,807,234	318,010,050
Profit from property management per Class A and B share, current period, rolling 12 months	8.49	6.95	7.99
Profit from property management per Class A and B share, preceding period, rolling 12 months	6.95	5.84	6.62
Annual percentage growth rate, rolling 12 months	22%	19%	21%
Rental revenue, comparable portfolios			
Rental revenue	885	731	3,100
Acquired and sold properties	–122	–29	–558
Currency adjustment[1)]	–	15	–
Other adjustment	–11	–	–6
Rental revenue, comparable portfolios excluding currency effects	751	717	2,535

1) The preceding period has been adjusted based on the assumption that the exchange rate is the same as in the current period.

Calculation of alternative performance measures is presented in the tables below, cont'd.

Amounts in SEK M unless otherwise stated	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Cash flow per Class A and B share			
Profit before tax	1,780	2,512	10,543
Items not affecting cash flow	–1.052	–2,032	–8,051
Tax paid	–59	–66	–146
Dividends attributable to Class D shares	–63	–63	–253
Cash flow	607	351	2,093
Cash flow per Class A and B share after dilution, SEK	1.91	1.10	6.58
Net debt			
See page 12.			
Net debt according to EMTN programme			
Interest-bearing liabilities	27,948	21,701	26,354
Cash and cash equivalents and listed shares	–8,838	–2,763	–9,464
Net debt according to EMTN programme	19,110	18,938	16,890
Net debt according to EMTN programme/Total assets			
Net debt according to EMTN programme	19,110	18,938	16,890
Total assets	65,755	50,885	62,472
Net debt according to EMTN programme/Total assets	29%	37%	27%
Net debt/EBITDA			
Net debt	18,422	18,398	16,214
EBITDA rolling 12 months	2,664	2,725	2,799
Net debt/EBITDA	6.9x	6.8x	5.8x
Net debt/run rate EBITDA			
Net debt	18,422	18,398	16,214
EBITDA, run rate	2,841	2,787	3,006
Net debt/EBITDA run rate	6.5x	6.6x	5.4x
Net debt/Total assets			
Net debt	18,422	18,398	16,214
Total assets	65,755	50,885	62,472
Net debt/Total assets	28%	36%	26%
Earnings per Class A and B share[1]			
Profit after tax	1,581	2,157	9,807
Dividends attributable to Class D shares	–63	–63	–253
Adjusted profit after tax	1,518	2,094	9,554
Earnings per Class A and B share after dilution, SEK	4.77	6.59	30.04
Interest coverage ratio			
Profit from property management	786	637	2,805
Reversal of profit from property management joint ventures and associated companies	–187	–161	–713
Dividend from joint ventures and associated companies	135	–	373
Financial expenses	117	107	447
Adjusted profit from property management before financial expenses	851	583	2,912
Interest coverage ratio	7.3x	5.4x	6.5x

1) IFRS performance measure.

Amounts in SEK M unless otherwise stated	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Interest coverage ratio, EMTN programme			
Profit from property management	786	637	2,805
Net financial items	77	96	334
Profit from property management before net financial items	863	733	3,139
Interest coverage ratio	11.1x	7.6x	9.4x
Equity/assets ratio			
Equity	32,783	24,783	31,079
Total assets	65,762	50,885	62,472
Equity/assets ratio	50%	49%	50%
Net asset value			
Equity	32,783	24,783	31,079
Equity attributable to Class D shares	–4,419	–4,990	–4,419
Reversal of derivatives	–8	76	74
Reversal of deferred tax	3,529	2,919	3,383
Reversals due to joint ventures	984	902	1,019
Net asset value	32,869	23,690	31,136
NAV per Class A and B share after dilution, SEK	103.30	74.49	97.92
Secured liabilities/total assets			
Secured liabilities	87	3,234	189
Total assets	65,762	50,885	62,472
Secured liabilities/Total assets	0%	6%	0%
Surplus ratio			
Net operating income	2,682	2,434	2,573
Rental revenue	3,254	2,927	3,100
Surplus ratio	82%	83%	83%

AB Sagax is a property company whose business concept is to invest in commercial properties, primarily in the warehouse and light industrial segment. Sagax's property holdings on 31 March 2022 amounted to 3,847,000 square metres, distributed between 690 properties.
AB Sagax (publ) is listed on Nasdaq Stockholm, Large Cap.
More information is available at www.sagax.se.

AB | SAGAX

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