

INTERIM REPORT JANUARY – MARCH 2024

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 2024

FIRST QUARTER 2024

- Rental revenue increased 18% to SEK 1,185 M (SEK 1,007 M in the year-earlier period).
- Profit from property management increased 5% to SEK 994 M (943).
- Profit from property management per Class A and B share after dilution amounted to SEK 2.75 (2.76).
- Property revaluation had an impact on profit of SEK 61 M (–659).
- Revaluation of financial instruments had an impact on profit of SEK 197 M (–525).
- Profit after tax for the quarter was SEK 1,080 M (–267).
- Cash flow from operating activities before changes in working capital rose 8% to SEK 905 M (838), corresponding to SEK 2.49 (2.43) per Class A and B share after dilution.
- Net investments in properties amounted to SEK 955 M (162), of which acquisitions accounted for SEK 707 M (19).

ADJUSTED FORECAST FOR 2024

Profit from property management for 2024, 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 4,300 M. The previously submitted forecast amounted to SEK 4,200 M and was presented in the 2023 year-end report.

Selected key performance indicators

	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec
Profit from property management per Class A and B share after dilution, SEK	2.75	2.76	11.16	9.70	7.99	6.62	5.51
Change compared with preceding year, %	0	22	15	21	21	20	28
Earnings per Class A and B share after dilution, SEK	3.01	–1.04	–0.82	7.75	30.04	10.78	12.13
Dividend per Class A and B share, SEK (2023 proposed)	–	–	3.10	2.70	2.15	1.65	1.30
Net debt/EBITDA, multiple	5.2	7.2	5.2	7.1	5.8	6.4	6.6
Interest coverage ratio, multiple	5.8	6.0	5.7	7.1	6.5	5.7	4.9
Debt ratio at the end of the period, %	42	45	41	45	42	43	44
Properties' market value at the end of period, SEK M	59,814	53,011	57,061	52,682	46,067	37,548	32,625
Yield, %	6.5	6.0	6.4	5.8	6.0	6.3	6.4

Definitions of key performance indicators are provided on pages 32-33.

Business concept, targets and strategies

BUSINESS CONCEPT

Sagax's business concept is to invest in commercial properties, mainly in the warehouse and light industrial segments.

OPERATIONAL TARGETS

Sagax's goal is to generate attractive risk-adjusted return for the company's shareholders. This is to be achieved by accomplishing the following operational targets:

- The company's operations are to generate long-term sustainable return and strong cash flows.
- The company is to continue to grow through new investments if attractive risk-adjusted returns are expected to be achieved.
- Cash flow growth in existing operations is to exceed inflation.

FINANCIAL TARGETS

Sagax has the following financial targets:

- Return on equity, measured over a five-year period, shall exceed 15% per year.
- Profit from property management per Class A and B share shall increase by a minimum of 15% per year.

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

Financial targets

	Outcome rolling 12 months	Five-year average
Return on equity, measured over a five-year period, shall exceed 15% per year	4%	17%
Profit from property management per Class A and B share shall increase by a minimum of 15% per year	9%	21%

STRATEGIES

Sagax has a long-term "buy and hold" approach to its investments. Sagax does not engage in property trading activities other than occasional sales of properties that no longer meet the company's investment criteria. Sagax's property development activities are limited and projects are carried out primarily after they have been let.

To achieve the company's operational and financial targets the company has adopted the following strategies.

Investment strategy

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.

Sagax invests in commercial properties, mainly in the warehouse and light industrial segments. These property segments combine low rates of new construction with stable occupancy levels, generating stable cash flow and opportunities for long-term value creation. Sagax invests in add-on acquisitions and in existing properties.

In addition to direct investments Sagax invests in properties via joint ventures and associated companies. This enables the company to invest in markets that Sagax cannot reach successfully on its own. The indirect investments allow Sagax to team-up with specialised management teams and to leverage Sagax's general industry knowledge to develop attractive investments.

Financing strategy

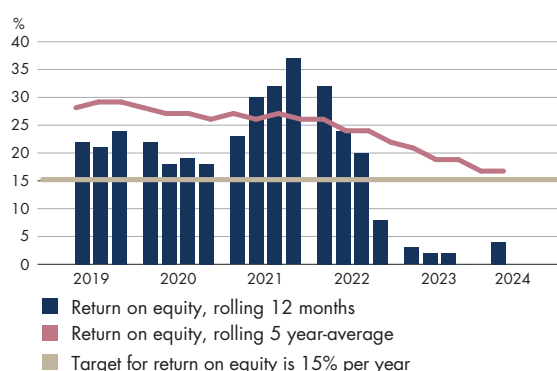
The financial structure of Sagax is designed with a clear focus on operating cash flow and interest coverage ratio. This is expected to create both good prerequisites for expansion and attractive return on equity.

The chart on page 4 shows that Sagax's cash flow from operating activities largely corresponds to its profit from property management. The difference is mainly due to joint ventures and associated companies, where dividends instead of profit from property management are recognised as cash flow from operating activities.

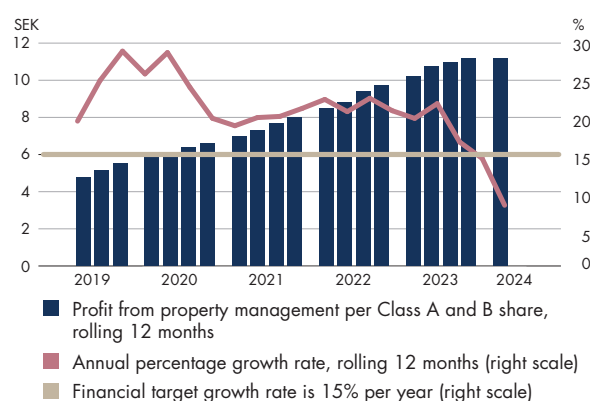
Sagax endeavours to have well-balanced fixed interest and loan maturity profiles to secure its operating cash flow. The company's interest-bearing debt mainly consists of senior unsecured bonds issued in the EUR market. Sagax also finances its operations via issuance of commercial paper in EUR and SEK. Sagax can also raise bank loans in EUR and in SEK when this is deemed to be advantageous. Moody's Investors Service has rated Sagax Baa2 with a stable outlook.

The company has three classes of shares: Class A, B and D common shares. The Class A and B shares participate fully in the company's profit or equity. The Class D shares participate in an annual dividend of up to

Return on equity



Profit from property management per Class A and B share



SEK 2.00 per share. The aim with the Class D shares is to attract investor categories that value stable and regular dividends while limiting dilution for the holders of common shares of Class A and B.

Asset management strategy

Sagax's long-term perspective applies to the company's asset management strategy. Sagax endeavours to attract reputable and creditworthy tenants. The company prioritises long-term customer relationships even if this entails foregoing higher rental levels. 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.

Sagax invests primarily in regions experiencing stable population growth with diversified business activities. This reduces the risk of a decline in occupancy rates and rent levels due to a weaker rental market. Sagax's largest markets are Stockholm and Helsinki, which are regarded as offering favourable conditions for long-term growth.

The company mainly enters into net leases. This strategy protects the company's operating cash flow from increased expenses deriving from changes in property taxes, consumption levels or for utility rates.

SUSTAINABILITY ACTIVITIES

The aim of Sagax's sustainability activities is to avoid short-term gains arising at the expense of negative longer-term consequences. 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 has identified the following focus areas:

Environmental and resource efficiency

Heating and the use of electricity account for the largest share of properties' energy use. Sagax takes regular measures to reduce energy consumption. Sagax obtains sustainability ratings for buildings that are constructed and is working to have existing buildings sustainability rated.

Business ethics

Sagax works to combat all forms of corruption, and has a whistle-blower function available on the Sagax website and a Code of Conduct for Suppliers.

Economic sustainability

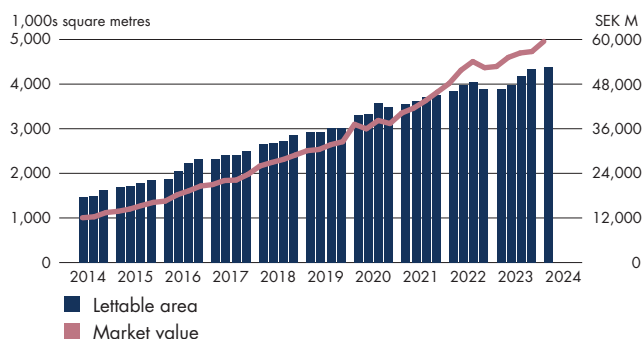
Sagax's business model is characterised in all areas by a long-term approach. Short-term gains are subordinate to the company's long-term value creation. Accordingly, sustainability work is integrated into the business model.

Professional and dedicated employees

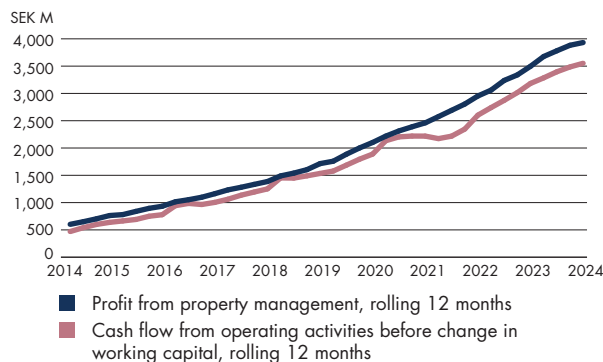
The development of the company is dependent on highly skilled employees. For this reason, it is important that the company is an attractive employer that can recruit and has the ability to retain highly skilled personnel. Sagax employees are expected to assume responsibility of their work duties and serve as good representatives of the company's values and culture.

Additional information on Sagax's sustainability activities is available in the sustainability report in Sagax's 2023 Annual Report.

Market value and lettable area of properties



Profit from property management and cash flow





In the first quarter, Sagax acquired the Keurweg 2 property in Waalwijk, east of Rotterdam, comprising office, warehouse and production premises encompassing a lettable area of 2,700 square metres.

Profit, revenue and expenses

The profit/loss and cash flow items below refer to the January to March 2024 period. The balance-sheet items refer to the position at the end of the period. The comparative items refer to the year-earlier period and the position at the end of the period last year.

PROFIT

Profit from property management rose 5% to SEK 994 M (943), of which joint ventures and associated companies accounted for SEK 238 M (185). Profit from property management primarily increased as a result of property acquisitions, currency effects and rent indexation. Profit from property management per Class A and B share after dilution amounted to SEK 2.75 (2.76) and was in line with last year.

Changes in the value of properties impacted profit by SEK 61 M (–659), of which SEK –95 M (–325) referred to changes in value from joint ventures and associated companies.

Revaluation of financial instruments had an impact on profit of SEK 197 M (–525).

Profit after tax for the period was SEK 1,080 M (–267).

REVENUE

Rental revenue rose 18% to SEK 1,185 M (1,007). Revenue was primarily affected by property acquisitions and rent indexation.

During the period, rental revenue in comparable portfolios increased 4.9% (6.8) excluding currency effects. The segments with the largest increases were Sweden with 11.4%, Germany 7.9% and France 5.9%.

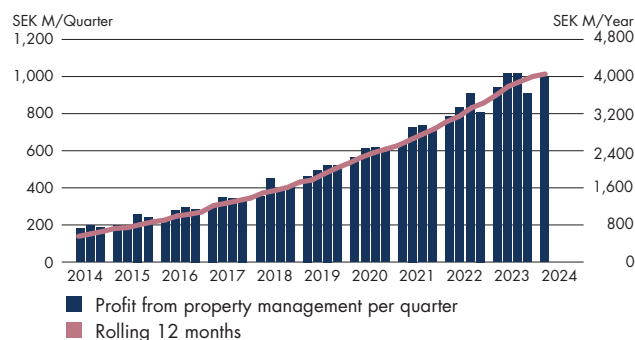
Other revenue amounted to SEK 8 M (4).

Rental revenue, comparable portfolios

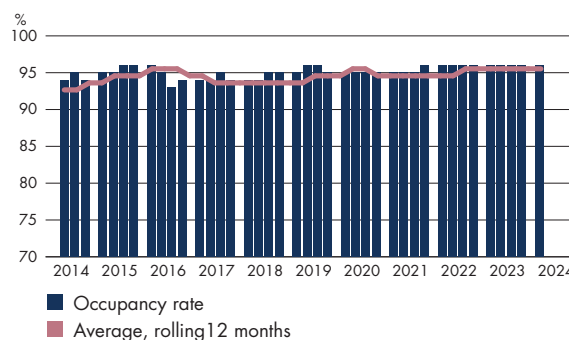
Amounts in SEK M	2024 Jan-Mar	2023 Jan-Mar
Rental revenue	1,185	1,007
Acquisitions and divestments	–124	–2
Currency adjustment ¹⁾	–	6
Total	1,061	1,011

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

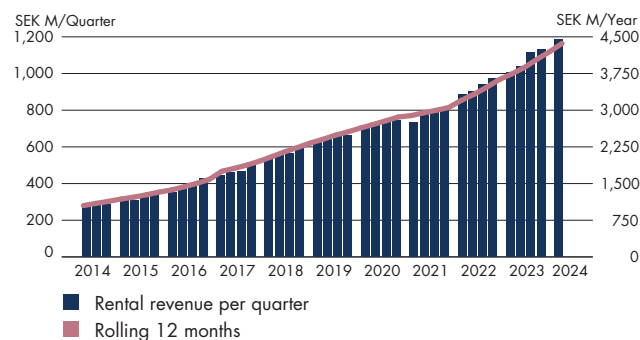
Profit from property management



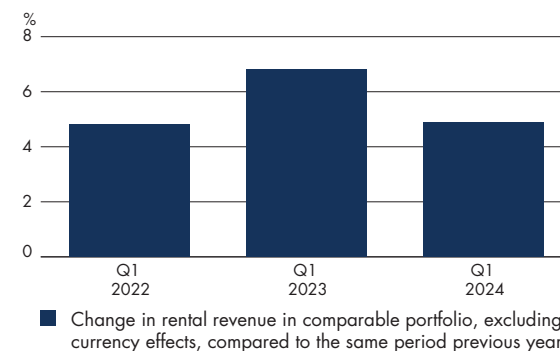
Economic occupancy rate



Rental revenue



Rental revenue, comparable portfolios



CHANGE IN THE ECONOMIC OCCUPANCY RATE

The economic occupancy rate amounted to 96% (96). During the period, the vacancy value rose SEK 49 M (54) due to tenants vacating premises and declined SEK 50 M (51) following new lettings. Fixed-term rent discounts for new tenants fell SEK 3 M (4) to SEK 49 M (35) on an annual basis at the end of the period. Acquisitions and property divestments during the period increased the vacancy value by SEK 6 M (–1), net. The total vacancy value at the end of the period amounted to SEK 189 M (171).

FUTURE VACANCY CHANGES

At the end of the period, notice of termination had been served for leases with a rental value of SEK 97 M (93), of which leases with notice of vacating the premises accounted for SEK 87 M (90) and leases amounting to SEK 10 M (3) were terminated with notice of renegotiation. Of the leases for which notice had been received, vacancies corresponding to a rental value of SEK 50 M will occur in 2024.

Lettings of premises to tenants who have not yet occupied reduced the adjusted vacancy value by SEK 2 M (39). New lettings corresponding to a rental value of SEK 2 M will occur in 2024. The adjusted vacancy value was SEK 283 M (225).

Vacancy changes

Amounts in SEK M	2024 Jan-Mar	2023 Jan-Dec
Opening vacancy for each year	182	171
New lettings	–50	–211
Vacancies	49	210
Change in discounts provided	–3	13
Vacancy value, acquired properties	7	6
Vacancy value, divested properties	–1	–7
Change in exchange rates	5	0
Closing vacancy value	189	182
Terminated for renegotiation	10	–
Terminated lease, not vacated	87	74
Letting, not occupied	–2	–19
Adjusted closing vacancy value	283	237

PROPERTY EXPENSES

Operating and maintenance costs amounted to a total of SEK 148 M (128). Expenses for property tax increased to SEK 60 M (50) and other property expenses increased to SEK 26 M (23). The increase was primarily due to property acquisitions.

CENTRAL ADMINISTRATION

Central administration costs amounted to SEK 43 M (42), corresponding to 3.7% (4.1) of the period's rental revenue.

At the end of the period, Sagax had 97 (95) employees. Functions such as property caretaking and on-call operations are outsourced. Sagax has offices in Stockholm, Helsinki, Paris, Rotterdam, Barcelona and Frankfurt.

Number of employees

Country	Total
Sweden	39
Finland	27
France	13
Netherlands	9
Spain	8
Germany	1
Total	97

Signed leases and leases terminated

Year of occupancy and vacancy	New lettings		Vacancies	
	No. of leases	Rental value, SEK M	No. of leases	Rental value, SEK M
2024	5	–2	63	50
2025	–	–	22	24
2026	–	–	3	5
2027	–	–	2	8
>2027	–	–	–	–
Total	5	–2	90	87

Vacancies on 1 April 2024

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	1,110	54	5%	920,000	32,000	4%
Finland	1,896	86	5%	1,476,000	78,000	5%
France	874	19	2%	750,000	16,000	2%
Benelux	661	22	3%	668,000	13,000	2%
Spain	355	6	2%	472,000	12,000	3%
Germany	118	1	1%	94,000	2,000	2%
Other Europe	12	–	–	6,000	–	–
Total	5,026	189	4%	4,386,000	153,000	3%

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

PROFIT FROM JOINT VENTURES AND ASSOCIATED COMPANIES

Profit/loss from joint ventures and associated companies for the period amounted to SEK 177 M (–147), of which profit from property management accounted for SEK 238 M (185), changes in the value of properties for SEK –95 M (–325) and changes in the value of fixed income derivatives for SEK 98 M (–16). Profit from property management from joint ventures was impacted by SEK 60 M during the period due to the reclassification of the holdings in Nyfosa that took place in April 2023. Tax on profit from joint ventures and associated companies amounted to SEK –64 M (9). For additional information, see page 13.

NET FINANCIAL ITEMS

Financial income amounted to SEK 31 M (164). Last year included income pertaining to repurchased bonds of SEK 59 M, financial income of SEK 39 M pertaining to current finance lease assets and dividends of SEK 45 M from listed shares, of which SEK 39 M was attributable to the shares in Nyfosa, and there was no such corresponding income this year.

Financial expenses, excluding the interest component of IFRS 16 Leases, increased to SEK –184 M (–165) due to the higher market interest rates impacting the Group's borrowing. The average interest rate on interest-bearing liabilities was 2.2% (1.9) on the balance sheet date.

The interest component of IFRS 16 Leases amounted to SEK –9 M (–7). This expense primarily comprised site leaseholds and ground rents.

REVALUATION OF PROPERTIES

Sagax uses external valuations to determine the market value of its properties. As per the balance sheet date, a corresponding 97% of the market value of the properties had been externally valued. The changes in value for the properties amounted to SEK 156 M (–333), of which unrealised changes in value amounted to SEK 152 M (–333) and realised changes in value amounted to SEK 4 M (–). Of the unrealised change in value, SEK 115 M (174) was attributable to property management and SEK 37 M (–508) was related to general changes in market value, see table below. For additional information, see page 12.

Unrealised changes in the value of properties

Amounts in SEK M	Jan-Mar 2024
New lettings/Renegotiations	152
Vacancies/Renegotiations	–37
General change in market value	37
Total	152

REVALUATION OF FINANCIAL INSTRUMENTS

The change in value of financial instruments was SEK 99 M (–509). The unrealised change in value attributable to fixed income derivatives amounted to SEK 25 M (–2). The revaluation of financial instruments attributable to joint ventures amounted to SEK 75 M (2).

TAX

Sagax recognised a tax expense of SEK –107 M (–36) comprising of a current tax expense of SEK –33 M (–43) and a deferred tax expense of SEK –74 M (7). Tax expense recognised in other comprehensive income amounted to SEK –10 M (0). The Group's deferred tax liabilities at the end of the period amounted to SEK 4,101 M (4,083). Deferred tax assets pertaining to accumulated loss carryforwards and financial instruments amounted to SEK 155 M (282).

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 905 M (838). Changes in working capital had an impact of SEK 406 M (–208) on cash flow. Investing activities had an impact of SEK –1,025 M (–430) on cash flow, while cash flow from financing activities amounted to SEK 511 M (–222). In total, cash and cash equivalents changed by SEK –13 M (–20) 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. The Parent Company's management fees from Group companies amounted to SEK 28 M (25).

Forecast and current earnings capacity

ADJUSTED FORECAST FOR 2024

Profit from property management for 2024, 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 4,300 M. The previously submitted forecast amounted to SEK 4,200 M and was presented in the 2023 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. It is important to note that this capacity is not equivalent to a forecast for the forthcoming 12 months since it does not contain assessments about, for example, future vacancies, 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 addition for estimated market rents for vacant prem-

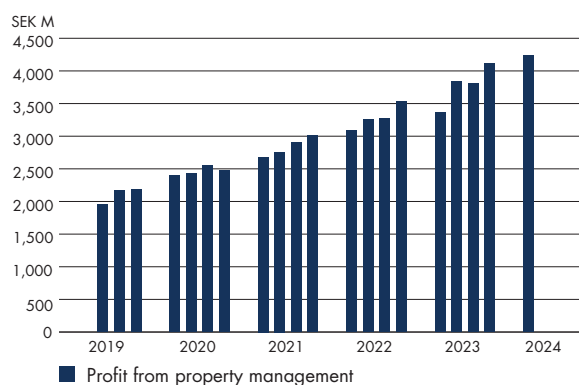
ises. Property expenses are based on actual outcomes over the past 12 months adjusted for the holding period. Central administration costs are based on actual outcomes over the past 12 months. Net financial items are calculated based on interest-bearing liabilities and assets on the balance sheet date. Expenses for interest-bearing liabilities are based on the Group's estimated average interest rate, plus accrued financing costs and the costs for unutilised credit facilities on the balance sheet date. Lease expenses essentially pertain to site leasehold fees that are based on outcomes for the period and restated to 12 months. Tax is calculated at the standard tax rate of 17% (18). Translation from EUR took place at the closing rate of SEK 11.53 (11.28).

Share in profit from joint ventures and associated companies are calculated in accordance with the same principles as for Sagax, taking into account the size of the participations.

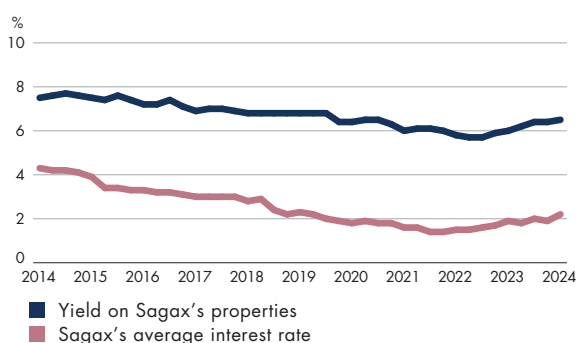
Current earnings capacity

Amounts in SEK M	1 Apr 2024	1 Jan 2024
Rental value	5,026	4,738
Vacancy	-189	-182
Rental revenue	4,837	4,557
Property expenses	-822	-771
Net operating income	4,016	3,785
Central administration	-183	-182
Joint ventures and associated companies	1,095	1,096
Net financial items	-664	-555
Lease expenses	-36	-31
Profit from property management	4,228	4,114
Tax	-719	-741
Profit after tax	3,509	3,374
– of which, holders of Class D shares	253	253
– of which, holders of Class A and B shares	3,256	3,122
Run rate yield, %	6.7	6.6
Net debt/run rate EBITDA, multiple	4.9	4.9

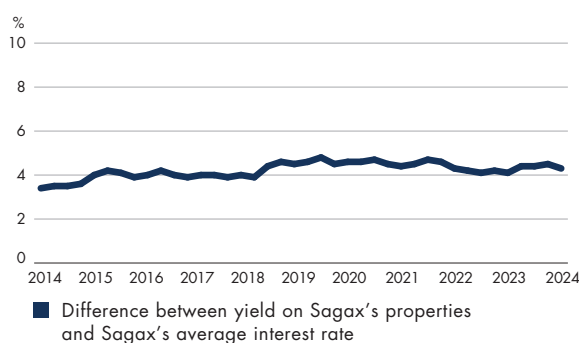
Current earnings capacity before tax



Yield and interest rate



Difference between yield and interest rate



Property portfolio

On 31 March 2024, the property portfolio comprised 911 (749) properties with a lettable area of 4,386,000 square metres (3,894,000). At the end of the period, the rental value and contractual annual rent amounted to SEK 5,026 M (4,237) and SEK 4,837 M (4,065), respectively. This corresponds to an economic occupancy rate of 96% (96).

INVESTMENTS

During the period, Sagax invested SEK 985 M (183), of which property acquisitions accounted for SEK 707 M (19).

A total of SEK 278 M (164) was invested in the existing property portfolio. SEK 54 M (56) referred to property maintenance and SEK 143 M (40) to new construction. In addition, SEK 57 M (61) was invested in connection with new lettings and SEK 24 M (7) against rent supplements. Of total investments, SEK 11 M (6) referred to investments in energy-saving measures.

Sagax has agreed to acquire two properties in France and one in Germany, with closing taking place after the end of the period. The total investment will amount to SEK 74 M.

DIVESTMENTS

During the period, two properties were divested for a total of SEK 30 M.

PROPERTY PORTFOLIO YIELD

The yield for the period was 6.5% (6.0). The run rate yield was 6.7% (6.2).

Summary of property portfolio, 1 April 2024

Segment	Market value			No. of properties	Lettable area, sqm	Vacant area, sqm	Rental value, SEK M	Economic occupancy rate	Contractual annual rent, SEK M
	SEK M	Share	SEK per sqm						
Sweden	14,681	25%	16,000	125	920,000	32,000	1,110	95%	1,056
Finland	19,457	33%	13,200	246	1,476,000	78,000	1,896	95%	1,810
France	10,415	17%	13,900	267	750,000	16,000	874	98%	855
Benelux	8,796	15%	13,200	148	668,000	13,000	661	97%	639
Spain	4,995	8%	10,600	114	472,000	12,000	355	98%	348
Germany	1,343	2%	14,300	9	94,000	2,000	118	99%	117
Other Europe	126	0%	19,500	2	6,000	–	12	100%	12
Total	59,814	100%	13,600	911	4,386,000	153,000	5,026	96%	4,837

Property investments January–March 2024

Amounts in SEK M	Property acquisitions	Existing portfolio	Total	Share of total investments	Divestments	Net investments
Sweden	–	182	182	18%	–	182
Finland	394	47	442	45%	–19	423
France	55	19	74	8%	–11	63
Benelux	27	21	48	5%	–	48
Spain	230	9	239	24%	–	239
Total	707	278	985	100%	–30	955

LEASE STRUCTURE

Sagax has a diverse lease structure, which improves the company's possibilities to maintain a stable occupancy rate. To reduce the risk of lower rental revenue, Sagax endeavours to create long-term relationships with the company's tenants and to achieve diversification in terms of the duration and size of its leases.

Sagax's annual rent at the end of the period was distributed between 2,465 leases (2,250). 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 2,459 leases (2,241) had an individual rental value of less than 1% of the Group's annual rent. The total rental value for these leases accounted for 91% (87) of Sagax's annual rent. In addition, Sagax is party to five leases (eight) with a rental value corresponding to 1–2% of the Group's annual rent. Combined, these leases total 7% (11) of Sagax's annual rent. Only one (one) of Sagax's leases had an annual

rental value that accounted for at least 2% of the Group's annual rent. This lease represented 2% of the Group's annual rent.

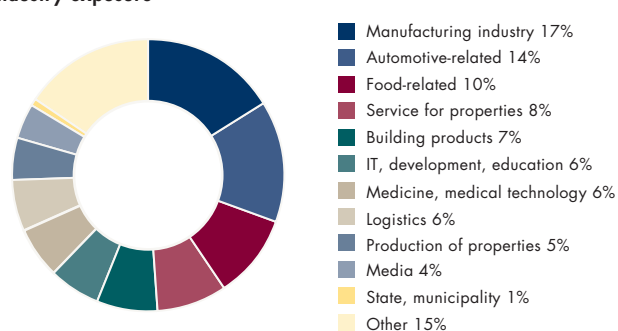
Sagax's tenants operate in a variety of sectors. Companies in the manufacturing industry account for 17% (15) of rental revenue. The automotive-related industry, including sales, service and manufacturing, accounts for 14% (13) of rental revenue and food-related operations for 10% (11). Diverse tenant industries are considered to lower the risk of vacancies and rent losses. The main industries are presented in the pie chart below.

According to Sagax's asset 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 48% of the annual rent expire in or after 2028. 10–17% of annual rent expires each year between 2024 and 2027.

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%	103	2	1	103	13
1–2%	325	7	5	65	4
<1%	4,409	91	2,459	2	5
Total	4,837	100	2,465	2	5

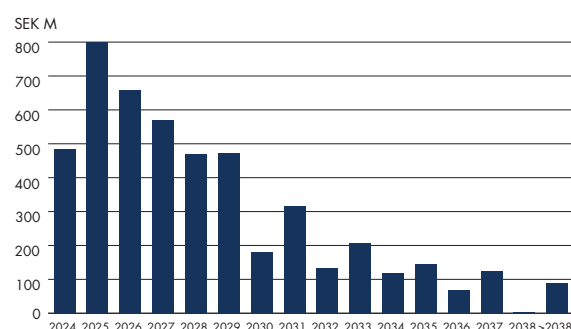
Industry exposure



Lease terms

Year of expiry	No.	Area, sqm	SEK M	Share
2024	672	374,000	484	10%
2025	579	780,000	800	17%
2026	388	587,000	660	14%
2027	299	532,000	569	12%
2028	166	383,000	470	10%
>2028	361	1,578,000	1,855	38%
Total	2,465	4,234,000	4,837	100%

Year of maturity of annual rent



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 Level 3 of IFRS 13 Fair Value Measurement.

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

The total market value of Sagax's 911 properties (749) was established at SEK 59,814 M (53,011) on 31 March 2024. Exchange rate fluctuations during the period resulted in property values denominated in EUR, NOK and DKK changing by SEK 1,646 M (501).

The unrealised change in value for the period amounted to SEK 152 M (–333) corresponding to a change in value of 0.3% (–0.6). In the same period, weighted inflation was 0.8% (1.3) in the markets where Sagax is active. Accordingly, the real change in value amounted to –0.6% (–1.9).

Of this unrealised change in value, SEK 115 M was attributable to property management and SEK 37 M was related to general changes in market value. The weighted capitalisation rate rose marginally by 0.02% to 6.46% compared with the preceding quarter.

Funding terms and market interest rates remain uncertain and caution prevails in the property market with few comparable transactions.

VALUATION METHOD AND IMPLEMENTATION

The valuations were carried out in accordance with generally accepted international valuation methods. Properties corresponding to 97% of the property value have been valued by authorised property appraisers from independent valuation companies as per 31 March 2024. For other properties, the market value was determined as the acquisition price or internal valuations were applied.

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 general rule, the calculation period is ten years. For more information, see Sagax's 2023 Annual Report, page 94.

ANALYSIS AND GENERAL CONDITIONS

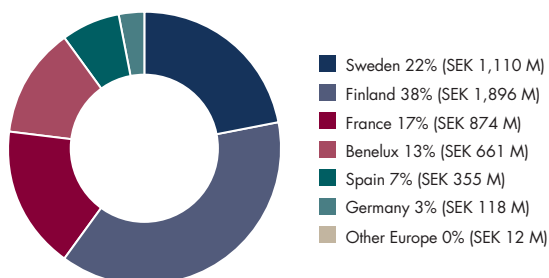
The discount rate for the present value calculation of cash flows (5.1–16.1%), the discount rate for the present value calculation of residual values (5.1–16.1%) and the capitalisation rate for the residual value calculations (4.3–14.0%) are based on comparable transactions and on individual assessments of the risk level and market position of each property.

The weighted discount rate for the present value calculation of cash flows and residual values for the property portfolio amounted to 7.8% (7.8) and 8.0% (7.8), respectively. The weighted capitalisation rate rose to 6.5% (6.3).

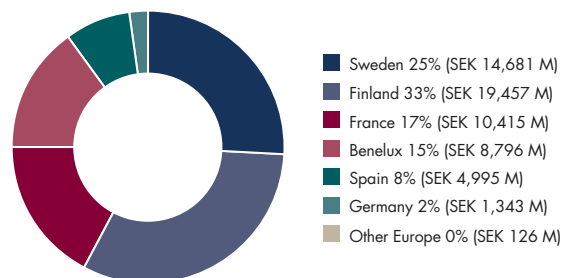
Change in the carrying amounts of the property portfolio

	SEK M	No.
Property portfolio, 31 December 2023	57,061	903
Acquisition of properties	707	10
Investments in the existing portfolio	278	
Divestment of properties	–30	–2
Currency translation effect	1,646	
Unrealised changes in value	152	
Property portfolio, 31 March 2024	59,814	911

Group's rental value



Market value of properties



Joint ventures and associated companies

In addition to the directly owned property portfolio, Sagax has invested in joint ventures and associated companies since 2010. The investment objective is to reach markets that Sagax does not have the capacity to reach, but which are considered attractive for shareholders. The accumulated investments amounted to SEK 7,676 M, which has generated an accumulated dividend of SEK 3,424 M (2,487) for Sagax. The carrying amount of these investments amounted to SEK 13,295 M (10,815), of which 92% comprised Hemsö Fastighets AB, Nyfosa AB, Söderport Property Investment AB and NP3 Fastigheter AB. The change in the carrying amount primarily refers to the reclassification of the holding in Nyfosa AB to associated companies.

These investments contributed a total of SEK 238 M (185) to profit from property management during the period and SEK 175 M (114) to the cash flow. Sagax's share of changes in the value of properties amounted to SEK -95 M (-325) and the share of changes in the value of derivatives was SEK 98 M (-16).

In addition to the participations below, Sagax owns participations amounting to SEK 88 M (7).

JOINT VENTURES

Hemsö Fastighets AB (Hemsö)

Sagax indirectly owns 15% of 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. For more information, refer to www.hemso.se.

Söderport Property Investment AB (Söderport)

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

A corresponding 74% of Söderport's rental value of SEK 1,164 M was located in Stockholm on 31 March 2024.

Fastighetsaktiebolaget Ess-Sierra (Ess-Sierra)

Sagax owns 50% of Ess-Sierra, with the remainder owned by NP3 Fastigheter AB. The operations entail owning and managing properties for primarily building supply stores. The lettable area amounts to 184,000 square metres, the majority of which comprises warehouse premises and building supply stores. Most of the properties are situated in university and regional cities. Sagax handles the financial administration and asset management.

ASSOCIATED COMPANIES

Nyfosa AB (Nyfosa)

Sagax owns shares corresponding to 23.3% of the votes and capital in Nyfosa. The market value of Sagax's shareholding amounted to SEK 4,699 M (2,952) and the carrying amount to SEK 2,745 M (-) on 31 March 2024. The change in the carrying amount was attributable to the reclassification of the holding from listed shares to associated companies.

Nyfosa is a property company active in the Swedish, Finnish and Norwegian markets focusing on commercial properties in high-growth municipalities. The company's property portfolio encompassed 497 properties with a total property value of SEK 39.5 billion and a rental value of SEK 3,949 M on 31 March 2024. Nyfosa is listed on Nasdaq Stockholm, Large Cap. For more information, refer to www.nyfosa.se.

NP3 Fastigheter AB (NP3)

Sagax owns shares corresponding to 21.3% of the votes and 16.1% of the capital in NP3. The market value of Sagax's shareholding amounted to SEK 2,898 M (2,451) and the carrying amount to SEK 2,145 M (2,179) on 31 March 2024.

NP3 is a property company focusing on high-yielding commercial investment properties mainly in northern Sweden. The company's property portfolio encompassed 506 properties with a total property value of SEK 20.4 billion and a rental value of SEK 2,069 M on 31 March 2024. NP3 is listed on Nasdaq Stockholm, Large Cap. For more information, refer to www.np3fastigheter.se.

Fastighetsbolaget Emilshus AB (Emilshus)

Sagax owns shares corresponding to 24.3% of the votes and 22.7% of the capital in Emilshus. The market value of Sagax's shareholding amounted to SEK 912 M (605) and the carrying amount to SEK 736 M (639) on 31 March 2024.

Emilshus acquires, develops and manages commercial properties in Småland and nearby growth regions. The property portfolio encompassed 139 properties with a total market value of SEK 7.5 billion and a rental value of SEK 656 M on 31 March 2024. Emilshus is listed on Nasdaq Stockholm, Mid Cap. For more information, refer to www.emilshus.com.

Sagax's joint ventures

	Hemsö		Söderport		Ess-Sierra	
	2024, Jan – Mar	2023, Jan – Mar	2024, Jan – Mar	2023, Jan – Mar	2024, Jan – Mar	2023, Jan – Mar
<i>Sagax's ownership, %</i>	15	15	50	50	50	50
<i>Sagax's share of comprehensive income, SEK M</i>	–6	–75	58	–59	7	–5
<i>Sagax's share of profit from property management, SEK M</i>	74	74	50	57	6	8
Rental revenue, SEK M	1,283	1,183	274	256	24	24
Profit from property management, SEK M	590	580	100	113	12	16
Profit/loss for the period, SEK M	367	–463	101	–119	14	–11
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
<i>Carrying amount of ownership interest, SEK M</i>	4,615	4,855	2,686	2,821	280	314
No. of properties	487	484	86	84	39	39
Carrying amounts of properties, SEK M	84,236	84,784	14,434	14,058	1,481	1,581
Lettable area, sqm	2,446,000	2,415,000	773,000	770,000	184,000	184,000
Lease term, years	9.4	9.5	4.0	4.1	6.2	6.3
Economic occupancy rate, %	98	98	96	94	100	100
Interest-bearing liabilities, SEK M	50,876	50,535	7,462	7,007	843	866
Loan maturity, years	5.4	6.1	3.7	2.2	3.8	1.7
Average fixed interest rate period, years	5.1	5.3	2.5	1.6	2.7	2.5
Market value of derivatives, SEK M	–357	87	–7	131	–	–

Funding

EQUITY

Consolidated equity amounted to SEK 38,045 M (33,300) on 31 March 2024. During the first quarter of 2024, equity increased due to total comprehensive income of SEK 1,467 M.

INTEREST-BEARING LIABILITIES

Sagax's interest-bearing liabilities at the end of the period amounted to SEK 32,038 M (32,545) corresponding to a nominal amount of SEK 32,179 M (32,614). An amount corresponding to SEK 30,355 M (30,293) of liabilities was recognised in EUR. Exchange rate fluctuations increased interest-bearing liabilities by SEK 1,122 M (399).

Listed bonds amounted to SEK 23,789 M (26,563). Other interest-bearing liabilities comprised commercial paper of SEK 2,325 M (1,871) and liabilities to banks of SEK 5,924 M (4,111).

Unsecured liabilities including commercial paper corresponded to 83% (88) of interest-bearing liabilities.

The interest coverage ratio amounted to 5.8 (6.0) times for the period and the debt ratio to 42% (45) at the end of the period. Net interest-bearing debt was 5.2 (7.2) times EBITDA for the past 12 months and 4.9 (6.8) times run rate EBITDA.

During the period, a total of SEK 4,003 M (3,214) was raised in loans and SEK 3,443 M (3,359) was repaid. Net interest-bearing debt amounted to SEK 22,105 M (25,120).

The average remaining fixed interest and loan maturity terms were 2.7 years (3.1) and 3.4 years (3.7), respectively, at the end of the period. The average interest rate on interest-bearing liabilities on the balance sheet date was 2.2% (1.9), including the effect of derivatives.

Of Sagax's interest-bearing liabilities, SEK 23,790 M (26,269), or 74.3% (80.7), bear fixed interest rates. The company has interest-rate caps and interest-rate swaps with a total nominal value of SEK 2,968 M (2,040), corresponding to 9.3% (6.3) of interest-bearing liabilities.

WORKING CAPITAL AND UNUTILISED CREDIT FACILITIES

Sagax's working capital amounted to SEK –6,470 M (–973) on 31 March 2024. At the same date, unutilised credit facilities including back-up facilities for commercial paper programmes amounted to SEK 10,757 M (7,578). No additional collateral needs to be pledged to utilise these credit facilities.

Interest rate exposure and loan maturity 31 March 2024

Year of expiry	Interest rate exposure ¹⁾			Loan maturity	
	Nominal amount, SEK M	Interest rate	Share	Nominal amount, SEK M	Share
2024	5,544	5.9%	17%	207	1%
2025	4,610	2.3%	14%	4,852	15%
2026	3,458	1.7%	11%	3,746	12%
2027	5,267	2.2%	16%	6,346	20%
2028	6,731	1.3%	21%	6,973	22%
> 2028	6,569	1.2%	20%	10,056	31%
Total/average	32,179	2.2%	100%	32,179	100%

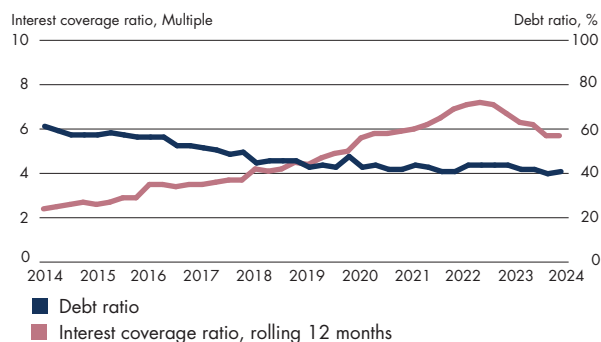
1) Including derivatives.

Net debt

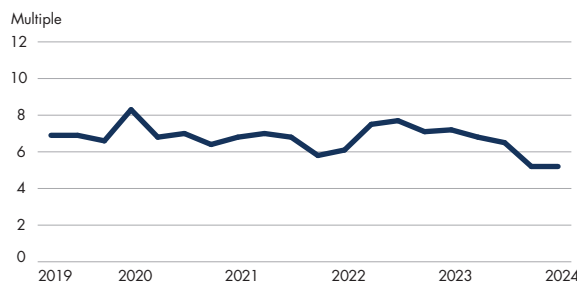
Amounts in SEK M	31 Mar 2024	31 Mar 2023
Interest-bearing liabilities	32,038	32,545
Interest-bearing assets	–761	–779
Listed instruments ¹⁾	–9,157	–6,591
Cash and cash equivalents	–15	–56
Net debt	22,105	25,120

1) Including associated companies whose shares are listed.

Debt ratio and interest coverage ratio



Net debt/EBITDA, rolling 12 months



Listed bonds, 31 March 2024

Maturity	Interest base	Nominal amount, EUR M	Liabilities, EUR M	Effective interest	Coupon rate	Maturity date	ISIN code
2019-2025	Fixed interest	400	401	2.06%	2.25%	13/03/2025	XS1962543820
2022-2026	Fixed interest	300	299	1.78%	1.63%	24/02/2026	XS2447539060
2020-2027	Fixed interest	375	367	1.89%	1.13%	30/01/2027	XS2112816934
2021-2028	Fixed interest	500	498	0.88%	0.75%	26/01/2028	XS2291340433
2021-2029	Fixed interest	500	500	1.01%	1.00%	17/05/2029	XS2342227837
Total/average		2,075	2,064	1.45%	1.29%		

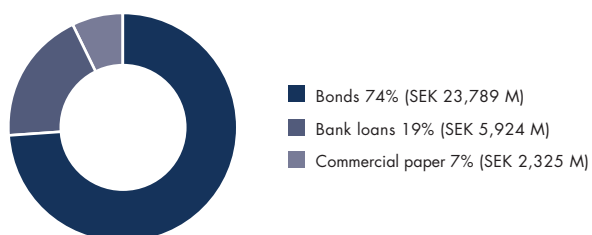
Derivative contracts, 31 March 2024

Amounts in SEK M	Nominal amount	Years to maturity	Market value 31 Mar 2024	Market value 31 Dec 2023	Change for the period
Nominal interest-rate swaps	2,720	4.4	-1	-27	26
Interest-rate caps	248	0.3	4	5	-1
Total/average	2,968	4.1	3	-21	25

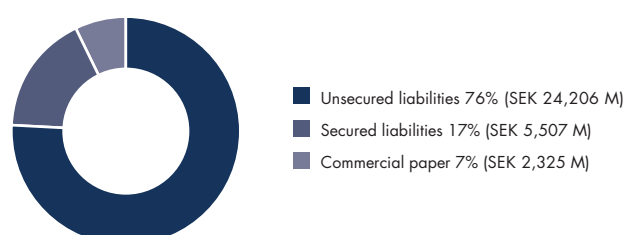
Rating and key performance indicators according to EMTN programme

	Financial covenant in EMTN programme	31 Mar 2024	31 Dec 2023
Rating according to Moody's Investors Services		Baa2, Stable outlook	Baa2, Stable outlook
Net debt/Total assets	<65%	31%	30%
Interest coverage ratio	>1.8x	7.2x	8.1x
Secured liabilities/Total assets	<45%	7%	3%

Sources of financing



Distribution between secured and unsecured liabilities



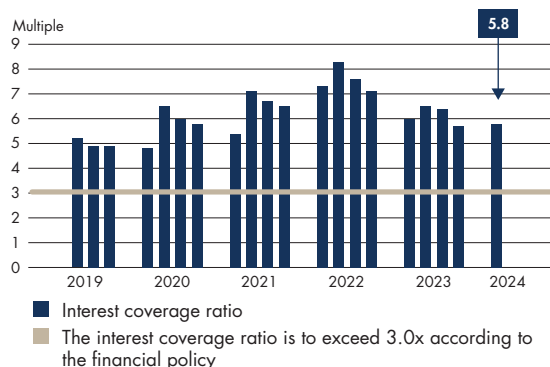
FINANCIAL POLICY

Sagax's financial policy sets guidelines and rules for the financial operations to illustrate how financial risks are to be limited. Sagax has the following guidelines for its financial operations.

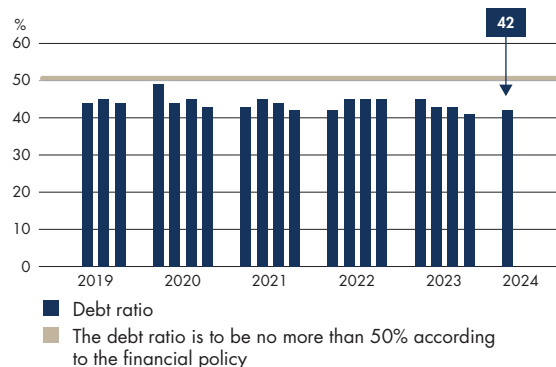
- A debt ratio of no more than 50%.
- An interest coverage ratio exceeding 3.0x.
- Net debt in relation to the Group's EBITDA not above 8x.

The following charts illustrate the outcome for the past five years in relation to the company's guidelines.

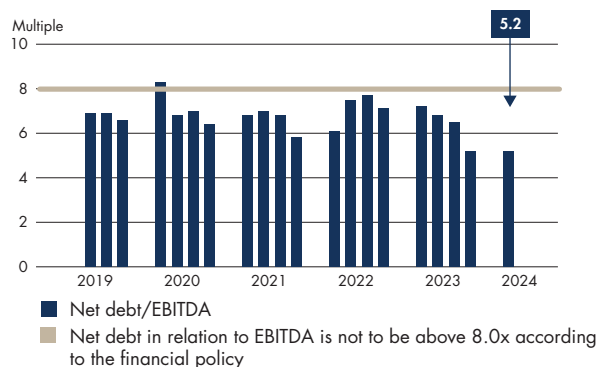
Interest coverage ratio



Debt ratio



Net debt/EBITDA



Other balance-sheet items

LEASES AND SITE LEASEHOLDS

Sagax reports leases and site leaseholds in accordance with IFRS 16. Right-of-use assets are recognised as an asset with a corresponding liability. Sagax's leases and site leaseholds at the end of the period amounted to SEK 539 M (417).

INTEREST-BEARING NON-CURRENT RECEIVABLES

Interest-bearing non-current receivables amounted to SEK 238 M (704) at the end of the period and comprised receivables from joint ventures of SEK 135 M (76) and promissory notes issued in connection with a property divestment in 2021 of SEK 103 M (121). The decrease compared with 2023 was primarily due to a convertible debenture being reclassified to interest-bearing current receivables.

LISTED INSTRUMENTS

Listed instruments amounted to SEK 753 M (3,609) and comprise bonds of SEK 753 M (323) and, when applicable, listed shares that are not holdings in associated companies of SEK – M (3,287).

INTEREST-BEARING CURRENT RECEIVABLES

Interest-bearing current receivables comprise a convertible debenture issued by the French company Groupe BMG valued at SEK 523 M.

OTHER CURRENT ASSETS

Other current assets amounted to SEK 1,220 M (888) at the end of the period and primarily comprised prepaid costs and accrued income of SEK 574 M (434) and rent receivables of SEK 315 M (213).

Consolidated statement of comprehensive income

Amounts in SEK M	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec	Rolling 12 months
Rental revenue	1,185	1,007	4,293	4,471
Other revenue	8	4	25	30
Operating expenses	-113	-103	-350	-360
Maintenance costs	-35	-25	-104	-113
Property tax	-60	-50	-220	-229
Other property expenses	-26	-23	-94	-97
Net operating income	960	809	3,551	3,702
Central administration	-43	-42	-182	-183
Profit from joint ventures and associated companies	177	-147	-556	-232
– of which, profit from property management	238	185	937	991
– of which, changes in value	3	-341	-1,523	-1,179
– of which, tax	-64	9	14	-59
– of which, other	-	-	15	15
Financial income	31	164	339	207
Financial expenses	-184	-165	-734	-752
Financial expense, interest component of leases	-9	-7	-31	-32
Profit including profit from joint ventures and associated companies	932	611	2,388	2,709
– of which, profit from property management	994	943	3,881	3,932
Changes in value of properties, realised	4	-	9	13
Changes in value of properties, unrealised	152	-333	-1,306	-820
Changes in value of financial instruments, realised	-	5	23	17
Changes in value of financial instruments, unrealised	99	-514	-955	-341
Profit/loss before tax	1,187	-232	159	1,578
Deferred tax	-74	7	-16	-98
Current tax	-33	-43	-156	-146
Profit/loss for the period	1,080	-267	-13	1,334
Other comprehensive income				
– items that might be reclassified subsequently to the profit or loss:				
Translation differences for foreign operations	718	222	-174	322
Share of other comprehensive income for joint ventures	-49	2	228	177
Translation differences, hedge accounting	-272	-120	29	-124
Tax on items that may be reclassified	-10	0	16	7
Total other comprehensive income, net of tax	387	104	99	382
Total comprehensive income for the period	1,467	-163	86	1,716
Earnings per Class A and B share, SEK	3.01	-1.04	-0.82	3.23
Earnings per Class A and B share after dilution, SEK	3.01	-1.04	-0.82	3.22
Earnings per Class D share, SEK	0.50	0.50	2.00	2.00
Average no. of Class A and B shares, million	338.3	318.0	324.8	329.9
Average no. of Class A and B shares after dilution, million	338.5	318.5	325.1	330.1
Average number of Class D shares, million	126.3	126.3	126.3	126.3

Condensed consolidated statement of financial position

Amounts in SEK M	2024 31 Mar	2023 31 Mar	2023 31 Dec
Investment properties	59,814	53,011	57,061
Leases, right-of-use assets	539	417	454
Joint ventures and associated companies	13,295	10,815	13,171
Deferred tax assets ¹⁾	155	282	168
Derivatives	3	12	–
Interest-bearing non-current receivables	238	704	225
Other fixed assets	90	154	127
Total fixed assets	74,134	65,395	71,207
Listed instruments	753	3,609	752
Current finance lease asset	–	2,044	–
Interest-bearing current receivables	523	–	504
Other current assets	1,220	888	919
Cash and bank balances	15	56	28
Total current assets	2,511	6,598	2,203
Total assets	76,645	71,993	73,410
Equity	38,045	33,300	36,578
Non-current interest-bearing liabilities	24,646	26,315	25,436
Deferred tax liabilities ¹⁾	4,101	4,083	3,954
Derivatives	–	–	21
Non-current lease liabilities	539	417	454
Other non-current liabilities	332	307	318
Total non-current liabilities	29,618	31,122	30,184
Commercial paper	2,325	1,871	1,495
Other current interest-bearing liabilities	5,067	4,359	3,412
Other current liabilities	1,589	1,341	1,741
Total current liabilities	8,981	7,571	6,648
Total equity and liabilities	76,645	71,993	73,410

¹⁾ Comparative figures as of 31 March 2023 pertaining to deferred tax assets and deferred tax liabilities have been updated. Deferred tax regarding unutilised loss carryforwards and financial instruments totaling SEK 282 M were previously recognised in a net amount under deferred tax liabilities.

Consolidated statement of cash flows

Amounts in SEK M	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec	Rolling 12 months
Profit/loss before tax	1,187	-232	159	1,578
Tax paid	-32	-32	-130	-130
Adjustment for items in operating activities				
Changes in value of financial instruments	-99	509	932	324
Change in value of properties	-156	333	1,297	808
Profit/loss from joint ventures and associated companies	-177	147	556	232
Dividends from joint ventures and associated companies	175	114	653	714
Dissolution of allocated borrowing costs	13	11	49	51
Other items not included in cash flow	-6	-13	-31	-25
Cash flow from operating activities before changes in working capital	905	838	3,485	3,552
Cash flow from changes in current receivables	151	196	79	33
Cash flow from changes in current liabilities	-557	-404	1	-152
Cash flow from operating activities	499	630	3,565	3,433
Acquisition of properties	-707	-19	-5,088	-5,776
Divestment of properties	30	21	86	94
Investments in existing properties	-278	-164	-902	-1,016
Acquisition of listed shares	-	-25	-334	-309
Divestment of listed shares	-	69	478	409
Purchase of financial instruments	-15	-235	-733	-513
Sale of financial instruments	15	18	2,122	2,119
Acquisition of joint ventures and associated companies	-96	-50	-111	-152
Divestments of joint ventures and associated companies	-	-	-	-5
Capital contribution to joint ventures and associated companies	-	-	-225	-225
Lending to joint ventures and associated companies	-11	-	-45	-55
Increase in other fixed assets	-2	-46	-260	-217
Decrease in other fixed assets	39	-	264	303
Cash flow from investing activities	-1,025	-430	-4,749	-5,344
Issue of Class B shares	-	-	4,166	4,166
Dividends paid to shareholders	-63	-63	-1,111	-1,111
Incentive plan	-	-	-26	-26
Proceeds from borrowings	4,003	3,214	7,326	8,115
Repayment of borrowings	-3,443	-3,359	-9,206	-9,290
Decrease in other non-current liabilities	-3	-14	-195	-184
Increase in other non-current liabilities	17	-	181	198
Cash flow from financing activities	511	-222	1,135	1,868
Cash flow for the period	-14	-21	-49	-42
Exchange rate differences in cash and cash equivalents	1	1	1	1
Change in cash and cash equivalents	-13	-20	-48	-41
Cash and cash equivalents at beginning of period	28	76	76	56
Cash and cash equivalents at end of period	15	56	28	15

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 year	Total equity ¹⁾
Equity, 31 December 2022	781	3,616	1,078	27,988	33,463
Profit/loss for the period, January-March 2023	–	–	–	–267	–267
Other comprehensive income, January-March 2023	–	–	104	–	104
Total comprehensive income for the period	–	–	104	–267	–163
Equity, 31 March 2023	781	3,616	1,182	27,721	33,300
Profit/loss for the period, April-December 2023	–	–	–	254	254
Other comprehensive income, April-December 2023	–	–	–5	–	–5
Total comprehensive income for the period	–	–	–5	254	249
Transactions with shareholders					
Issue of Class B shares	36	4,176	–	–	4,212
Dividends	–	–	–	–1,111	–1,111
Transactions with shareholders	36	4,176	–	–1,111	3,101
Other transactions					
Transaction costs	–	–46	–	–	–46
Redemption of incentive plan	–	–	–	–34	–34
Subscription of incentive plan	–	–	–	8	8
Other transactions	–	–46	–	–26	–72
Equity, 31 December 2023	817	7,746	1,177	26,838	36,578
Profit/loss for the period, January-March 2024	–	–	–	1,080	1,080
Other comprehensive income, January-March 2024	–	–	387	–	387
Total comprehensive income for the period	–	–	387	1,080	1,467
Equity, 31 March 2024	817	7,746	1,564	27,918	38,045

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

Parent Company income statement

Amounts in SEK M	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Net sales	30	32	125
Administration costs	-34	-30	-131
Profit/loss before financial income and expenses	-4	2	-5
Profit from participations in Group companies	400	-	2,171
Profit from participations in joint ventures	-	-	161
Financial income	243	249	1,033
Financial expenses	-113	-116	-759
Profit before tax and appropriations	525	135	2,601
Appropriations	-	-	102
Tax	-	-	-18
Profit/loss for the period	525	135	2,684

Condensed Parent Company balance sheet

Amounts in SEK M	2024 31 Mar	2023 31 Mar	2023 31 Dec
Tangible fixed assets	2	1	1
Receivables from Group companies	1,918	683	2,101
Other financial fixed assets	15,581	13,378	15,697
Total fixed assets	17,501	14,062	17,799
Receivables from Group companies	24,489	24,059	25,868
Other current assets	18	23	37
Cash and bank balances	-	-	2
Total current assets	24,507	24,083	25,907
Total assets	42,008	38,145	43,706
Equity	11,522	5,412	10,990
Untaxed reserves	13	22	13
Non-current interest-bearing liabilities	4,197	7,414	7,291
Liabilities to Group companies	18,268	18,294	18,096
Deferred tax liabilities	5	5	5
Total non-current liabilities	22,470	25,713	25,393
Current interest-bearing liabilities	2,462	1,937	1,612
Liabilities to Group companies	5,427	4,955	5,417
Other current liabilities	113	106	281
Total current liabilities	8,003	6,998	7,310
Total equity, untaxed reserves and liabilities	42,008	38,145	43,706

Segment information

Segment	Rental revenue ¹⁾		Net operating income		Changes in value, properties				Total return	
					Unrealised		Realised			
	2024 Jan-Mar	2023 Jan-Mar	2024 Jan-Mar	2023 Jan-Mar	2024 Jan-Mar	2023 Jan-Mar	2024 Jan-Mar	2023 Jan-Mar	2024 Jan-Mar	2023 Jan-Mar
Amounts in SEK M										
Sweden	264	234	217	193	-149	-73	-	-	67	120
Finland	445	402	343	315	153	-66	2	-	497	248
France	203	156	164	120	154	37	3	0	321	157
Benelux	158	135	144	118	-39	-227	-	-	105	-109
Spain	84	53	77	48	37	-3	-	-	114	44
Germany	28	25	27	24	-2	1	-	-	25	25
Other Europe	3	3	3	3	-2	-2	-	-	1	1
Non-specified	-	-	-16	-11	-	-	-	-	-16	-11
Total	1,185	1,007	960	809	152	-333	4	0	1,116	476

1) All rental revenue pertains to external tenants.

Segment	Market value properties		Investments properties		Acquisition properties		Divestment properties	
	2024 31 Mar	2023 31 Mar	2024 Jan-Mar	2023 Jan-Mar	2024 Jan-Mar	2023 Jan-Mar	2024 Jan-Mar	2023 Jan-Mar
Amounts in SEK M								
Sweden	14,681	14,818	182	93	-	15	-	-
Finland	19,457	18,078	47	30	394	1	-19	-
France	10,415	8,114	19	21	55	1	-11	-21
Benelux	8,796	7,263	21	10	27	1	-	-
Spain	4,995	3,270	9	10	230	-	-	-
Germany	1,343	1,326	-	1	-	1	-	-
Other Europe	126	143	-	-	-	-	-	-
Total	59,814	53,011	278	164	707	19	-30	-21

Key performance indicators

	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec
Property-related key figures							
Yield, %	6.5	6.0	6.4	5.8	6.0	6.3	6.4
Surplus ratio, %	81	80	83	82	83	83	83
Occupancy rate by area, %	97	96	97	95	96	95	95
Economic occupancy rate, %	96	96	96	96	96	95	95
Lettable area at the end of the period, 000 sqm	4,386	3,894	4,331	3,895	3,759	3,480	3,022
No. of properties the end of the period	911	749	903	751	673	673	553
Financial key figures							
Return on total capital, %	6.3	6.2	6.4	5.7	5.9	6.6	6.7
Return on equity, %	11.6	-3.2	0.0	8.4	36.6	17.8	23.7
Average interest rate, %	2.2	1.9	1.9	1.7	1.4	1.8	1.9
Fixed interest period incl. derivatives, years	2.7	3.1	2.8	3.2	4.0	3.4	3.5
Loan maturity, years	3.4	3.7	3.1	3.7	4.3	3.4	3.8
Equity/assets ratio, %	50	46	50	46	50	48	48
Debt ratio, %	42	45	41	45	42	43	44
Net debt/run rate EBITDA, multiple	4.9	6.8	4.9	6.5	5.4	6.4	6.6
Net debt/EBITDA, multiple	5.2	7.2	5.2	7.1	5.8	6.4	6.6
Interest coverage ratio, multiple	5.8	6.0	5.7	7.1	6.5	5.7	4.9
Interest coverage ratio, EMTN programme, multiple	7.2	20.6	8.1	12.7	9.4	6.4	5.3
Data per Class A and B share							
Price of Class B share at the end of the period, SEK	282.40	238.80	277.40	236.50	305.00	169.60	136.20
Net asset value, SEK	115.45	106.28	110.90	106.61	97.92	66.38	56.77
Equity, SEK	99.39	90.81	95.05	91.33	83.93	55.19	46.86
Equity after dilution, SEK	99.35	90.67	95.01	91.20	83.84	55.09	46.78
Earnings, SEK	3.01	-1.04	-0.82	7.76	30.09	10.80	12.15
Earnings after dilution, SEK	3.01	-1.04	-0.82	7.75	30.04	10.78	12.13
Profit from property management, SEK	2.75	2.77	11.17	9.71	8.01	6.63	5.51
Profit from property management after dilution, SEK	2.75	2.76	11.16	9.70	7.99	6.62	5.51
Cash flow, SEK	2.49	2.43	9.95	8.69	6.59	6.10	4.86
Cash flow after dilution, SEK	2.49	2.43	9.94	8.68	6.58	6.09	4.86
Dividend per share, SEK (proposed for 2023)	-	-	3.10	2.70	2.15	1.65	1.30
No. of shares at the end of the period, millions	338.3	318.0	338.3	318.0	317.7	317.3	317.1
No. of shares the end of the period after dilution, millions	338.5	318.5	338.5	318.5	318.0	317.9	317.5
Average number of shares, million	338.3	318.0	324.8	317.8	317.5	317.1	316.9
Average number of shares after dilution, million	338.5	318.5	325.1	318.3	318.0	317.7	317.3
Data per Class D share							
Share price at the end of the period, SEK	29.90	26.20	28.00	26.70	33.40	32.05	36.35
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 2023)	-	-	2.00	2.00	2.00	2.00	2.00
No. of shares the end of the period, millions	126.3	126.3	126.3	126.3	126.3	125.8	107.8
Average number of shares, million	126.3	126.3	126.3	126.3	126.2	118.4	105.7

Definitions of key performance indicators are provided on pages 32–33.

The Sagax share and shareholders

At the end of the period, Sagax had 23,907 (23,350) shareholders. Sagax's market capitalisation amounted to SEK 99,284 M (79,257).

Sagax has three classes of shares: Class A, B and D common shares. The shares are listed on Nasdaq Stockholm, Large Cap.

A total of 466,595,984 shares were outstanding at the end of the period, of which 2,000,000 were Class B treasury shares. 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 0.3% 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 2021-2024, 2022-2025 and 2023-2026.

The subscription price corresponds to the price paid for the Class B share at the start of each warrant plan, converted using the average share price performance in accordance with a real estate index com-

prising property companies listed on Nasdaq Stockholm's main list for a three-year 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 CLASS A AND B SHARE

Profit from property management per Class A and B share after dilution on a rolling 12-month basis amounted to SEK 11.15 (10.19), which, compared with the share price of the Class B share at the end of the period, corresponded to a multiple of 25.3 (23.4).

EQUITY PER CLASS A AND B SHARE

Equity per Class A and B share after dilution amounted to SEK 99.35 (90.67). Net asset value per Class A and B share amounted to SEK 115.45 (106.28). The share price for the Class B share at the end of the period was 284% (263) of equity per Class A and B share and 245% (225) of net asset value per Class A and B share.

Key performance indicators per Class B share

	2024 31 Mar	2023 31 Mar	2023 31 Dec	2022 31 Dec	2021 31 Dec	2020 31 Dec	2019 31 Dec
Share price at the end of the period, SEK	282.40	238.80	277.40	236.50	305.00	169.60	136.20
Profit from property management after dilution, SEK ¹⁾	11.15	10.19	11.16	9.70	7.99	6.62	5.51
Cash flow after dilution, SEK ¹⁾²⁾	10.00	9.20	9.94	8.68	6.58	6.09	4.86
Equity after dilution, SEK	99.35	90.67	95.01	91.20	83.84	55.09	46.78
Net asset value, SEK	115.45	106.28	110.90	106.61	97.92	66.38	56.77
Share price/Profit from property management, multiple	25.3	23.4	24.9	24.4	38.2	25.6	24.7
Share price/Cash flow, multiple ¹⁾	28.3	25.9	27.9	27.3	46.4	27.9	28.0
Share price/Equity, %	284	263	292	259	364	308	292
Share price/Net asset value, %	245	225	250	222	311	255	240

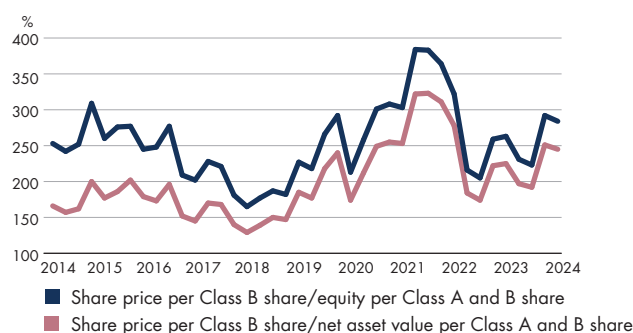
1) Profit from property management and cash flow pertains to rolling 12 months.

2) Cash flow pertains to cash flow from operating activities before changes in working capital.

Share price/profit from property management per Class A and B share



Share price in relation to equity and net asset value



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 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
Class A shares	281.00	239.00	1	1	0	0
Class B shares	282.40	238.80	32	27	101	79
Class D shares	29.90	26.20	63	56	9	7

Ownership structure, 31 March 2024¹⁾

No. of shares	No. of shareholders	Shareholder category	No.	Share of voting power	Shareholders by country	No.	Share of voting power
1–500	16,986	Private individuals residing in Sweden	22,066	13%	Sweden	22,682	84%
501–1,000	1,977				USA	91	5%
1,001–2,000	1,597				Norway	205	2%
2,001–5,000	1,506	Companies/institutions in Sweden	616	71%	Netherlands	13	1%
5,001–10,000	665	Companies/institutions abroad	915	10%	Denmark	492	1%
10,001–50,000	835				Other	424	8%
50,001–	341	Unknown type of shareholder	–	6%			
Total	23,907	Total	23,907	100%	Total	23,907	100%

1) Including shares held by AB Sagax.

Largest shareholders, 31 March 2024

	No. of shares			Percentage of	
	Class A shares	Class B shares	Class D shares	Share capital	Votes ¹⁾
David Mindus and companies	14,000,000	63,713,912	900,000	16.8%	29.1%
Staffan Salén and companies	5,737,309	28,598,279	95,600	7.4%	12.2%
Third Swedish National Pension Fund	–	23,812,862	–	5.1%	3.4%
Fourth Swedish National Pension Fund	821,630	11,975,927	9,648,561	4.8%	4.2%
Avanza Pension	41,716	292,896	14,132,584	3.1%	2.1%
Vanguard	–	7,780,468	5,732,938	2.9%	1.9%
SEB Fonder	–	12,074,209	–	2.6%	1.7%
Länsförsäkringar Fonder	–	9,598,938	823,537	2.2%	1.5%
Handelsbanken Fonder	–	8,602,197	1,669,266	2.2%	1.5%
BlackRock	–	8,423,998	32,582	1.8%	1.2%
Patrik Brummer and companies	–	–	8,357,887	1.8%	1.2%
Norges Bank	–	4,004,928	2,972,130	1.5%	1.0%
Filip Engelbert and companies	241,000	1,869,784	4,200,000	1.4%	1.2%
Lannebo Fonder	–	5,870,826	–	1.3%	0.8%
Swedbank Robur Fonder	500,000	5,236,458	–	1.2%	1.5%
Erik Selin and companies	1,179,959	2,486,964	2,000,794	1.2%	2.3%
Second Swedish National Pension Fund	–	4,700,980	–	1.0%	0.7%
Folksam	–	3,834,897	–	0.8%	0.5%
Didner & Gerge Fonder	–	3,453,502	–	0.7%	0.5%
Danske Invest	–	1,441,011	1,800,000	0.7%	0.5%
Total 20 largest shareholders	22,521,614	207,773,036	52,365,879	60.6%	69.0%
Other shareholders	3,993,803	104,046,202	73,895,450	39.0%	31.0%
Sub-total	26,515,417	311,819,238	126,261,329	99.6%	100.0%
Shares held by AB Sagax	–	2,000,000	–	0.4%	–
Total	26,515,417	313,819,238	126,261,329	100.0%	100.0%
– of which, Board and employees	20,353,565	100,876,677	6,578,330	27.4%	44.2%

1) Voting rights for treasury shares held by AB Sagax have been excluded.

Source: Monitor from Modular Finance AB. Data compiled and processed from such sources as Euroclear Sweden, Morningstar and Finansinspektionen.

Voting rights and proportion of share capital

Class of shares	No. of shares	Voting rights per share	No. of votes	Proportion of votes	Proportion of share capital
Class A shares	26,515,417	1.0	26,515,417.00	38%	6%
Class B shares	313,819,238	0.1	31,381,923.80	44%	67%
Class D shares	126,261,329	0.1	12,626,132.90	18%	27%
Total	466,595,984		70,523,473.70	100%	100%

Risks and uncertainties

To prepare the accounts based on IFRS, 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 is affected by the estimates and assumptions made. To reduce the risk of incorrect estimates, properties corresponding to 97% of the property value on 31 March 2024 were valued by authorised property appraisers from independent valuation companies. By their very nature, properties valuations are always associated with uncertainty.

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.

Sagax mainly enters into net leases. This means the tenant accounts for the costs of such items as heating, electricity, property tax, water and sewage, in addition to the contractual rent. Accordingly, Sagax is only affected to a limited extent by changed costs due to changes in consumption or changed rates for such utilities as heating and electricity. More than 95% of Sagax's leases are indexed to the CPI or the equivalent. Annual indexation may, in certain cases, be limited by a CPI ceiling or floor. A small number of leases have annual fixed rental adjustments.

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 a rise in interest rates, the Group has a significant portion of 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 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 2024, assets less liabilities in EUR, amounted to SEK 13,017 M (7,800). In total, net exposure in EUR amounted to 34% (23) of equity.

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. On 31 March, EUR 1 was equivalent to SEK 11.53 (11.28), DKK 1 was equivalent to SEK 1.55 (1.51) and NOK 1 was equivalent to SEK 0.99. Revenue and expense items are translated at the average exchange rate for the period: EUR 1 was equivalent to SEK 11.28 (11.20), DKK 1 was equivalent to SEK 1.51 (1.50) and NOK 1 was equivalent to SEK 0.99. 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.

RISK OF CONFLICTS OF INTEREST

To limit the risk of potential conflicts of interest, the Group has policies that prohibit Sagax's employees and Board members from:

- Committing to Board assignments in property companies that primarily own warehouse and industrial premises except for those companies in which Sagax is a shareholder and when the Board assignment is performed within the framework of Sagax's operations.
- Investing in companies in which Sagax is a shareholder.
- Investing in competitors for an amount exceeding 10% of the value of the employee's or Board member's holdings in Sagax.

The policies also specify that senior executives and Board members who borrow against more than 10% of the market value of their shares in Sagax shall notify the company. As per the publication of this report no such notification has been received.

OTHER RISKS

Geopolitical conflicts and the transition from a low interest-rate environment to higher interest rates had a negative effect on the financial markets, resulting in, for example, rising market interest rates and greater volatility. The property market has thus been negatively impacted by this. The company is monitoring developments to identify and, if possible, address any risks.

Sagax's other risks are described in the 2023 Annual Report, on pages 50-53.

Currency exposure

Amounts in EUR M	2024 31 March	2023 31 March
Investment properties	3,956	3,374
Other assets	155	307
Total assets	4,111	3,681
Interest-bearing liabilities	2,634	2,687
Other liabilities	349	303
Total liabilities	2,983	2,990
Net exposure	1,129	692

SENSITIVITY ANALYSIS

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

Sensitivity analysis for property values

	-20%	-10%	0%	+10%	+20%
Value change, SEK M	-11,963	-5,981	-	5,981	11,963
Debt ratio, %	50	45	42	39	36

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, multiple	5.2	5.5	5.8	N/A	N/A

Sensitivity analysis for property values

	Change	Value change, SEK M
Capitalisation rate	+/-0.25% point	-1,703/+1,851
Discount rate	+/-0.25% point	-948/+975
Rental revenue	+/-5%	+2,556/-2,579
Property expenses	+/- 5%	-344/+347

Sensitivity analysis on 31 March 2024¹⁾

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	+50/-50	+42/-42	+42/-42
Rental revenue	+/-1%	+48/-48	+40/-40	+40/-40
Property expenses	+/-1%	-8/+8	-7/+7	-7/+7
Interest expenses for liabilities in SEK including fixed income derivatives	+/-1% point	-10/+10	-8/+8	-8/+8
Interest expenses for liabilities in EUR including fixed income derivatives	+/-1% point	-37/+37	-31/+31	-31/+31
Change in SEK/EUR exchange rate ²⁾	+/-10%	+236/-236	+197/-197	+1,299/-1,299
Changed rent level for contract maturities in 2024	+/-10%	+48/-48	+40/-40	+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.

Other disclosures

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 2023 Annual Report and are to be read together with this Annual Report.

There are no amendments to accounting standards in 2024 that are deemed to have any material impact on the company’s financial statements.

Rounding-off differences may occur.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described in Note 27 of the 2023 Annual Report. No material changes regarding transactions with related parties have taken place in relation to the information presented in the 2023 Annual Report.

EVENTS AFTER THE REPORTING PERIOD

Sagax has today indirectly acquired 27% of a property portfolio comprising 43 properties with 285,000 square metres of lettable area and 902,000 square metres of freehold land in France.

The properties are fully leased to Metro AG which uses the premises for wholesale operations in the HORECA segment. The average remaining lease term is 10.3 years. Metro AG has more than 90,000 employees and sales amounted to approximately SEK 350 billion in 2023.

The property portfolio is concentrated to the Paris, Lyon, Lille and Marseille regions and has an externally estimated market value of the equivalent of SEK 3,450 million. The annual rental income amounts to the equivalent of SEK 277 million and is indexed to ILC, a standard index for commercial leases in France. The tenant is responsible for all operating and maintenance costs with the exception for the long-term maintenance of the properties.

Sagax’s investment is made through acquisition of 27% of the shares in the SPV owning the properties. The shares are unlisted and are acquired from Amundi Real Estate.

Additionally, Sagax has acquired 2 properties in Spain and 1 property in Finland. The properties have a total lettable area of 25,300 square meters, mainly consisting of premises for warehouse and industrial purposes. The rental income amounts to the equivalent of SEK 14 million per year. The occupancy rate is 100%. The average remaining lease term is 4.6 years.

Sagax total investment amounts to the equivalent of SEK 1,090 million and closing has taken place.

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, 8 May 2024
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 8 May 2024 at 1:30 p.m. CEST.

Calendar

The financial calendar is available at www.sagax.se.

Interim report January – June 2024

15 July 2024

Interim report January – September 2024

25 October 2024

Year-end report 2024

20 February 2025

SCHEDULE OF DIVIDEND PAYMENTS TO HOLDERS OF CLASS D SHARES

June 2024¹⁾

■ Final day for trading including dividend rights	26 June 2024
■ First day for trading excluding dividend rights	27 June 2024
■ Record date for dividend payment	28 June 2024

September 2024¹⁾

■ Final day for trading including dividend rights	26 September 2024
■ First day for trading excluding dividend rights	27 September 2024
■ Record date for dividend payment	30 September 2024

December 2024¹⁾

■ Final day for trading including dividend rights	26 December 2024
■ First day for trading excluding dividend rights	27 December 2024
■ Record date for dividend payment	30 December 2024

March 2025¹⁾

■ Final day for trading including dividend rights	27 March 2025
■ First day for trading excluding dividend rights	28 March 2025
■ Record date for dividend payment	31 March 2025

1) Date proposed by the Board.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Visit us at www.sagax.se.

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 after dilution	Profit before tax adjusted for items not included in cash flow, less tax paid and increased by dividends received from joint ventures and associated companies in relation to the weighted average number of Class A and B shares after dilution. Dividends on Class D shares for the period have also been deducted from 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.
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.
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.
Earnings per Class A and B share	Profit for the period in relation to the weighted average number of Class A and B shares after taking into account the portion of profit for the period represented by Class D shares.	The KPI shows the shareholders' share of profit.
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.
EBITDA	Net operating income less central administration costs plus dividends received from joint ventures and associated companies.	Sagax uses EBITDA so that the Net debt/EBITDA KPI shows financial risk.
Economic occupancy rate	Contractual annual rent at 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.
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.	The KPI shows the owner's share of equity.
Equity per Class D share	Equity at the end of the period as a percentage of the number of common shares at the end of the period. Equity is restricted to SEK 35.00 per Class D share.	The KPI shows the owner's share of equity.
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.
Interest coverage ratio	Profit from property management, excluding profit from property management from joint ventures and associated companies but including dividends from joint ventures and associated companies, after reversal of financial expenses in relation to financial expenses (including lease 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 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.
Lease term	Remaining term of a lease.	The KPI shows the risk of future vacancies.
Net asset value	Recognised equity according to the balance sheet, less equity attributable to Class D shares, with add-back of reserves for fixed income derivatives, deferred tax on temporary differences on property values and fixed income derivatives. Reversal of corresponding items attributable to joint ventures and associated companies takes place on a separate row.	An established indicator of the Group's net asset value that facilitates analyses and comparisons with EPRA NAV.

Key performance indicators	Description	Reason for alternative performance measure
Net debt	Interest-bearing liabilities less interest-bearing assets, cash and cash equivalents, and listed instruments.	The KPI shows the Group's indebtedness.
Net debt according to EMTN programme	Financial indebtedness less listed shares and cash and cash equivalents.	The KPI shows the Group's indebtedness.
Net debt according to EMTN programme/Total assets	Financial indebtedness less listed shares 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 existing property portfolio, as well as sales of properties.	The KPI shows the investment volume.
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.
Occupancy rate by area	Area let at 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. Also includes changes in value from subsidiaries, associated companies and joint ventures.	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 divided by the weighted 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	Pertains to properties held under title or site leasehold.	Not an APM.
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.
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.
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 efficiently a company is generating income from the equity investments of its shareholders.
Return on total capital	Profit from property management for the period, recalculated to 12 months, 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 according to current earnings capacity less 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 rolling 12 months.	Sagax uses EBITDA so that the run rate Net debt/EBITDA KPI shows financial risk.
Secured liabilities/Total assets	Liabilities secured with pledged assets as a percentage of total assets.	The KPI shows financial risk for bond holders.
Surplus ratio	Net operating income for the period as a percentage of rental revenue for the period.	The KPI shows the profitability of the properties.
Total return on property portfolio	Total of adjusted net operating income and unrealised changes in property value during the period as a percentage of the property value at the end of the period adjusted for unrealised changes in value 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.
Working capital	Current assets less current liabilities.	The KPI describes the capital that Sagax has available, excluding available credit facilities, to conduct its daily operations.
Yield	Net operating income for the period with add-back of site leasehold fees, recalculated to 12 months, adjusted for the holding periods of the properties during the period and recalculated to the current exchange rates on the balance sheet date 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.

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

Amounts in SEK M unless otherwise stated	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Cash flow per Class A and B share			
Profit/loss before tax	1,187	-232	159
Items not affecting cash flow	-251	1,101	3,456
Tax paid	-32	-32	-130
Dividends attributable to Class D shares	-63	-63	-253
Cash flow	841	774	3,232
Cash flow per Class A and B share	2.49	2.43	9.94
Debt ratio			
Interest-bearing liabilities	32,038	32,545	30,343
Total assets	76,645	71,993	73,410
Debt ratio	42%	45%	41%
Earnings per Class A and B share¹⁾			
Profit after tax	1,080	-267	-13
Dividends attributable to Class D shares	-63	-63	-253
Adjusted profit/loss after tax	1,017	-331	-266
Earnings per Class A and B share after dilution, SEK	3.01	-1.04	-0.82
EBITDA rolling 12 months			
Net operating income	3,702	3,129	3,551
Central administration	-183	-180	-182
Dividends from joint ventures and associated companies	714	556	653
EBITDA	4,233	3,505	4,023
Economic occupancy rate			
Contractual annual rent	4,837	4,065	4,557
Rental value	5,026	4,237	4,738
Economic occupancy rate	96%	96%	96%
Equity/assets ratio			
Equity	38,045	33,300	36,578
Total assets	76,645	71,993	73,410
Equity/assets ratio	50%	46%	50%
Equity per Class A and B share			
Equity	38,045	33,300	36,578
Equity attributable to Class D shares	-4,419	-4,419	-4,419
Equity attributable to Class A and B shares	33,626	28,881	32,159
No. of shares	338,334,655	318,020,017	338,334,655
No. of shares after dilution	338,476,024	318,512,657	338,477,071
Equity per Class A and B share, SEK	99.39	90.81	95.05
Equity per Class A and B share after dilution, SEK	99.35	90.67	95.01

Amounts in SEK M unless otherwise stated	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Interest coverage ratio			
Profit from property management	994	943	3,881
Reversal of profit from property management joint ventures and associated companies	-238	-185	-937
Dividends from joint ventures and associated companies	175	114	653
Financial expenses incl leases	193	173	765
Adjusted profit from property management before financial expenses	1,122	1,045	4,362
Interest coverage ratio	5.8x	6.0x	5.7x
Interest coverage ratio, EMTN programme			
Profit from property management	994	943	3,881
Net financial items	161	48	550
Profit from property management before net financial items	1,155	991	4,431
Interest coverage ratio	7.2x	20.6x	8.1x
Net asset value			
Equity	38,045	33,300	36,578
Equity attributable to Class D shares	-4,419	-4,419	-4,419
Reversal of derivatives	-3	-12	21
Reversal of deferred tax, net	4,030	4,004	3,882
Reversals due to joint ventures and associated companies	1,424	978	1,474
Net asset value	39,077	33,851	37,537
NAV per Class A and B share after dilution, SEK	115	106	111
Net debt			
See page 15.			
Net debt according to EMTN programme			
Interest-bearing liabilities	32,038	32,545	30,343
Listed shares in fixed assets ²⁾	-8,404	-2,981	-8,030
Listed shares in current assets	-	-3,287	-
Cash and cash equivalents	-15	-56	-28
Net debt according to EMTN programme	23,619	26,221	22,285
Net debt according to EMTN programme/Total assets			
Net debt according to EMTN programme	23,619	26,221	22,285
Total assets	76,645	71,993	73,410
Net debt according to EMTN programme/Total assets	31%	36%	30%
Net debt/EBITDA			
Net debt	22,105	25,120	20,804
EBITDA rolling 12 months	4,233	3,505	4,023
Net debt/EBITDA	5.2x	7.2x	5.2x

1) IFRS performance measure.

2) Pertains to listed shares in companies recognised as associated companies. Associated companies are recognised in the balance sheet pursuant to the equity method.

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

Amounts in SEK M unless otherwise stated	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Net debt/run rate EBITDA			
Net debt	22,105	25,120	20,804
EBITDA, run rate	4,547	3,694	4,256
Net debt/run rate EBITDA	4.9x	6.8x	4.9x

Net debt/Total assets			
Net debt	22,105	25,120	20,804
Total assets	76,645	71,993	73,410
Net debt/Total assets	29%	35%	28%

Occupancy rate by area			
Contracted area, '000s sqm	4,234	3,731	4,182
Total lettable area, '000s sqm	4,386	3,894	4,331
Occupancy rate by area	97%	96%	97%

Profit from property management			
Profit after tax	1,080	-267	-13
Tax	171	27	158
Changes in value	-258	1,184	3,737
Profit from property management	994	943	3,881

Profit from property management per Class A and B share after dilution			
Profit from property management	994	943	3,881
Dividends attributable to Class D shares	-63	-63	-253
Adjusted profit from property management	930	880	3,628
Average no. of Class A and B shares after dilution	338,473,218	318,483,165	325,122,902
Profit from property management per Class A and B share after dilution, SEK	2.75	2.76	11.16

Profit from property management per Class A and B shares, rolling 12 months			
Profit from property management	3,932	3,497	3,881
Dividends attributable to Class D shares	-253	-253	-253
Adjusted profit from property management	3,679	3,244	2,628
Average no. of Class A and B shares after dilution	330,106,152	318,406,463	325,122,902
Profit from property management per Class A and B share after dilution, SEK	11.15	10.19	11.16
Profit from property management per Class A and B share, preceding period	10.19	8.49	9.70
Annual growth rate, %	9%	20%	15%

Rental revenue, comparable portfolios			
Rental revenue	1,185	1,007	N/A
Acquired and sold properties	-124	-2	N/A
Currency adjustment ¹⁾	-	6	N/A
Rental revenue, comparable portfolios excluding currency effects	1,061	1,011	N/A

Return on equity			
Profit/loss after tax	1,080	-267	-13
Addition for translation to annual value	3,241	-802	-
Adjusted profit/loss after tax	4,321	-1,070	-13
Average equity	37,312	33,381	35,020
Return on equity	11.6%	-3.2%	0.0%

Amounts in SEK M unless otherwise stated	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Return on total capital			
Profit from property management	994	943	3,881
Addition for translation to annual value	2,981	2,829	-
Financial expenses	193	173	765
Addition for translation to annual value	578	518	-
Profit before financial expenses	4,744	4,463	4,646
Average total assets	75,027	72,043	72,751
Return on total capital	6.3%	6.2%	6.4%

Run rate EBITDA			
Net operating income according to current earnings capacity	4,016	3,318	3,785
Central administration	-183	-180	-182
Dividends from joint ventures and associated companies	714	556	653
Run rate EBITDA	4,547	3,694	4,256

Run rate yield			
Net operating income according to current earnings capacity	4,016	3,318	3,785
Add-back of site leasehold fees	-32	-28	-25
Adjusted net operating income	3,984	3,290	3,760
Carrying amounts of properties	59,814	53,011	57,061
Run rate yield	6.7%	6.2%	6.6%

Secured liabilities/Total assets			
Secured liabilities	5,507	3,849	2,309
Total assets	76,645	71,993	73,410
Secured liabilities/Total assets	7.2%	5.3%	3.0%

Surplus ratio			
Net operating income	960	809	3,551
Rental revenue	1,185	1,007	4,293
Surplus ratio	81%	80%	83%

Yield			
Net operating income	960	809	3,551
Add-back of site leasehold fees	-8	-7	-27
Addition for translation to annual value	2,855	2,407	-
Holding adjustment, acquisitions/divestments	19	-56	232
Currency translation to closing rate	65	18	-100
Adjusted net operating income	3,891	3,170	3,656
Carrying amounts of properties	59,814	53,011	57,061
Yield	6.5%	6.0%	6.4%

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

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 2024 amounted to 4,386,000 square metres, distributed between 911 properties.

AB Sagax (publ) is listed on Nasdaq Stockholm, Large Cap.

More information is available at www.sagax.se.

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