

INTERIM REPORT JANUARY – SEPTEMBER 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 – September 2024

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- Rental revenue increased 16% to SEK 3,678 M (SEK 3,160 M in the year-earlier period).
- Profit from property management attributable to the Parent Company's shareholders increased 8% to SEK 3,217 M (2,972).
- Profit from property management per Class A and B share after dilution amounted to SEK 8.94 (8.64).
- Property revaluation had an impact on profit of SEK 456 M (–1,680).
- Revaluation of financial instruments had an impact on profit of SEK 1,074 M (–734), of which SEK 1,335 M referred to the revaluation of Sagax's holding in NP3 Fastigheter AB that has been reclassified from associated company to listed instrument.
- Profit after tax for the period attributable to Parent Company's shareholders was SEK 4,256 M (420).
- Cash flow from operating activities before changes in working capital amounted to SEK 2,704 M (2,707), corresponding to SEK 7.43 (7.81) per Class A and B share after dilution.
- Net investments in properties amounted to SEK 5,842 M (3,725), of which property acquisitions accounted for SEK 5,087 M (3,237).

THIRD QUARTER OF 2024

- Rental revenue increased 16% to SEK 1,290 M (SEK 1,113 M in the year-earlier period).
- Profit from property management attributable to the Parent Company's shareholders increased 14% to SEK 1,161 M (1,015).
- Profit from property management per Class A and B share after dilution amounted to SEK 3.24 (2.90).
- Property revaluation had an impact on profit of SEK 254 M (–314).
- Revaluation of financial instruments had an impact on profit of SEK 971 M (–27), of which SEK 1,335 M referred to the revaluation of Sagax's holding in NP3 Fastigheter AB that has been reclassified from associated company to listed instrument.
- Profit after tax for the period attributable to Parent Company's shareholders was SEK 2,198 M (634).
- Cash flow from operating activities before changes in working capital amounted to SEK 915 M (925), corresponding to SEK 2.52 (2.62) per Class A and B share after dilution.
- Net investments in properties amounted to SEK 4,298 M (2,335), of which property acquisitions accounted for SEK 4,054 M (2,140).

UNCHANGED FORECAST FOR 2024

Profit from property management for 2024 attributable to Parent Company's shareholders, 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 forecast was presented in the interim report for January–March 2024.

Selected key performance indicators

	2024 Jan-Sep	2023 Jan-Sep	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	8.94	8.64	11.16	9.70	7.99	6.62	5.51
Change compared with preceding year, %	4	18	15	21	21	20	28
Earnings per Class A and B share after dilution, SEK	12.01	0.72	–0.82	7.75	30.04	10.78	12.13
Dividend per Class A and B share, SEK	–	–	3.10	2.70	2.15	1.65	1.30
Net debt/EBITDA, multiple	5.5	6.5	5.2	7.1	5.8	6.4	6.6
Interest coverage ratio, multiple	5.2	6.4	5.7	7.1	6.5	5.7	4.9
Debt ratio at the end of the period, %	43	43	41	45	42	43	44
Properties' market value at the end of period, SEK M	64,141	56,668	57,061	52,682	46,067	37,548	32,625
Yield, %	6.6	6.4	6.4	5.8	6.0	6.3	6.4
Return on equity, %	14.8	1.6	0.0	8.4	36.6	17.8	23.7

Definitions of key performance indicators are provided on pages 33-34.

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	10%	16%
Profit from property management per Class A and B share shall increase by a minimum of 15% per year	5%	19%

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 segment. This segment 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 indirect 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

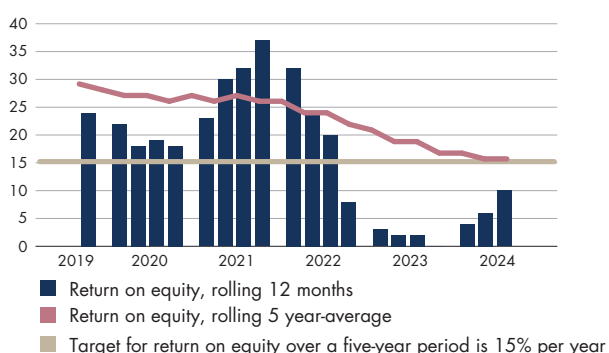
The financial structure of Sagax is designed with a clear focus on operating cash flow and interest coverage ratio. This is expected to create both good prerequisites for expansion and attractive return on equity.

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.

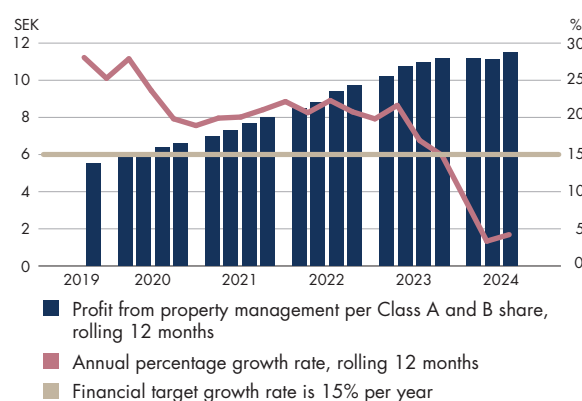
Sagax endeavours to have well-balanced fixed interest and loan maturity profiles to secure its operating cash flow. The company's interest-bearing debt mainly consists of senior unsecured bonds issued in the EUR market. Sagax also finances its operations via issuance of commercial paper in EUR and SEK. 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, Helsinki and Paris, 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

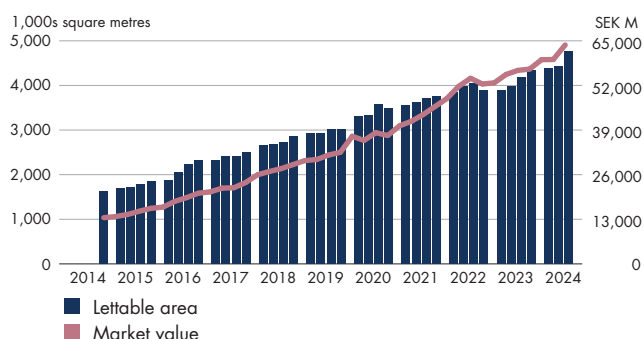
Sagax's business model is characterised in all areas by a long-term approach. Short-term gains are subordinate to the company's long-term value creation. Accordingly, sustainability work is integrated into the business model.

Professional and dedicated employees

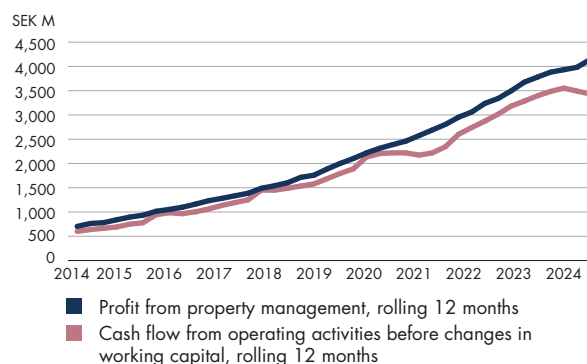
The development of the company is dependent on highly skilled employees. For this reason, it is important that the company is an attractive employer that can recruit and has the ability to retain highly skilled personnel. Sagax's employees are expected to assume responsibility of their work duties and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





The Dikesrenen 8 property in Stockholm was acquired in the third quarter. The property encompasses 1,300 square metres of lettable area and is fully let.

Profit, revenue and expenses

The profit/loss and cash flow items below refer to the January to September 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 amounted to SEK 3,234 M (2,972). Profit from property management attributable to Parent Company's shareholders rose 8% to SEK 3,217 M (2,972), mainly due to property acquisitions in the France, Spain, Finland and Benelux segments, rent indexation and higher profit from property management from joint ventures and associated companies. Profit from property management per Class A and B share after dilution amounted to SEK 8.94 (8.64).

Property revaluation had an impact of SEK 456 M (–1,680) on profit for the period, of which SEK –30 M (–726) referred to changes in value of properties in joint ventures and associated companies.

Revaluation of financial instruments had an impact of SEK 1,074 M (–734) on profit for the period, of which SEK 1,335 M referred to the revaluation to fair value of Sagax's holding in NP3 Fastigheter AB that has been reclassified from associated company to listed instrument. The holding has been reclassified since Sagax's share of the number of votes fell below 20% after NP3 Fastigheter AB carried out a directed issue in September 2024. In addition, SEK 3 M pertained to the reclassification

of French Wholesale Properties from associated company to subsidiary. The reclassification took place after Sagax acquired an additional 43% of the company, which meant that Sagax's ownership amounted to 70% at the end of the period. As an effect of the reclassification, profit attributable to non-controlling interests of SEK 13 M has been recognised.

Profit after tax for the period was SEK 4,269 M (420), of which SEK 4,256 M (420) was attributable to Parent Company's shareholders.

REVENUE

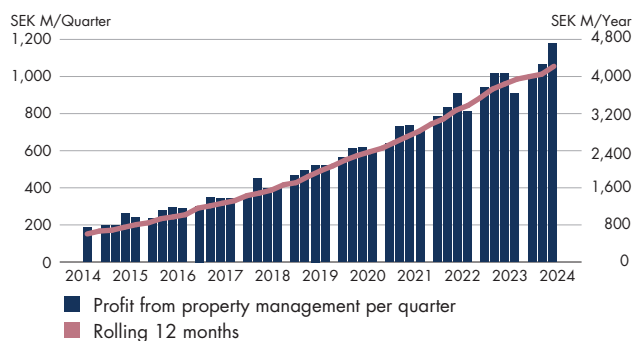
Rental revenue rose 16% to SEK 3,678 M (3,160). Revenue was primarily affected by property acquisitions and rent indexation.

Rental revenue, comparable portfolios

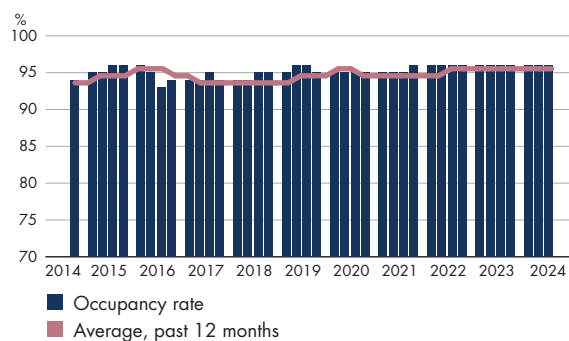
Amounts in SEK M	2024 Jan-Sep	2023 Jan-Sep
Rental revenue	3,678	3,160
Acquisitions and divestments	–479	–76
Currency adjustment ¹⁾	–	–13
Total	3,199	3,071

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

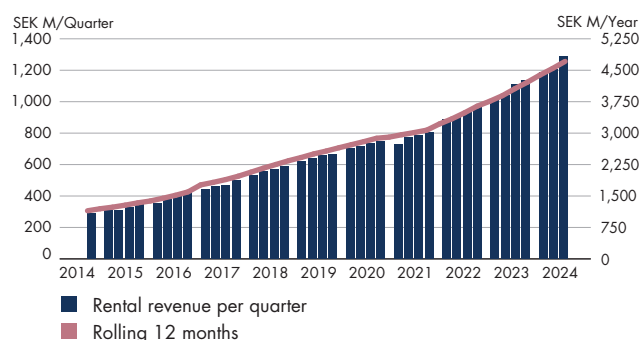
Profit from property management



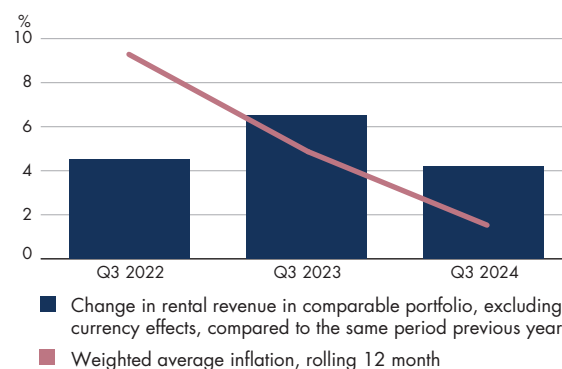
Economic occupancy rate



Rental revenue



Rental revenue, comparable portfolios



During the period, rental revenue in comparable portfolios increased 4.2% (6.5) excluding currency effects. The segments with the largest increases were Sweden with 9.2%, France 5.5% and Germany 4.1%. The weighted inflation rate during the period was 1.4% (4.8) at an annual rate.

Other revenue rose to SEK 68 M (12) and mainly related to insurance compensation.

CHANGE IN THE ECONOMIC OCCUPANCY RATE

The economic occupancy rate amounted to 96% (96). During the period, the vacancy value rose SEK 126 M (171) due to tenants vacating premises and declined SEK 99 M (151) following new lettings. Fixed-term rent discounts for tenants fell SEK 22 M (–11) to SEK 30 M (50) on an annual basis at the end of the period. Acquisitions and property divestments during the period increased the vacancy value by a net SEK 9 M (1). The total vacancy value at the end of the period amounted to SEK 198 M (206).

FUTURE VACANCY CHANGES

At the end of the period, notice of termination had been served for leases with a rental value of SEK 180 M (92), of which leases with notice of vacating the premises accounted for SEK 176 M (92) and leases with notice of renegotiation for SEK 4 M (–). Of the leases for which notice had been received, vacancies corresponding to a rental value of SEK 26 M will arise in 2024.

Vacancy changes

Amounts in SEK M	2024 Jan-Sep	2023 Jan-Dec
Opening vacancy for each year	182	171
New lettings	–99	–211
Vacancies	126	210
Change in discounts provided	–22	13
Vacancy value, acquired properties	10	6
Vacancy value, divested properties	–1	–7
Change in exchange rates	2	–
Closing vacancy value	198	182
Terminated for renegotiation	4	–
Terminated lease, not vacated	176	74
Letting, not occupied	–39	–19
Adjusted closing vacancy value	339	237

Lettings of premises to tenants who have not yet occupied reduced the adjusted vacancy value by SEK 39 M (42). New lettings corresponding to a rental value of SEK 16 M will occur in 2024. The adjusted vacancy value was SEK 339 M (256).

PROPERTY EXPENSES

Operating and maintenance costs amounted to a total of SEK 363 M (325). Expenses for property tax increased to SEK 197 M (158) and other property expenses increased to SEK 82 M (68). The increase was primarily due to property acquisitions.

CENTRAL ADMINISTRATION

Central administration costs amounted to SEK 138 M (118), corresponding to 3.8% (3.7) of the period's rental revenue.

At the end of the period, Sagax had 98 (94) 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	37
Finland	29
France	13
Netherlands	10
Spain	8
Germany	1
Total	98

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	15	16	34	26
2025	13	23	70	98
2026	–	–	7	44
2027	–	–	2	8
>2027	–	–	–	–
Total	28	39	113	176

Vacancies, 1 October 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	1,120	62	6%	927,000	58,000	6%
Finland	1,874	87	5%	1,480,000	72,000	5%
France	1,189	23	2%	1,052,000	21,000	2%
Benelux	661	18	3%	671,000	13,000	2%
Spain	372	6	2%	506,000	19,000	4%
Germany	141	1	1%	124,000	2,000	2%
Other Europe	12	–	–	6,000	–	–
Total	5,369	198	4%	4,767,000	185,000	4%

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

PROFIT FROM JOINT VENTURES AND ASSOCIATED COMPANIES

Profit from joint ventures and associated companies for the period amounted to SEK 470 M (–61), of which profit from property management accounted for SEK 833 M (698), changes in value of properties for SEK –30 M (–726) and changes in the value of fixed income derivatives for SEK –168 M (–36). Tax expense on profit from joint ventures and associated companies amounted to SEK 166 M (12). For additional information, see page 13.

NET FINANCIAL ITEMS

Financial income amounted to SEK 118 M (304). Last year included income pertaining to repurchased bonds of SEK 59 M, financial income of SEK 123 M pertaining to a current finance lease asset and dividends of SEK 46 M from listed shares, and there was no such corresponding income this year.

Financial expenses, excluding the interest component relating to the Group's lease liabilities, increased to SEK 658 M (510) due to higher interest-bearing liabilities and the impact of higher market interest rates on the Group's borrowing costs. The average interest rate on interest-bearing liabilities was 2.3% (2.0) on the balance sheet date.

The interest component relating to the Groups lease liabilities amounted to SEK –27 M (–24). This expense primarily comprised site leasehold fees 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 94% of the market value of the properties had been externally valued. For other properties, the market value was determined as the acquisition price or internal valuations were applied. The changes in value for the properties amounted to SEK 486 M (–954), of which unrealised changes in value amounted to SEK 482 M (–955) and realised changes in value amounted to SEK 4 M (1). Of this unrealised change in value, SEK 604 M (544) was attributable to property management and SEK –122 M (–1,499) was related to general changes in market value, see table below. For additional information, see page 12.

REVALUATION OF FINANCIAL INSTRUMENTS

The change in value of financial instruments amounted to SEK 1,242 M (–698). SEK 1,335 M pertained to the revaluation to fair value of the holding in NP3 Fastigheter AB in connection with the reclassification from associated company to listed instrument. The holding in NP3 Fastigheter AB has been reclassified since NP3 Fastigheter AB, in September 2024, carried out a directed issue, after which Sagax's share of the number of votes at the end of the period fell below 20%.

In addition, SEK 3 M pertained to the reclassification of the holding in French Wholesale Properties from associated company to subsidiary. The reclassification took place after Sagax acquired an additional 43% of the company, which meant that Sagax's ownership amounted to 70% at the end of the period.

The revaluation of financial instruments in joint ventures amounted to SEK –8 M (–38). The unrealised change in value attributable to fixed income derivatives amounted to SEK –89 M (9). Other financial instruments were revalued by SEK 2 M (–61).

The year-earlier period included the revaluation of listed shares of SEK –616 M as well as realised changes in value attributable to the divestment of financial instruments of SEK 23 M, with no such corresponding items this year.

TAX

Sagax recognised a tax expense of SEK 330 M (141) comprising a current tax expense of SEK 120 M (143) and a deferred tax expense of SEK 210 M (–2). The higher deferred tax expense was largely due to the increase in unrealised changes in value of properties. The tax expense recognised in other comprehensive income amounted to SEK 12 M (–6). The Group's deferred tax liabilities at the end of the period amounted to SEK 4,176 M (4,046). Deferred tax assets pertaining to accumulated loss carry-forwards and financial instruments amounted to SEK 144 M (173).

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 2,704 M (2,707). Changes in working capital had an impact of SEK 18 M (149) on cash flow. Investing activities had an impact of SEK –5,422 M (–2,321), of which SEK 2,814 M derived from the acquisition of 70% of French Wholesale Properties (FWP). The acquisition of FWP included properties valued at SEK 3,657 M. The difference between the value of the properties and the purchase consideration comprised non-controlling interests and the revaluation of existing participating interests. Cash flow from financing activities amounted to SEK 3,295 M (–586). In total, cash and cash equivalents changed by SEK 596 M (–51) 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 84 M (65).

Unrealised changes in the value of properties

Amounts in SEK M	Jan-Sep 2024
New lettings/Renegotiations	752
Vacancies/Renegotiations	–148
General change in market value	–122
Total	482

Unrealised changes in the value of properties per quarter

Amounts in SEK M	Jan-Sep 2024
First quarter	152
Second quarter	124
Third quarter	206
Total	482

Forecast and current earnings capacity

UNCHANGED FORECAST FOR 2024

Profit from property management for 2024 attributable to Parent Company's shareholders, 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 forecast was presented in the interim report for January–March 2024.

CURRENT EARNINGS CAPACITY

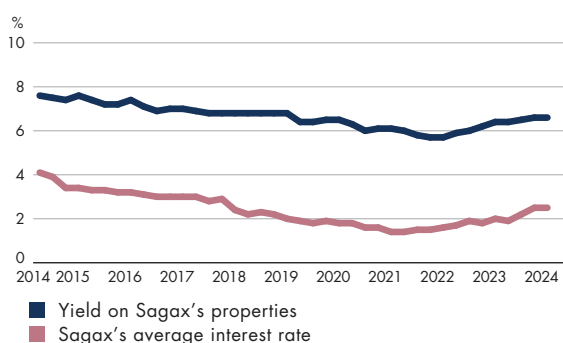
Current earnings capacity is reported in conjunction with interim reports and year-end reports.

The table below shows the company's earnings capacity on a 12-month basis on 1 October. 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.

Current earnings capacity

Amounts in SEK M	1 Oct 2024	1 Jan 2024
Rental value	5,369	4,738
Vacancy	–198	–182
Rental revenue	5,171	4,557
Property expenses	–900	–771
Net operating income	4,271	3,785
Central administration	–201	–182
Joint ventures and associated companies	924	1,096
Net financial items	–836	–555
Lease expenses	–36	–31
Profit from property management	4,122	4,114
– of which profit from property management attributable to non-controlling interests	69	–
Tax	–701	–741
Profit after tax	3,422	3,374
Attributable to Parent Company's shareholders	3,352	3,374
– of which, holders of Class D shares	253	253
– of which, holders of Class A and B shares	3,100	3,122
Run rate yield, %	6.6	6.6
Net debt/run rate EBITDA, multiple	5.2	4.9

Yield and interest rate



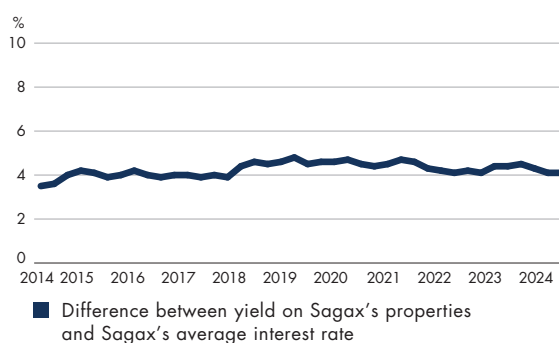
The rental value is based on contractual rental revenue on an annual basis, with addition for estimated market rents for vacant premises. Property expenses are based on actual outcomes over the past 12 months adjusted for the holding period. Central administration costs are based on actual outcomes over the past 12 months. Net financial items are calculated based on interest-bearing liabilities and assets on the balance sheet date. Expenses for interest-bearing liabilities are based on the Group's estimated average interest rate, plus 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. Dividends attributable to the company's holdings of listed shares were not taken into account in the earnings capacity. Tax is calculated at the standard tax rate of 17% (18). Translation from EUR took place at the closing rate of SEK 11.30. Translation from EUR of the earnings capacity on 1 January 2024 took place at a rate of SEK 11.10.

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. Sagax's holding in NP3 Fastigheter AB has been reclassified from associated company to listed shares, which impacted the earnings capacity as per 1 October 2024 in the amount of SEK –173 M compared to 1 January 2024.

Current earnings capacity before tax



Difference between yield and interest rate



Property portfolio

On 30 September 2024, the property portfolio comprised 970 (811) properties with a lettable area of 4,767,000 square metres (4,170,000). At the end of the period, the rental value and contractual annual rent amounted to SEK 5,369 M (4,617) and SEK 5,171 M (4,411), respectively. This corresponds to an economic occupancy rate of 96% (96).

PROPERTY ACQUISITIONS

During the period, Sagax invested SEK 5,875 M (3,783), of which property acquisitions accounted for SEK 5,087 M (3,237). 48 properties in France, 7 properties in Finland, 5 properties in Spain, 4 properties in Germany, 3 properties in Sweden and 2 in Benelux were acquired during the period. 43 of the acquired properties in France refer to the acquisition of 70% of French Wholesale Properties. For more information, see page 6.

INVESTMENTS IN THE EXISTING PORTFOLIO

A total of SEK 788 M (546) was invested in the existing property portfolio. SEK 217 M (133) referred to property maintenance and SEK 359 M (219) to new construction. In addition, SEK 155 M (159) was invested in connection with new lettings and SEK 57 M (34) against rent supplements. Of total investments, SEK 30 M (12) referred to investments in energy-saving measures.

DIVESTMENTS

During the period, 2 properties were divested for a total of SEK 33 M.

PROPERTY PORTFOLIO YIELD

The yield for the period was 6.6% (6.4). The run rate yield was 6.6% (6.4).

Summary of property portfolio 1 October 2024

Segment	Market value		SEK per sqm	No. of properties	Lettable area, sqm	Vacant area, sqm	Rental value, SEK M	Economic occupancy rate	Contractual annual rent, SEK M
	SEK M	Share							
Sweden	14,976	23%	16,200	128	927,000	58,000	1,120	94%	1,058
Finland	19,167	30%	12,900	248	1,480,000	72,000	1,874	95%	1,787
France	14,223	22%	13,500	312	1,052,000	21,000	1,189	98%	1,166
Benelux	8,774	14%	13,100	149	671,000	13,000	661	97%	643
Spain	5,235	8%	10,300	118	506,000	19,000	372	98%	366
Germany	1,642	3%	13,200	13	124,000	2,000	141	99%	139
Other Europe	124	0%	19,200	2	6,000	–	12	100%	12
Total	64,141	100%	13,500	970	4,767,000	185,000	5,369	96%	5,171

Property investments January-September 2024

Amounts in SEK M	Property acquisitions	Existing portfolio	Total	Share of total investments	Divestments	Net investments
Sweden	88	452	540	9%	–	540
Finland	439	172	611	10%	–19	592
France	3,725	84	3,809	65%	–14	3,795
Benelux	111	62	174	3%	–	174
Spain	446	17	463	8%	–	463
Germany	278	–	278	5%	–	278
Total	5,087	788	5,875	100%	–33	5,842

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 2,518 leases (2,343). 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 2,511 leases (2,336) 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% (90) of Sagax's annual rent. In addition, Sagax is party to 7 leases (6) with a rental value corresponding to 1–2% of the Group's annual rent. Combined, these leases total 9% (8) of Sagax's annual rent. None of Sagax's leases had an annual rental value that accounted for

more than 2% of the Group's annual rent (last year one lease accounted for more than 2% of the Group's annual rent).

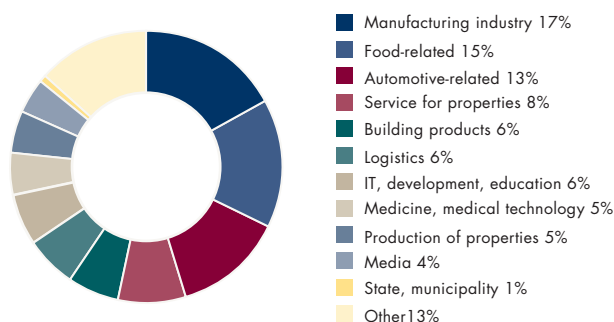
Sagax's tenants operate in a variety of sectors. Companies in the manufacturing industry account for 17% (15) of rental revenue. The food-related operations and automotive-related industry, including sales, service and manufacturing, account for 15% (10) and 13% (14) of rental revenue, respectively. 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 54% of the annual rent expire in or after 2028. 3–16% 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%	–	–	–	–	–
1–2%	484	9	7	69	7
<1%	4,687	91	2,511	2	5
Total	5,171	100	2,518	2	5

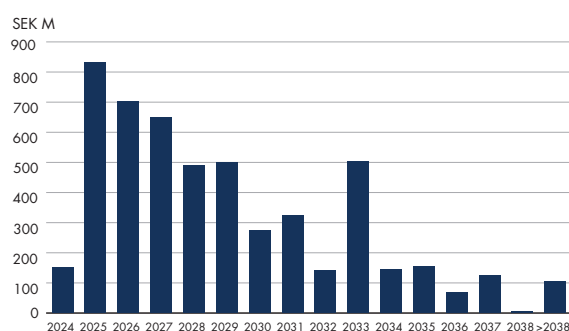
Industry exposure



Lease terms

Year of expiry	No.	Area, sqm	SEK M	Share
2024	245	124,000	151	3%
2025	807	757,000	833	16%
2026	428	618,000	701	14%
2027	392	608,000	649	13%
2028	196	399,000	489	9%
>2028	450	2,076,000	2,348	45%
Total	2,518	4,582,000	5,171	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 970 properties (811) was established at SEK 64,141 M (56,668) on 30 September 2024. Exchange rate fluctuations during the period resulted in property values denominated in EUR and DKK changing by SEK 756 M (1,216).

The unrealised change in value for the period amounted to SEK 482 M (–955) corresponding to a change in value of 0.8% (–1.7). In the same period, weighted inflation was 1.2% (3.1) in the markets where Sagax is active. Accordingly, the real change in value amounted to –0.5% (–4.6).

Of the unrealised change in value, SEK 604 M was attributable to property management and SEK –122 M was related to general changes in market value. The weighted capitalisation rate rose 0.05 percentage points to 6.46% compared with the preceding quarter.

VALUATION METHOD AND IMPLEMENTATION

The valuations were carried out in accordance with generally accepted international valuation methods. Properties corresponding to 94% of the property value have been valued by authorised property appraisers from independent valuation companies as per 30 September 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 rule, the calculation period is ten years. For more information, see Sagax's 2023 Annual Report, page 94.

ANALYSIS AND GENERAL CONDITIONS

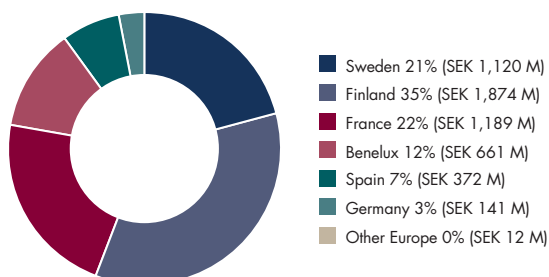
The discount rate for the present value calculation of cash flows (5.3–16.1%), the discount rate for the present value calculation of residual values (5.3–16.1%) and the capitalisation rate for the residual value calculations (4.3–14.0%) are based on comparable transactions and on individual assessments 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 8.1% (7.8) and 8.1% (7.9), respectively. The weighted capitalisation rate was 6.5% (6.4).

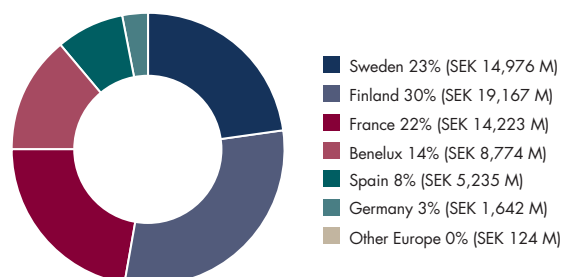
Change in the carrying amounts of the property portfolio

	SEK M	No.
Property portfolio, 31 December 2023	57,061	903
Acquisition of properties	5,087	69
Investments in the existing portfolio	788	–
Divestment/disposal of properties	–33	–2
Currency translation effect	756	–
Unrealised changes in value	482	–
Property portfolio, 30 September 2024	64,141	970

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 7,041 M, which has generated an accumulated dividend of SEK 3,352 M (3,185) for Sagax. The carrying amount of these investments amounted to SEK 11,330 M (13,552), of which 88% comprised Hemsö Fastighets AB, Nyfosa AB and Söderport Property Investment AB.

The change in the carrying amount primarily refers to the reclassification of the holding in NP3 Fastigheter AB from associated company to listed instrument. The reclassification took place since Sagax's share of the number of votes fell below 20% after NP3 Fastigheter AB carried out a directed issue in September 2024.

These investments contributed a total of SEK 833 M (698) to profit from property management during the period and SEK 403 M (589) to the cash flow. In addition, Sagax received a distribution in kind comprising shares in Fastighetsbolaget Emilshus AB corresponding to SEK 51 M. Sagax's share of changes in the value of properties amounted to SEK -30 M (-726) and the share of changes in the value of derivatives was SEK -168 M (-36). Sagax's share of profit from NP3 Fastigheter AB has been included above for the period until Sagax's share of the number of votes, in September 2024, fell below 20%.

In addition to what is presented below, Sagax owns shares amounting to SEK 99 M (6) in joint ventures and associated companies.

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 30 September 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 21.6% of the votes and capital in Nyfosa. The market value of Sagax's shareholding amounted to SEK 5,418 M (2,617) and the carrying amount to SEK 2,754 M (3,004) on 30 September 2024.

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 498 properties with a total property value of SEK 40 billion and a rental value of SEK 4,007 M on 30 September 2024. Nyfosa is listed on Nasdaq Stockholm, Large Cap. For more information, refer to www.nyfosa.se.

Fastighetsbolaget Emilshus AB (Emilshus)

Sagax owns shares corresponding to 25.7% of the votes and 25.2% of the capital in Emilshus. The market value of Sagax's shareholding amounted to SEK 1,495 M (636) and the carrying amount to SEK 954 M (666) on 30 September 2024.

Emilshus acquires, develops and manages commercial properties in Småland and nearby growth regions. The company's property portfolio encompassed 160 properties with a total property value of SEK 8.5 billion and a rental value of SEK 744 M on 30 September 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-Sep	2023, Jan-Sep	2024, Jan-Sep	2023, Jan-Sep	2024, Jan-Sep	2023, Jan-Sep
<i>Sagax's ownership, %</i>	15	15	50	50	50	50
<i>Sagax's share of comprehensive income, SEK M</i>	170	-200	110	116	16	-14
<i>Sagax's share of profit from property management, SEK M</i>	239	228	178	171	17	23
Rental revenue, SEK M	3,839	3,598	822	766	74	72
Profit from property management, SEK M	1,878	1,785	355	342	34	46
Profit/Loss for the period, SEK M	1,408	-1,648	219	232	33	-28
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
<i>Carrying amount of ownership interest, SEK M</i>	4,646	4,603	2,588	2,820	289	298
No. of properties	485	485	86	85	39	39
Carrying amounts of properties, SEK M	85,598	84,369	14,560	14,398	1,486	1,528
Lettable area, sqm	2,470,000	2,452,000	778,000	773,000	184,000	184,000
Lease term, years	9.2	9.5	3.9	4.1	6.7	6.7
Economic occupancy rate, %	98	98	95	95	100	100
Interest-bearing liabilities, SEK M	52,497	52,029	7,325	7,377	847	854
Loan maturity, years	5.1	5.7	3.3	3.9	3.3	1.2
Average fixed interest rate period, years	4.8	5.0	2.2	2.1	2.2	0.2
Market value of derivatives, SEK M	-606	-170	-133	140	-	-

Funding

EQUITY

Consolidated equity amounted to SEK 40,527 M (35,130) on 30 September 2024. During the period, equity increased primarily due to total comprehensive income of SEK 4,452 M, dividends of SEK –1,301 M and change in non-controlling interests of SEK 788 M.

INTEREST-BEARING LIABILITIES

Sagax's interest-bearing liabilities at the end of the period amounted to SEK 35,343 M (31,846) corresponding to a nominal amount of SEK 35,505 M (31,912). An amount corresponding to SEK 33,408 M (30,115) of liabilities was recognised in EUR. Exchange rate fluctuations increased interest-bearing liabilities by SEK 496 M (1,063).

Listed bonds amounted to SEK 28,962 M (26,312). Other interest-bearing liabilities comprised commercial paper of SEK 180 M (1,907) and liabilities to banks of SEK 6,201 M (3,626).

Unsecured liabilities including commercial paper corresponded to 83% (89) of interest-bearing liabilities.

The interest coverage ratio amounted to 5.2 (6.4) times for the period and the debt ratio to 43% (43) at the end of the period. Net interest-bearing debt was 5.5 (6.5) times EBITDA for the past 12 months and 5.2 (6.1) times run rate EBITDA.

During the period, a total of SEK 13,128 M (5,200) was raised in loans and SEK 8,634 M (6,694) was repaid. Net interest-bearing debt amounted to SEK 23,205 M (25,082).

The average remaining fixed interest and loan maturity terms were 3.1 years (2.8) and 3.3 years (3.3), respectively, at the end of the period. The average interest rate on interest-bearing liabilities on the balance sheet date was 2.3% (2.0), including the effect of derivatives.

Of Sagax's interest-bearing liabilities, SEK 28,962 M (26,519), or 82% (83), bear fixed interest rates. The company has interest-rate swaps with a total nominal value of SEK 5,056 M (1,191), corresponding to 14.3% (3.7) of interest-bearing liabilities.

WORKING CAPITAL AND UNUTILISED CREDIT FACILITIES

Sagax's working capital amounted to SEK –474 M (–5,434) on 30 September 2024. At the same date, unutilised credit facilities including back-up facilities for commercial paper programmes amounted to SEK 11,518 M (8,365).

No additional collateral needs to be pledged to utilise these credit facilities.

Interest rate exposure and loan maturity 30 September 2024

Year of expiry	Interest rate exposure ¹⁾			Loan maturity	
	Nominal amount, SEK M	Interest rate ²⁾	Share	Nominal amount, SEK M	Share
2024	1,069	5.8%	3%	8	0%
2025	5,829	2.4%	16%	5,623	16%
2026	3,390	1.6%	10%	3,639	10%
2027	5,173	1.8%	15%	5,799	16%
2028	6,599	1.3%	19%	5,673	16%
>2028	13,444	3.0%	38%	14,764	42%
Total/Average	35,505	2.3%	100%	35,505	100%

1) Including derivatives.

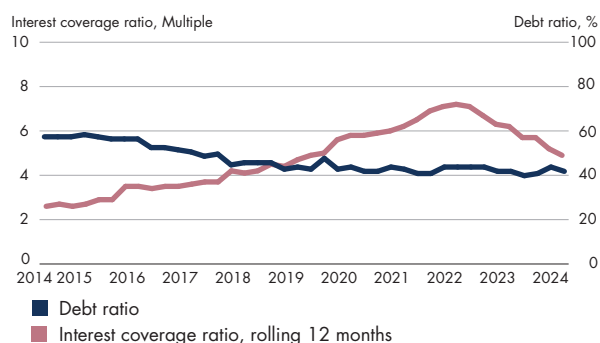
2) The average interest rate for the current year includes the margin for the variable portion of the debt portfolio.

Net debt

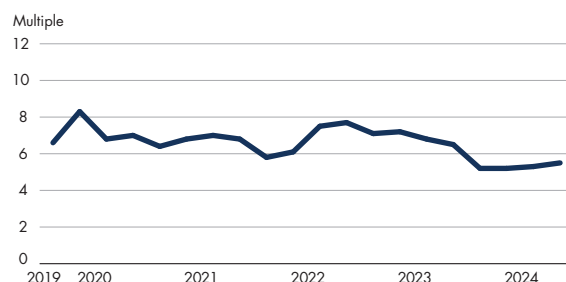
Amounts in SEK M	30 Sep 2024	30 Sep 2023
Interest-bearing liabilities	35,343	31,846
Interest-bearing assets	–513	–750
Listed instruments ¹⁾	–11,001	–5,989
Cash and cash equivalents	–624	–25
Net debt	23,205	25,082

1) Including associated companies whose shares are listed.

Debt ratio and interest coverage ratio



Net debt/EBITDA, rolling 12 months



Listed bonds, 30 September 2024

Maturity	Interest base	Nominal amount, EUR M	Liabilities, EUR M	Effective interest	Coupon rate	Maturity date	ISIN code
2019-2025	Fixed interest	400	400	2.1%	2.3%	13 Mar 2025	XS1962543820
2022-2026	Fixed interest	300	299	1.8%	1.6%	24 Feb 2026	XS2447539060
2020-2027	Fixed interest	375	368	1.9%	1.1%	30 Jan 2027	XS2112816934
2021-2028	Fixed interest	500	498	0.9%	0.8%	26 Jan 2028	XS2291340433
2021-2029	Fixed interest	500	500	1.0%	1.0%	17 May 2029	XS2342227837
2024-2030	Fixed interest	500	498	4.5%	4.4%	29 May 2030	XS2830446535
Total/Average		2,575	2,563	2.0%	1.9%		

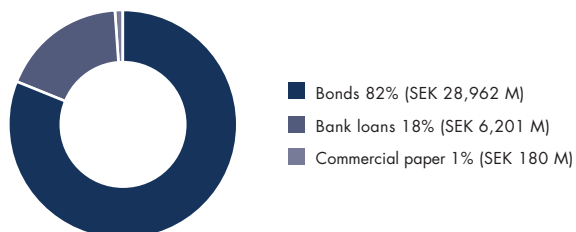
Derivative contracts, 30 September 2024

Amounts in SEK M	Nominal amount	Years to maturity	Market value 30 Sep 2024	Market value 31 Dec 2023	Change for the period
Nominal interest-rate swaps	5,056	4	-72	-27	-84
Interest-rate caps	-	-	-	5	-5
Total/Average	5,056	4	-72	-21	-89

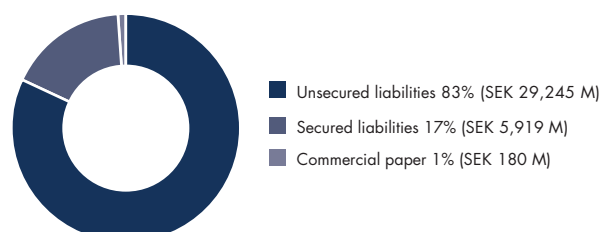
Rating and key performance indicators according to EMTN programme

	Financial covenant in EMTN programme	30 Sep 2024	31 Dec 2023
Rating according to Moody's Investors Services		Baa2, Stable outlook	Baa2, Stable outlook
Net debt/Total assets	<65%	30%	30%
Interest coverage ratio	>1.8x	6.7x	8.1x
Secured liabilities/Total assets	<45%	7%	3%

Sources of financing



Distribution between secured and unsecured liabilities



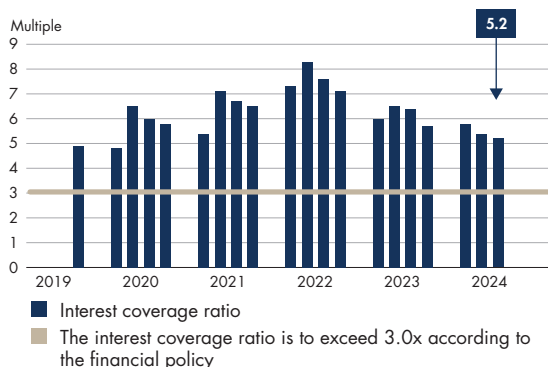
FINANCIAL POLICY

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.

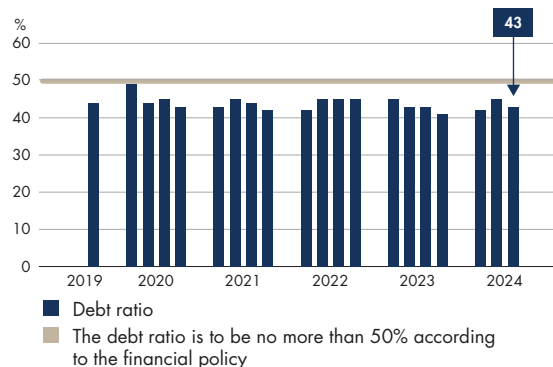
- A debt ratio of no more than 50%.
- An interest coverage ratio exceeding 3.0x.
- Net debt in relation to the Group's EBITDA not above 8x.

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

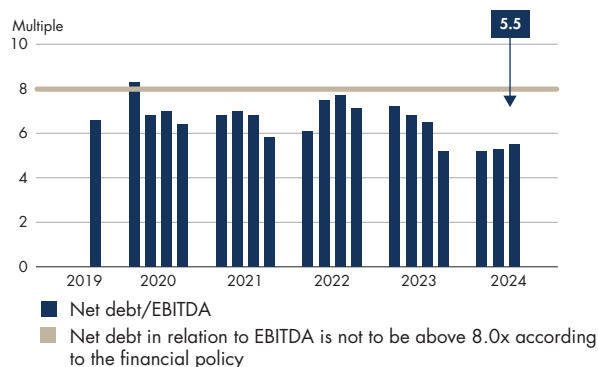
Interest coverage ratio



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 544 M (451).

INTEREST-BEARING FINANCIAL RECEIVABLES

Interest-bearing financial receivables amounted to SEK 446 M (616) at the end of the period and comprised receivables from joint ventures of SEK 339 M (9) and promissory notes of SEK 107 M (125) that were issued in connection with a property divestment in 2021.

LISTED INSTRUMENTS

Listed instruments amounted to SEK 4,230 M (737) and comprise bonds of SEK 749 M (705) and listed shares that are not holdings in associated companies of SEK 3,482 M (31). The increase was due to the reclassification of the holding in NP3 Fastigheter AB from associated company to listed instrument. The reclassification took place since Sagax's share of the number of votes fell below 20% after NP3 Fastigheter AB carried out a directed issue in September 2024.

OTHER CURRENT ASSETS

Other current assets amounted to SEK 1,302 M (1,054) at the end of the period and primarily comprised prepaid costs and accrued income of SEK 473 M (435) and rent receivables of SEK 315 M (206).

Consolidated statement of comprehensive income

Amounts in SEK M	2024 Jan-Sep	2023 Jan-Sep	2024 Jul-Sep	2023 Jul-Sep	2023 Jan-Dec	Rolling 12 months
Rental revenue	3,678	3,160	1,290	1,113	4,293	4,811
Other revenue	68	12	49	4	25	81
Operating expenses	-253	-253	-69	-71	-350	-350
Maintenance costs	-110	-72	-34	-23	-104	-142
Property tax	-197	-158	-75	-55	-220	-259
Other property expenses	-82	-68	-31	-26	-94	-108
Net operating income	3,105	2,621	1,130	942	3,551	4,035
Central administration	-138	-118	-48	-39	-182	-201
Profit/Loss from joint ventures and associated companies	470	-61	116	29	-556	-25
– of which, profit from property management	833	698	302	261	937	1,072
– of which, changes in value	-197	-762	-135	-232	-1,523	-958
– of which, tax	-166	-12	-51	-1	14	-140
– of which, other	–	15	–	–	15	–
Financial income	118	304	42	33	339	153
Financial expenses	-658	-510	-240	-174	-734	-882
Financial expense, interest component of leases	-27	-24	-9	-8	-31	-34
Profit including profit from joint ventures and associated companies	2,871	2,213	991	782	2,388	3,046
– of which, profit from property management	3,234	2,972	1,178	1,015	3,881	4,143
– of which attributable to Parent Company's shareholders	3,217	2,972	1,161	1,015	3,881	4,126
Changes in value of properties, realised	4	1	–	1	9	12
Changes in value of properties, unrealised	482	-955	206	-114	-1,306	131
Changes in value of financial instruments, realised	–	23	–	–	23	–
Changes in value of financial instruments, unrealised	1,242	-721	1,154	4	-955	1,008
Profit before tax	4,599	561	2,352	674	159	4,197
Deferred tax	-210	2	-93	4	-16	-228
Current tax	-120	-143	-48	-44	-156	-133
Profit/loss for the period	4,269	420	2,211	634	-13	3,836
– of which attributable to Parent Company's shareholders	4,256	420	2,198	634	-13	3,823
– of which attributable to non-controlling interests	13	–	13	–	–	13
Other comprehensive income						
Items that might be reclassified subsequently to the profit or loss:						
Translation differences for foreign operations	269	507	-133	-439	-174	-412
Share of other comprehensive income for joint ventures	3	67	158	52	228	164
Translation differences, hedge accounting	-77	-267	49	199	29	219
Tax on items that may be reclassified	-12	6	3	-3	16	-2
Total other comprehensive income, net of tax	183	312	77	-191	99	-30
Total comprehensive income for the period	4,452	732	2,288	443	86	3,806
– of which attributable to Parent Company's shareholders	4,439	732	2,275	443	86	3,793
– of which attributable to non-controlling interests	13	–	13	–	–	13
Earnings per Class A and B share, SEK	12.02	0.72	6.31	1.78	-0.82	10.48
Earnings per Class A and B share after dilution, SEK	12.01	0.72	6.31	1.78	-0.82	10.48
Earnings per Class D share, SEK	1.50	1.50	0.50	0.50	2.00	2.00
Average no. of Class A and B shares, million	338.4	321.8	338.4	328.3	324.8	337.2
Average no. of Class A and B shares after dilution, million	338.5	322.2	338.5	328.5	325.1	337.3
Average number of Class D shares, million	126.3	126.3	126.3	126.3	126.3	126.3

Condensed consolidated statement of financial position

Amounts in SEK M	2024 30 Sep	2023 30 Sep	2023 31 Dec
Investment properties	64,141	56,668	57,061
Leases, right-of-use assets	544	451	454
Joint ventures and associated companies	11,330	13,552	13,171
Deferred tax assets	144	173	168
Derivatives	–	23	–
Interest-bearing financial receivables	446	616	225
Other fixed assets	87	181	127
Total fixed assets	76,691	71,664	71,207
Listed instruments	4,230	737	752
Interest-bearing current receivables	68	26	504
Other current assets	1,302	1,054	919
Cash and bank balances	624	25	28
Total current assets	6,223	1,842	2,203
Total assets	82,915	73,505	73,410
Equity	40,527	35,130	36,578
– of which equity attributable to non-controlling interests	801	–	–
Non-current interest-bearing liabilities	30,553	26,292	25,436
Deferred tax liabilities	4,176	4,046	3,954
Derivatives	72	–	21
Lease liabilities	544	451	454
Other non-current liabilities	345	311	318
Total non-current liabilities	35,690	31,100	30,184
Commercial paper	180	1,907	1,495
Other current interest-bearing liabilities	4,610	3,647	3,412
Other current liabilities	1,907	1,722	1,741
Total current liabilities	6,697	7,276	6,648
Total equity and liabilities	82,915	73,505	73,410

Consolidated statement of cash flows

Amounts in SEK M	2024 Jan-Sep	2023 Jan-Sep	2024 Jul-Sep	2023 Jul-Sep	2023 Jan-Dec	Rolling 12 months
Profit before tax	4,599	561	2,352	674	159	4,197
Tax paid	-138	-154	-46	-43	-130	-114
Adjustment for items not affecting cash flow						
Changes in value of financial instruments	-1,242	698	-1,154	-4	932	-1,008
Change in value of properties	-486	954	-206	112	1,297	-143
Profit/Loss from joint ventures and associated companies	-470	61	-116	-29	556	25
Dividends from joint ventures and associated companies	403	589	69	184	653	467
Dissolution of allocated borrowing costs	41	37	13	14	49	52
Other items not included in cash flow	-2	-40	3	16	-31	6
Cash flow from operating activities before changes in working capital	2,704	2,707	915	925	3,485	3,482
Cash flow from changes in current receivables	148	169	52	54	79	58
Cash flow from changes in current liabilities	-130	-20	302	272	1	-109
Cash flow from operating activities	2,722	2,855	1,269	1,251	3,565	3,431
Acquisition of properties ¹⁾	-4,243	-3,237	-2,557	-2,140	-5,088	-6,095
Divestment of properties	33	58	3	37	86	61
Investments in existing properties	-788	-546	-247	-232	-902	-1,143
Acquisition of listed shares	-	-319	-	-34	-334	-15
Divestment of listed shares	-	362	-	-151	478	116
Purchase of financial instruments	-76	-684	-	-223	-733	-125
Sale of financial instruments	80	2,026	65	-	2,122	175
Acquisition of joint ventures and associated companies ¹⁾	-247	-89	-29	-5	-111	-269
Capital contribution to joint ventures and associated companies	-	-75	-	-75	-225	-150
Lending to joint ventures and associated companies	-212	-36	-198	-26	-45	-221
Increase in other fixed assets	-51	-46	-	-	-260	-265
Decrease in other fixed assets	81	264	42	205	264	81
Cash flow from investing activities	-5,422	-2,321	-2,921	-2,643	-4,749	-7,850
Issue of new Class B shares	15	2,071	-	32	4,166	2,109
Dividends paid to shareholders	-1,238	-1,048	-63	-63	-1,111	-1,301
Incentive plan	-4	-26	-	-34	-26	-5
Proceeds from borrowings	13,128	5,200	1,029	1,756	7,326	15,254
Repayment of borrowings	-8,634	-6,694	-1,781	-59	-9,206	-11,145
Decrease in other non-current liabilities	-24	-195	-	-181	-195	-24
Increase in other non-current liabilities	53	104	36	-55	181	129
Cash flow from financing activities	3,295	-586	-780	1,396	1,135	5,016
Cash flow for the period	595	-52	-2,432	3	-49	598
Exchange rate differences in cash and cash equivalents	1	1	-	-	1	1
Change in cash and cash equivalents	596	-51	-2,432	3	-48	599
Cash and cash equivalents at beginning of period	28	76	3,056	22	76	25
Cash and cash equivalents at end of period	624	25	624	25	28	624

1) As per 30 June 2024, SEK 652 M was recognised for the acquisition of participations in French Wholesale Properties under the item "Acquisition of joint ventures and associated companies". As per 30 September 2024, the acquisition of these participations is recognised under the item "Acquisition of properties".

Consolidated statement of changes in equity

Amounts in SEK M	Share capital	Other contributed capital	Reserves, translation differences	Profit earned incl. net profit for the period	Total equity attributable to Parent Company's shareholders	Non-controlling interests	Total equity
Equity, 31 December 2022	781	3,616	1,078	27,988	33,463	–	33,463
Profit for the period, January-September 2023	–	–	–	420	420	–	420
Other comprehensive income, January-September 2023	–	–	312	–	312	–	312
Total comprehensive income for the period	–	–	312	420	732	–	732
<i>Transactions with shareholders</i>							
Issue of Class B shares	18	2,075	–	–	2,092	–	2,092
Dividends	–	–	–	–1,111	–1,111	–	–1,111
Transactions with shareholders	18	2,075	–	–1,111	982	–	982
<i>Other transactions</i>							
Transaction costs	–	–21	–	–	–21	–	–21
Redemption of incentive plan	–	–	–	–34	–34	–	–34
Subscription of incentive plan	–	–	–	8	8	–	8
Other transactions	–	–21	–	–26	–47	–	–47
Equity, 30 September 2023	799	5,670	1,390	27,272	35,130	–	35,130
Profit/loss for the period, October-December 2023	–	–	–	–433	–433	–	–433
Other comprehensive income, October-December 2023	–	–	–213	–	–213	–	–213
Total comprehensive income for the period	–	–	–213	–433	–646	–	–646
<i>Transactions with shareholders</i>							
Issue of Class B shares	18	2,101	–	–	2,119	–	2,119
Transactions with shareholders	18	2,101	–	–	2,119	–	2,119
<i>Other transactions</i>							
Transaction costs	–	–25	–	–	–25	–	–25
Redemption of incentive plan	–	–	–	–	–	–	–
Other transactions	–	–25	–	–	–25	–	–25
Equity 31 December 2023	817	7,746	1,177	26,838	36,578	–	36,578
Profit for the period, January-September 2024	–	–	–	4,256	4,256	13	4,269
Other comprehensive income, January-September 2024	–	–	183	–	183	–	183
Total comprehensive income for the period	–	–	183	4,256	4,439	13	4,452
<i>Transactions with shareholders</i>							
Issue of Class B shares	–	15	–	–	15	–	15
Dividends	–	–	–	–1,301	–1,301	–	–1,301
Transactions with shareholders	–	15	–	–1,301	–1,287	–	–1,287
<i>Other transactions</i>							
Redemption of incentive plan	–	–	–	–13	–13	–	–13
Subscription of incentive plan	–	–	–	9	9	–	9
Change in non-controlling interests	–	–	–	–	–	788	788
Other transactions	–	–	–	–4	–4	788	784
Equity, 30 September 2024	817	7,761	1,360	29,788	39,726	801	40,527

Parent Company income statement

Amounts in SEK M	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Net sales	103	86	125
Administration costs	-102	-90	-131
Profit/loss before financial income and expenses	2	-4	-5
Profit from participations in Group companies	1,081	248	2,171
Profit from participations in joint ventures	63	161	161
Financial income	678	630	1,033
Financial expenses	-407	-402	-759
Profit before tax and appropriations	1,417	633	2,601
Appropriations	-	-	102
Tax	-44	-18	-18
Profit for the period	1,373	615	2,684

Condensed Parent Company balance sheet

Amounts in SEK M	2024 30 Sep	2023 30 Sep	2023 31 Dec
Tangible fixed assets	2	1	1
Receivables from Group companies	2,072	1,192	2,101
Other financial assets	16,996	14,633	15,697
Total fixed assets	19,070	15,826	17,799
Receivables from Group companies	24,758	24,638	25,868
Other current assets	159	30	37
Cash and bank balances	527	1	2
Total current assets	25,444	24,669	25,907
Total assets	44,515	40,495	43,706
Restricted equity	966	949	966
Unrestricted equity	10,097	5,873	10,024
Equity	11,064	6,822	10,990
Untaxed reserves	13	22	13
Non-current interest-bearing liabilities	9,760	6,800	7,291
Liabilities to Group companies	18,178	18,285	18,096
Deferred tax liabilities	5	5	5
Total non-current liabilities	27,943	25,090	25,393
Current interest-bearing liabilities	180	1,927	1,612
Liabilities to Group companies	4,976	6,343	5,417
Other current liabilities	339	292	281
Total current liabilities	5,495	8,561	7,310
Total equity, untaxed reserves and liabilities	44,515	40,495	43,706

Segment information

Segment	Rental revenue		Net operating income		Changes in value, properties				Total return	
					Unrealised		Realised			
	2024 Jan-Sep	2023 Jan-Sep	2024 Jan-Sep	2023 Jan-Sep	2024 Jan-Sep	2023 Jan-Sep	2024 Jan-Sep	2023 Jan-Sep	2024 Jan-Sep	2023 Jan-Sep
Amounts in SEK M										
Sweden	780	709	721	605	-213	-547	-	-	508	58
Finland	1,345	1,255	1,093	1,029	74	-375	1	-	1,169	654
France	711	504	563	390	439	68	3	1	1,005	458
Benelux	481	424	443	386	-15	-197	-	-	428	190
Spain	262	180	240	163	154	131	-	-	394	294
Germany	90	79	87	76	45	-20	-	-	132	57
Other Europe	9	9	4	9	-2	-16	-	-	2	-8
Non-specified	-	-	-47	-36	-	-	-	-	-47	-36
Total	3,678	3,160	3,105	2,621	482	-955	4	1	3,591	1,666

Segment	Market value properties		Investments properties		Acquisition properties		Divestment properties	
	2024 30 Sep	2023 30 Sep	2024 Jan-Sep	2023 Jan-Sep	2024 Jan-Sep	2023 Jan-Sep	2024 Jan-Sep	2023 Jan-Sep
Amounts in SEK M								
Sweden	14,976	14,739	452	317	88	186	-	-
Finland	19,167	18,891	172	97	439	726	-19	-1
France	14,223	8,580	84	78	3,725	232	-14	-28
Benelux	8,774	8,518	62	37	111	1,056	-	-
Spain	5,235	4,436	17	15	446	964	-	-
Germany	1,642	1,374	-	2	278	73	-	-30
Other Europe	124	131	-	-	-	-	-	-
Total	64,141	56,668	788	546	5,087	3,237	-33	-58

Key performance indicators

	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec
Property-related key figures							
Yield, %	6.6	6.4	6.4	5.8	6.0	6.3	6.4
Surplus ratio, %	84	83	83	82	83	83	83
Occupancy rate by area, %	96	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	4,767	4,170	4,331	3,895	3,759	3,480	3,022
No. of properties at the end of the period	970	811	903	751	673	673	553
Financial key figures							
Return on total capital, %	6.7	6.4	6.4	5.7	5.9	6.6	6.7
Return on equity, %	14.8	1.6	0.0	8.4	36.6	17.8	23.7
Average interest rate, %	2.3	2.0	1.9	1.7	1.4	1.8	1.9
Fixed interest period incl. derivatives, years	3.1	2.8	2.8	3.2	4.0	3.4	3.5
Loan maturity, years	3.3	3.3	3.1	3.7	4.3	3.4	3.8
Equity/Assets ratio, %	49	48	50	46	50	48	48
Debt ratio, %	43	43	41	45	42	43	44
Net debt/Run rate EBITDA, multiple	5.2	6.1	4.9	6.5	5.4	6.4	6.6
Net debt/EBITDA, multiple	5.5	6.5	5.2	7.1	5.8	6.4	6.6
Interest coverage ratio, multiple	5.2	6.4	5.7	7.1	6.5	5.7	4.9
Interest coverage ratio, EMTN programme, multiple	6.7	9.4	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	289.20	208.50	277.40	236.50	305.00	169.60	136.20
Net asset value at the end of the period, SEK	121.39	108.54	110.90	106.61	97.92	66.38	56.77
Equity at the end of the period, SEK	104.33	93.53	95.05	91.33	83.93	55.19	46.86
Equity after dilution at the end of the period, SEK	104.32	93.49	95.01	91.20	83.84	55.09	46.78
Earnings, SEK	12.02	0.72	-0.82	7.76	30.09	10.80	12.15
Earnings after dilution, SEK	12.01	0.72	-0.82	7.75	30.04	10.78	12.13
Profit from property management, SEK	8.95	8.65	11.17	9.71	8.01	6.63	5.51
Profit from property management after dilution, SEK	8.94	8.64	11.16	9.70	7.99	6.62	5.51
Cash flow, SEK	7.43	7.82	9.95	8.69	6.59	6.10	4.86
Cash flow after dilution, SEK	7.43	7.81	9.94	8.68	6.58	6.09	4.86
Dividend per share, SEK	-	-	3.10	2.70	2.15	1.65	1.30
No. of shares at end of period, million	338.4	328.3	338.3	318.0	317.7	317.3	317.1
No. of shares at end of period after dilution, million	338.5	328.5	338.5	318.5	318.0	317.9	317.5
Average number of shares, millions	338.4	321.8	324.8	317.8	317.5	317.1	316.9
Average number of shares after dilution, millions	338.5	322.2	325.1	318.3	318.0	317.7	317.3
Data per Class D share							
Share price at the end of period, SEK	33.30	25.65	28.00	26.70	33.40	32.05	36.35
Equity at the end of the period, SEK	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Earnings, SEK	1.50	1.50	2.00	2.00	2.00	2.00	2.00
Dividend per share, SEK	-	-	2.00	2.00	2.00	2.00	2.00
No. of shares at end of period, million	126.3	126.3	126.3	126.3	126.3	125.8	107.8
Average number of shares, millions	126.3	126.3	126.3	126.3	126.2	118.4	105.7

Definitions of key performance indicators are provided on pages 33–34.

The Sagax share and shareholders

At the end of the period, Sagax had 26,355 (23,582) shareholders. Sagax's market capitalisation amounted to SEK 101,966 M (71,736).

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 466,685,788 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.

Due to the exercise of warrants under the 2021/2024 incentive plan, Sagax issued 89,804 Class B common shares.

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 2022–2025, 2023–2026 and 2024–2027.

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 comprising 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 11.48 (10.98), which, compared with the share price of the Class B share at the end of the period, corresponded to a multiple of 25.2 (19.0).

EQUITY PER CLASS A AND B SHARE

Equity per Class A and B share after dilution amounted to SEK 104.32 (93.49). Net asset value per Class A and B share amounted to SEK 121.39 (108.54). The share price for the Class B share at the end of the period was 277% (223) of equity per Class A and B share and 238% (192) of net asset value per Class A and B share.

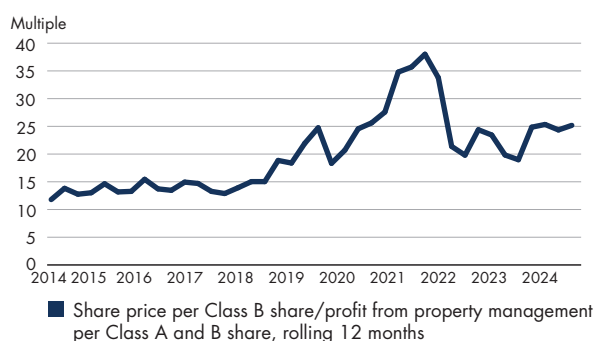
Key performance indicators per Class B share

	2024 30 Sep	2023 30 Sep	2023 31 Dec	2022 31 Dec	2021 31 Dec	2020 31 Dec	2019 31 Dec
Share price, SEK	289.20	208.50	277.40	236.50	305.00	169.60	136.20
Profit from property management after dilution, SEK ¹⁾	11.48	10.98	11.16	9.70	7.99	6.62	5.51
Cash flow after dilution, SEK ^{1) 2)}	9.56	9.86	9.94	8.68	6.58	6.09	4.86
Equity after dilution, SEK	104.32	93.49	95.01	91.20	83.84	55.09	46.78
Net asset value, SEK	121.39	108.54	110.90	106.61	97.92	66.38	56.77
Share price/Profit from property management, multiple ¹⁾	25.2	19.0	24.9	24.4	38.2	25.6	24.7
Share price/Cash flow, multiple ^{1) 2)}	30.3	21.1	27.9	27.3	46.4	27.9	28.0
Share price/Equity, %	277	223	292	259	364	308	292
Share price/Net asset value, %	238	192	250	222	311	255	240

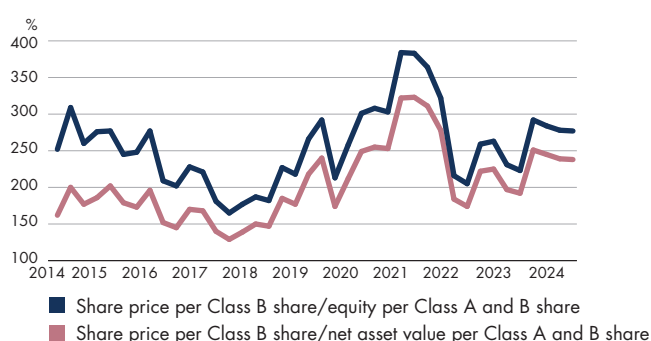
1) Profit from property management and cash flow pertains to rolling 12 months.

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	
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
Class A shares	285.00	210.00	1	2	0	1
Class B shares	289.20	208.50	28	24	94	68
Class D shares	33.30	25.65	51	50	8	7

Ownership structure 30 September 2024¹⁾

No. of shares	No. of shareholders	Shareholder category	No.	Share of voting power	Shareholders by country	No.	Share of voting power
1–500	18,728	Private individuals residing in Sweden	24,448	13%	Sweden	25,121	83%
501–1,000	2,242	Private individuals residing abroad	333	1%	USA	95	6%
1,001–2,000	1,808				Norway	191	2%
2,001–5,000	1,672	Companies/institutions in Sweden	673	70%	Netherlands	14	1%
5,001–10,000	706				UK	44	1%
10,001–50,000	858	Companies/institutions abroad	901	11%	Other	890	7%
50,001–	341	Unknown type of shareholder	–	5%			
Total	26,355	Total	26,355	100%	Total	26,355	100%

1) Including shares held by AB Sagax.

Largest shareholders 30 September 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	–	7.4%	12.2%
Fourth Swedish National Pension Fund	821,630	11,465,927	6,155,514	4.0%	3.7%
Vanguard	–	9,348,110	7,431,969	3.6%	2.4%
Avanza Pension	41,839	499,518	15,300,919	3.4%	2.3%
Third Swedish National Pension Fund	–	13,177,078	–	2.8%	1.9%
Länsförsäkringar Fonder	–	11,406,331	1,026,439	2.7%	1.8%
SEB Fonder	–	12,356,833	–	2.6%	1.8%
Handelsbanken Fonder	–	8,578,474	3,031,965	2.5%	1.7%
BlackRock	–	9,657,866	55,160	2.1%	1.4%
Patrik Brummer and companies	–	–	8,357,887	1.8%	1.2%
Lannebo Kapitalförvaltning AB	–	7,174,810	–	1.5%	1.0%
Norges Bank	–	4,231,649	2,539,815	1.5%	1.0%
Filip Engelbert and companies	243,000	1,889,784	4,200,000	1.4%	1.2%
Didner & Gerge Fonder	–	5,231,085	–	1.1%	0.7%
Swedbank Robur Fonder	500,000	4,620,826	–	1.1%	1.4%
Erik Selin and companies	1,179,959	1,863,567	2,021,435	1.1%	2.2%
Second Swedish National Pension Fund	–	4,909,590	–	1.1%	0.7%
Nordea Fonder	–	4,051,938	–	0.9%	0.6%
Folksam	–	3,842,778	–	0.8%	0.5%
Total 20 largest shareholders	22,523,737	206,618,355	51,021,103	60.0%	68.7%
Other shareholders	3,957,690	105,324,677	75,240,226	39.5%	31.3%
Sub-total	26,481,427	311,943,032	126,261,329	99.6%	100.0%
Shares held by AB Sagax	–	2,000,000	–	0.4%	–
Total	26,481,427	313,943,032	126,261,329	100.0%	100.0%
– of which, Board and employees	20,112,565	103,254,706	4,651,146	27.4%	44.0%

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, Morningstar and Finansinspektionen.

Voting rights and proportion of share capital

	No. of shares	Voting rights per share	No. of votes	Proportion of votes	Proportion of share capital
Class A shares	26,481,427	1.0	26,481,427.00	38%	6%
Class B shares	313,943,032	0.1	31,394,303.20	45%	67%
Class D shares	126,261,329	0.1	12,626,132.90	18%	27%
Total	466,685,788		70,501,863.10	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. Sagax works continuously to identify and, if possible, address any risks.

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

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 94% of the property value on 30 September 2024 had been 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 30 September 2024, assets less liabilities in EUR, amounted to SEK 12,065 M (9,548). In total, net exposure in EUR amounted to 30% (27) 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 30 September, EUR 1 was equivalent to SEK 11.30 (11.49) and DKK 1 was equivalent to SEK 1.52 (1.54). Revenue and expense items are translated at the average exchange rate for the period: EUR 1 was equivalent to SEK 11.41 (11.48) and DKK 1 was equivalent to SEK 1.53 (1.54). 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.

Currency exposure

Amounts in EUR M	2024 30 Sep	2023 30 Sep
Investment properties	4,390	3,678
Other assets	160	102
Total assets	4,550	3,780
Interest-bearing liabilities	2,957	2,621
Other liabilities	525	329
Total liabilities	3,482	2,950
Net exposure	1,068	831

SENSITIVITY ANALYSIS

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

Sensitivity analysis for property values						Sensitivity analysis for changes in the occupancy rate					
	-20%	-10%	0%	+10%	+20%		-10%	-5%	0%	+5%	+10%
Value change, SEK M	-12,828	-6,414	-	6,414	12,828	Occupancy rate, %	87.0	91.0	96.0	N/A	N/A
Debt ratio, %	50	46	43	40	37	Interest coverage ratio, multiple	4.6	4.9	5.2	N/A	N/A

Sensitivity analysis for property values		
	Change	Value change, SEK M
Capitalisation rate	+/-0.25% point	-1,754/+1,908
Discount rate	+/-0.25% point	-983/+1,011
Rental revenue	+/-5%	+2,616/-2,633
Property expenses	+/-5%	-455/+450

Sensitivity analysis on 30 September 2024 ¹⁾				
Amounts in SEK M	Change	Effect on profit from property management, annual basis	Effect on profit after tax, annual basis	Effect on equity
Economic occupancy rate	+/-1% point	+54/-54	+45/-45	+45/-45
Rental revenue	+/-1%	+52/-52	+43/-43	+43/-43
Property expenses	+/-1%	-9/+9	-7/+7	-7/+7
Interest expenses for liabilities in SEK including fixed income derivatives	+/-1% point	-7/+7	-6/+6	-6/+6
Interest expenses for liabilities in EUR including fixed income derivatives	+/-1% point	-25/+25	-21/+21	-21/+21
Change in SEK/EUR exchange rate ²⁾	+/-10%	+246/-246	+199/-199	+1,206/-1,206
Changed rent level for contract maturities in 2024	+/-10%	+15/-15	+13/-13	+13/-13

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.

On 9 April 2024, the IASB issued a new standard, IFRS 18, which will replace IAS 1. IFRS 18 become effective for financial years beginning on or after 1 January 2027, with early application permitted. Retrospective application is required for comparative periods. The EU has yet to adopt this standard. As yet, the Group has not assessed the impact of IFRS 18.

No other changes to IFRS or IFRIC interpretations that are not yet effective are expected to have any material impact on the company’s financial statements.

Rounding-off differences may occur.

SIGNIFICANT 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

No significant events have occurred after the end of the period.

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, 25 October 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

The interim report has 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 25 October 2024 at 1.00 p.m. CEST.

Review report

TO THE BOARD OF DIRECTORS OF AB SAGAX, CORPORATE IDENTITY NUMBER 556520-0028

INTRODUCTION

We have reviewed the condensed interim report for AB Sagax as per 30 September 2024 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 25 October 2024
Ernst & Young AB

Jonas Svensson
Authorised Public Accountant

Calendar

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

Year-end report 2024	21 February 2025
Annual General Meeting 2025	8 May 2025
Interim report January – March 2025	8 May 2025
Interim report January – June 2025	14 July 2025
Interim report January – September 2025	24 October 2025

SCHEDULE OF DIVIDEND PAYMENTS TO HOLDERS OF CLASS D SHARES

December 2024

■ 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 2025

■ 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

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 attributable to the Parent Company's share owners 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 attributable to the Parent Company's share owners 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 attributable to the Parent Company's share owners 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 debt/Total assets	Interest-bearing liabilities less interest-bearing assets, cash and cash equivalents, and listed shares as a percentage of total assets.	The KPI shows financial risk.
Net 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.
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, including profits of associated companies and joint ventures, excluding changes in value and tax.	An indicator of the earnings generation in the operations, excluding changes in value.
Profit from property management per Class A and B share after dilution	Profit from property management attributable to the Parent Company's share owners 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 revenue, comparable portfolios	Rental revenue from properties that were included in the portfolio for the entire reporting period and the entire comparative period. Project properties and properties that were acquired or sold are not included.	The KPI shows the trend in rental revenue excluding non-recurring effects, such as prematurely vacating premises, not impacted by acquired and sold properties.
Rental value	The contractual annual rent applicable directly after the end of the period, with supplements for estimated market rents for vacant premises.	The key performance indicator shows the Group's income potential.
Return on equity	Profit for the period, recalculated to 12 months, as a percentage of average equity (opening and closing balances) divided by 2 for the period.	The KPI shows how shareholders' capital yields interest during the period.
Return on total capital	Profit 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 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.
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.
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	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec	Amounts in SEK M	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Cash flow per Class A and B share				Interest coverage ratio			
Profit before tax	4,599	561	159	Profit from property management	3,234	2,972	3,881
Items not affecting cash flow	-1,756	2,300	3,456	Reversal of profit from property management joint ventures and associated companies	-833	-698	-937
Tax paid	-138	-154	-130	Dividends from joint ventures and associated companies	453	589	653
Dividends attributable to Class D shares	-189	-189	-253	Financial expenses incl leases	685	534	765
Cash flow	2,515	2,518	3,232	Adjusted profit from property management before financial expenses	3,538	3,396	4,362
Cash flow per Class A and B share after dilution, SEK	7.43	7.81	9.94	Interest coverage ratio	5.2x	6.4x	5.7x
Debt ratio				Interest coverage ratio, EMTN programme			
Interest-bearing liabilities	35,343	31,846	30,343	Profit from property management	3,234	2,972	3,881
Total assets	82,915	73,505	73,410	Net financial items	567	352	550
Debt ratio	43%	43%	41%	Profit from property management before net financial items	3,801	3,324	4,431
Earnings per Class A and B share¹⁾				Interest coverage ratio	6.7x	9.4x	8.1x
Profit/Loss after tax attributable to the Parent Company's owners	4,256	420	-13	Net asset value			
Dividends attributable to Class D shares	-189	-189	-253	Equity attributable to Parent Company's owners	39,726	35,130	36,578
Adjusted profit/loss after tax	4,067	231	-266	Equity attributable to Class D shares	-4,419	-4,419	-4,419
Earnings per Class A and B share after dilution, SEK	12.01	0.72	-0.82	Reversal of derivatives	72	-23	21
EBITDA rolling 12 months				Reversal of deferred tax, net	4,075	3,765	3,882
Net operating income	4,035	3,392	3,551	Reversals due to joint ventures and associated companies	1,633	1,202	1,474
Central administration	-201	-185	-182	Net asset value	41,087	35,654	37,537
Dividends from joint ventures and associated companies	417	633	653	NAV per Class A and B share after dilution, SEK	121.39	108.54	110.90
EBITDA	4,251	3,840	4,023	Net debt			
Economic occupancy rate				See page 15.			
Contractual annual rent	5,171	4,411	4,557	Net debt according to EMTN programme			
Rental value	5,369	4,617	4,738	Interest-bearing liabilities	35,343	31,846	30,343
Economic occupancy rate	96%	96%	96%	Listed shares in fixed assets ²⁾	-6,771	-5,252	-8,030
Equity/Assets ratio				Listed shares in current assets	-3,482	-31	-
Equity	40,527	35,130	36,578	Cash and cash equivalents	-624	-25	-28
Total assets	82,915	73,505	73,410	Net debt according to EMTN programme	24,467	26,537	22,285
Equity/Assets ratio	49%	48%	50%	Net debt according to EMTN programme/Total assets			
Equity per Class A and B share				Net debt according to EMTN programme	24,467	26,537	22,285
Equity attributable to Parent Company's owners	39,726	35,130	36,578	Total assets	82,915	73,505	73,410
Equity attributable to Class D shares	-4,419	-4,419	-4,419	Net debt according to EMTN programme/Total assets	30%	36%	30%
Equity attributable to Class A and B shares	35,307	30,711	32,159	Net debt/EBITDA			
No. of shares, '000s	338,424	328,335	338,335	Net debt	23,205	25,082	20,804
Number of shares after dilution, '000s	338,464	328,481	338,477	EBITDA rolling 12 months	4,251	3,841	4,023
Equity per Class A and B share, SEK	104.33	93.53	95.05	Net debt/EBITDA	5.5x	6.5x	5.2x
Equity per Class A and B share after dilution, SEK	104.32	93.49	95.01				

1) IFRS performance measure.

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

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

Amounts in SEK M	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Net debt/Run rate EBITDA			
Net debt	23,205	25,082	20,804
EBITDA, run rate	4,487	4,091	4,256
Net debt/EBITDA run rate	5.2x	6.1x	4.9x
Net debt/Total assets			
Net debt	23,205	25,082	20,804
Total assets	82,915	73,505	73,410
Net debt/Total assets	28%	34%	28%
Occupancy rate by area			
Contracted area, '000s sqm	4,582	4,004	4,182
Total lettable area, '000s sqm	4,767	4,170	4,331
Occupancy rate by area	96%	96%	97%
Profit from property management			
Profit/Loss after tax	4,269	420	-13
Tax	496	153	158
Changes in value	-1,531	2,399	3,737
Profit from property management	3,234	2,972	3,881
– of which attributable to non-controlling interests	17	–	–
– of which attributable to Parent Company's owners	3,217	2,972	3,881
Profit from property management per Class A and B share after dilution			
Profit from property management attributable to the Parent Company's owners	3,217	2,972	3,881
Dividends attributable to Class D shares	-189	-189	-253
Adjusted profit from property management	3,027	2,782	3,628
Average no. of Class A and B shares after dilution, '000s	338,468	322,182	325,123
Profit from property management per Class A and B share after dilution, SEK	8.94	8.64	11.16
Profit from property management per Class A and B shares, rolling 12 months			
Profit from property management attributable to the Parent Company's owners	4,126	3,781	3,881
Dividends attributable to Class D shares	-253	-253	-253
Adjusted profit from property management	3,874	3,528	2,628
Average no. of Class A and B shares after dilution, '000s	337,321	321,251	325,123
Profit from property management per Class A and B share, current period	11.48	10.98	11.16
Profit from property management per Class A and B share, preceding period	10.98	9.38	9.70
Annual growth rate, %	5%	17%	15%
Rental revenue, comparable portfolios			
Rental revenue	3,678	3,160	N/A
Acquired and sold properties	-479	-76	N/A
Currency adjustment ¹⁾	–	-13	N/A
Rental revenue, comparable portfolios excluding currency effects	3,199	3,071	N/A

Amounts in SEK M	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Return on equity			
Profit/Loss after tax	4,269	420	-13
Addition for translation to annual value	1,423	140	–
Adjusted profit/loss after tax	5,692	560	-13
Average equity	38,553	34,296	35,020
Return on equity	14.8%	1.6%	0.0%
Return on total capital			
Profit from property management	3,234	2,972	3,881
Addition for translation to annual value	1,078	991	–
Financial expenses	685	534	765
Addition for translation to annual value	228	178	–
Profit before financial expenses	5,225	4,674	4,646
Average total assets	78,162	72,799	72,751
Return on total capital	6.7%	6.4%	6.4%
Run rate EBITDA			
Net operating income according to current earnings capacity	4,271	3,642	3,785
Central administration	-201	-185	-182
Dividends from joint ventures and associated companies	417	633	653
Run rate EBITDA	4,487	4,090	4,256
Run rate yield			
Net operating income according to current earnings capacity	4,271	3,642	3,785
Add-back of site leasehold fees	-33	-30	-25
Adjusted net operating income	4,238	3,612	3,760
Carrying amounts of properties	64,141	56,668	57,061
Run rate yield	6.6%	6.4%	6.6%
Secured liabilities/Total assets			
Secured liabilities	5,919	3,385	2,309
Total assets	82,915	73,505	73,410
Secured liabilities/Total assets	7.1%	4.6%	3.0%
Surplus ratio			
Net operating income	3,105	2,621	3,551
Rental revenue	3,678	3,160	4,293
Surplus ratio	84%	83%	83%
Yield			
Net operating income	3,105	2,621	3,551
Add-back of site leasehold fees	-24	-21	-27
Addition for translation to annual value	1,027	867	–
Holding adjustment, acquisitions/divestments/other	149	129	232
Currency translation to closing rate	-34	4	-100
Adjusted net operating income	4,223	3,600	3,656
Carrying amounts of properties	64,141	56,668	57,061
Yield	6.6%	6.4%	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 30 September 2024 amounted to 4,767,000 square metres, distributed between 970 properties.

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

More information is available at www.sagax.se.

AB | SAGAX

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