

INTERIM REPORT JANUARY – JUNE 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 – June 2024

FIRST SIX MONTHS OF 2024

- Rental revenue increased 17% to SEK 2,388 M (SEK 2,048 M in the year-earlier period).
- Profit from property management increased 5% to SEK 2,056 M (1,956).
- Profit from property management per Class A and B share after dilution amounted to SEK 5.70 (5.74).
- Property revaluation had an impact on profit of SEK 202 M (–1,367).
- Revaluation of financial instruments had an impact on profit of SEK 103 M (–707).
- Profit after tax for the period was SEK 2,058 M (–214).
- Cash flow from operating activities before changes in working capital amounted to SEK 1,789 M (1,782), corresponding to SEK 4.91 (5.19) per Class A and B share after dilution.
- Net investments in properties amounted to SEK 1,544 M (1,390), of which acquisitions accounted for SEK 1,033 M (1,096).

SECOND QUARTER OF 2024

- Rental revenue increased 16% to SEK 1,203 M (SEK 1,040 M in the year-earlier period).
- Profit from property management increased 5% to SEK 1,063 M (1,014).
- Profit from property management per Class A and B share after dilution amounted to SEK 2.95 (2.97).
- Property revaluation had an impact on profit of SEK 141 M (–708).
- Revaluation of financial instruments had an impact on profit of SEK –93 M (–182).
- Profit after tax for the period was SEK 978 M (53).
- Cash flow from operating activities before changes in working capital declined 6% to SEK 885 M (944), corresponding to SEK 2.43 (2.76) per Class A and B share after dilution.
- Net investments in properties amounted to SEK 589 M (1,228), of which property acquisitions accounted for SEK 327 M (1,078).

UNCHANGED FORECAST FOR 2024

Profit from property management for 2024, meaning profit before revaluations and tax, based on the current property portfolio, announced acquisitions and divestments and current exchange rates, is expected to amount to SEK 4,300 M. The forecast was presented in the interim report for January–March 2024.

Selected key performance indicators

	2024 Jan-Jun	2023 Jan-Jun	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	5.70	5.74	11.16	9.70	7.99	6.62	5.51
<i>Change compared with preceding year, %</i>	–1	22	15	21	21	20	28
Earnings per Class A and B share after dilution, SEK	5.71	–1.07	–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	5.3	6.8	5.2	7.1	5.8	6.4	6.6
Interest coverage ratio, multiple	5.4	6.5	5.7	7.1	6.5	5.7	4.9
Debt ratio at the end of the period, %	45	43	41	45	42	43	44
Properties' market value at the end of period, SEK M	59,875	55,476	57,061	52,682	46,067	37,548	32,625
Yield, %	6.6	6.2	6.4	5.8	6.0	6.3	6.4

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

Business concept, targets and strategies

BUSINESS CONCEPT

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

OPERATIONAL TARGETS

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

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

FINANCIAL TARGETS

Sagax has the following financial targets:

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

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

STRATEGIES

Financial targets

	Outcome rolling 12 months	Five-year average
Return on equity, measured over a five-year period, shall exceed 15% per year	6%	16%
Profit from property management per Class A and B share shall increase by a minimum of 15% per year	4%	20%

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

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

Investment strategy

Property acquisitions and investments in the existing portfolio aim to increase cash flow and diversify rental revenue, thereby reducing the company's operational and financial risks.

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

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

Financing strategy

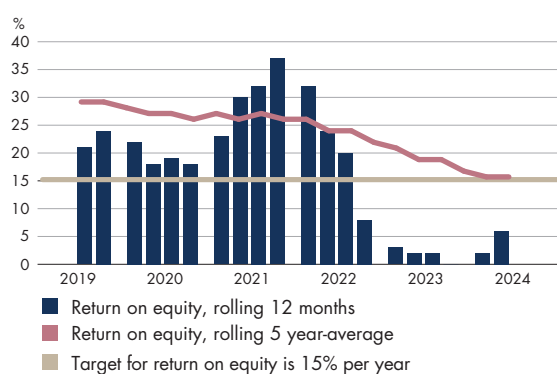
The financial structure of Sagax is designed with a clear focus on operating cash flow and interest coverage ratio. This is expected to create both good prerequisites for expansion and attractive return on equity.

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

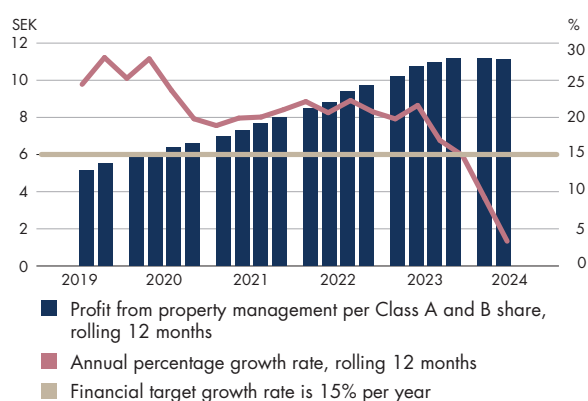
Sagax endeavours to have well-balanced fixed interest and loan maturity profiles to secure its operating cash flow. The company's interest-bearing debt mainly consists of senior unsecured bonds issued in the EUR market. Sagax also finances its operations via issuance of commercial paper in EUR and SEK.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

The company has three classes of shares: Class A, B and D common shares. The Class A and B shares participate fully in the company's profit

Return on equity



Profit from property management per Class A and B share



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

Asset management strategy

Sagax's long-term perspective applies to the company's asset management strategy. Sagax endeavours to attract reputable and creditworthy tenants. The company prioritises long-term customer relationships even if this entails foregoing higher rental levels. This is regarded as being advantageous since it reduces the risk of vacancies, while leading to lower costs for letting premises and adapting premises to tenant needs.

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

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

SUSTAINABILITY ACTIVITIES

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

Environmental and resource efficiency

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

Business ethics

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

Economic sustainability

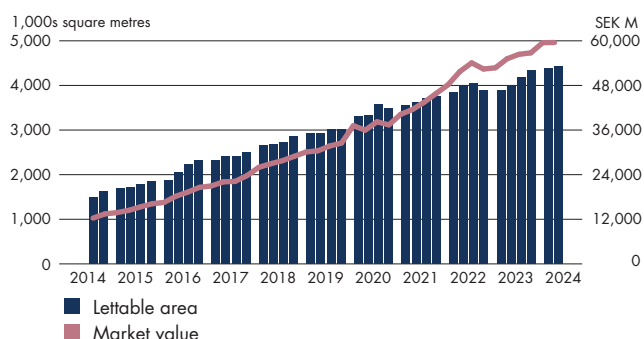
Sagax's business model is characterised in all areas by a long-term approach. Short-term gains are subordinate to the company's long-term value creation. Accordingly, sustainability work is integrated into the business model.

Professional and dedicated employees

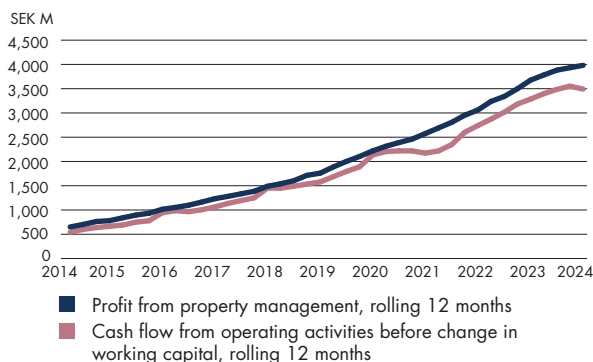
The development of the company is dependent on highly skilled employees. For this reason, it is important that the company is an attractive employer that can recruit and has the ability to retain highly skilled personnel. Sagax employees are expected to assume responsibility of their work duties and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

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

Market value and lettable area of properties



Profit from property management and cash flow





The Angerstrasse 5 property in Germany was acquired in the second quarter. The property is located just outside Leipzig and encompasses 2,000 square metres of lettable area.

Profit, revenue and expenses

The profit/loss and cash flow items below refer to the January to June 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 increased 5% to SEK 2,056 M (1,956), of which joint ventures and associated companies accounted for SEK 531 M (437). Profit from property management primarily increased as a result of property acquisitions and rent indexation. Profit from property management per Class A and B share after dilution amounted to SEK 5.70 (5.74).

Property revaluation had an impact on profit of SEK 202 M (–1,367), of which SEK –78 M (–525) referred to changes in value from joint ventures and associated companies.

Revaluation of financial instruments had an impact on profit of SEK 103 M (–707).

Profit after tax for the period was SEK 2,058 M (–214).

REVENUE

Rental revenue increased 17% to SEK 2,388 M (2,048). Revenue was primarily affected by property acquisitions and rent indexation.

During the period, rental revenue in comparable portfolios increased 4.5% (6.6) excluding currency effects. The segments with the largest increases were Sweden with 9.3%, France 5.1% and Germany 5.1%.

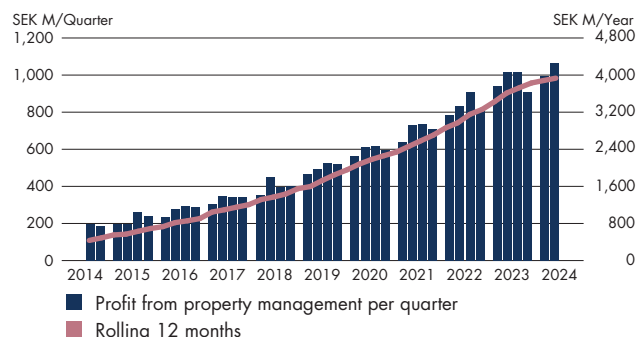
Other revenue amounted to SEK 18 M (9).

Rental revenue, comparable portfolios

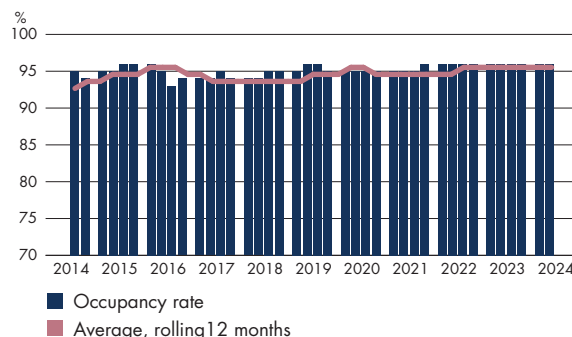
Amounts in SEK M	2024 Jan-Jun	2023 Jan-Jun
Rental revenue	2,388	2,048
Acquisitions and divestments	–258	–17
Currency adjustment ¹⁾	–	9
Total	2,130	2,039

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

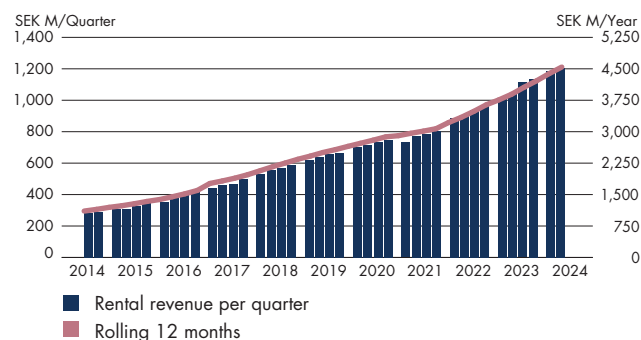
Profit from property management



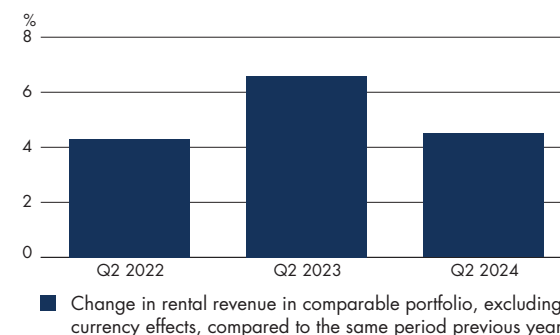
Economic occupancy rate



Rental revenue



Rental revenue, comparable portfolios



CHANGE IN THE ECONOMIC OCCUPANCY RATE

The economic occupancy rate amounted to 96% (96). During the period, the vacancy value increased SEK 95 M (126) due to tenants vacating premises and declined SEK 70 M (103) following new lettings. Fixed-term rent discounts for new tenants fell SEK 21 M (6) to SEK 31 M (33) 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 7 M (3). The total vacancy value at the end of the period amounted to SEK 196 M (197).

FUTURE VACANCY CHANGES

At the end of the period, notice of termination had been served for leases with a rental value of SEK 118 M (99), of which leases with notice of vacating the premises accounted for SEK 115 M (96) and leases amounting to SEK 4 M (3) were terminated with notice of renegotiation. Of the leases for which notice had been received, vacancies corresponding to a rental value of SEK 31 M will occur in 2024.

Lettings of premises to tenants who have not yet occupied reduced the adjusted vacancy value by SEK 26 M (45). Net lettings corresponding to a rental value of SEK 21 M will occur in 2024. The adjusted vacancy value was SEK 288 M (250).

Vacancy changes

Amounts in SEK M	2024 Jan-Jun	2023 Jan-Dec
Opening vacancy for each year	182	171
New lettings	-70	-211
Vacancies	95	210
Change in discounts provided	-21	13
Vacancy value, acquired properties	8	6
Vacancy value, divested properties	-1	-7
Change in exchange rates	3	-
Closing vacancy value	196	182
Terminated for renegotiation	4	-
Terminated lease, not vacated	115	74
Letting, not occupied	-26	-19
Adjusted closing vacancy value	288	237

PROPERTY EXPENSES

Operating and maintenance costs amounted to a total of SEK 260 M (232). Expenses for property tax increased to SEK 121 M (103) and other property expenses increased to SEK 51 M (42). The increase was due primarily to property acquisitions.

CENTRAL ADMINISTRATION

Central administration costs amounted to SEK 90 M (80), corresponding to 3.8% (3.9) of the period's rental revenue.

At the end of the period, Sagax had 96 (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	38
Finland	27
France	13
Netherlands	9
Spain	8
Germany	1
Total	96

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	16	21	60	31
2025	3	5	35	42
2026	-	-	5	33
2027	-	-	2	8
>2027	-	-	-	-
Total	19	26	102	115

Vacancies, 1 July 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	1,105	54	5%	920,000	43,000	5%
Finland	1,877	92	5%	1,476,000	84,000	6%
France	870	24	3%	757,000	23,000	3%
Benelux	659	21	3%	671,000	16,000	2%
Spain	369	3	1%	500,000	11,000	2%
Germany	119	1	1%	96,000	2,000	2%
Other Europe	12	-	-	6,000	-	-
Total	5,011	196	4%	4,425,000	179,000	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 354 M (-90), of which profit from property management accounted to SEK 531 M (437), changes in value of properties for SEK -78 M (-525) and changes in the value of fixed income derivatives for SEK 15 M (-5). Tax expense on profit from joint ventures and associated companies amounted to SEK 115 M (11). For additional information, see page 13.

NET FINANCIAL ITEMS

Financial income amounted to SEK 76 M (271). Last year included income pertaining to repurchased bonds of SEK 59 M, financial income of SEK 121 M pertaining to current finance lease assets and dividends of SEK 45 M from listed shares, and there was no such corresponding income this year.

Financial expenses, excluding the interest component of IFRS 16 Leases, increased to SEK 418 M (336) due to higher interest-bearing liabilities and that higher market interest rates impacted the Group's borrowing costs. The average interest rate on interest-bearing liabilities was 2.5% (1.8) on the balance sheet date.

The interest component of IFRS 16 Leases amounted to SEK -18 M (-15). This expense primarily comprised site leaseholds 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 98% of the market value of the properties had been externally valued. The changes in value for the properties amounted to SEK 280 M (-842), of which unrealised changes in value amounted to SEK 276 M (-842) and realised changes in value amounted to SEK 4 M (-). Of this unrealised change in value, SEK 272 M (399) was attributable to property management and SEK 4 M (-1,241) 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 88 M (-702), of which SEK 56 M (-41) pertained to the revaluation of financial

instruments in joint ventures. The unrealised change in value attributable to fixed income derivatives amounted to SEK 31 M (7). Other financial instruments were revalued by SEK 1 M (-61).

Last year included the revaluation of listed shares of SEK -630 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 189 M (101) comprising of a current tax expense of SEK 72 M (100) and a deferred tax expense of SEK 117 M (1). The tax expense recognised in other comprehensive income amounted to SEK 15 M (-9). The Group's deferred tax liabilities at the end of the period amounted to SEK 4,092 M (4,118). Deferred tax assets pertaining to accumulated loss carryforwards and financial instruments amounted to SEK 141 M (204).

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 1,789 M (1,782). Changes in working capital had an impact of SEK -336 M (-177) on cash flow. Investing activities had an impact of SEK -2,501 M (322) on cash flow, while cash flow from financing activities amounted to SEK 4,075 M (-1,982). In total, cash and cash equivalents changed by SEK 3,028 M (-54) during the period.

The increase in cash and cash equivalents was due to a temporary increase in interest-bearing liabilities. For further information, see page 15.

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 56 M (44).

Unrealised changes in the value of properties

Amounts in SEK M	Jan-Jun 2024
New lettings/Renegotiations	354
Vacancies/Renegotiations	-82
General change in market value	4
Total	276

Unrealised changes in the value of properties per quarter

Amounts in SEK M	Jan-Jun 2024
First quarter	152
Second quarter	124
Total	276

Forecast and current earnings capacity

UNCHANGED FORECAST FOR 2024

Profit from property management for 2024, meaning profit before revaluations and tax, based on the current property portfolio, announced acquisitions and divestments and current exchange rates, is expected to amount to SEK 4,300 M. The 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 July. It is important to note that this capacity is not equivalent to a forecast for the forthcoming 12 months since it does not contain assessments about, for example, future vacancies, interest rate scenario, currency effects, rent trends or changes in value.

The rental value is based on contractual rental revenue on an annual basis, with addition for estimated market rents for vacant premises.

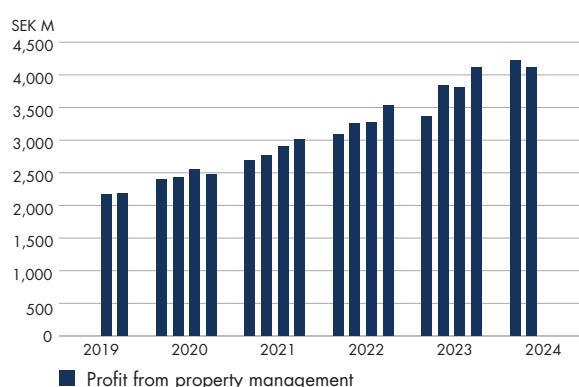
Property expenses are based on actual outcomes over the past 12 months adjusted for the holding period. Central administration costs are based on actual outcomes over the past 12 months. Net financial items are calculated based on interest-bearing liabilities and assets on the balance sheet date. Expenses 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. Tax is calculated at the standard tax rate of 17% (18). Translation from EUR took place at the closing rate of SEK 11.36. 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.

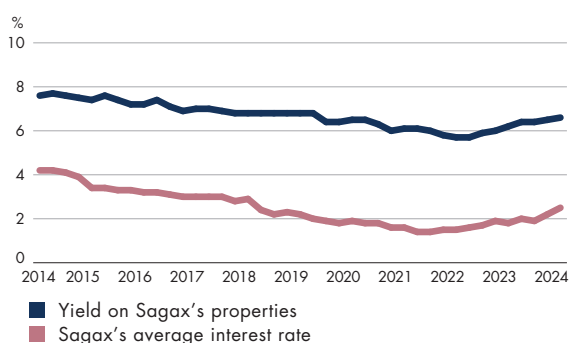
Current earnings capacity

Amounts in SEK M	1 Jul 2024	1 Jan 2024
Rental value	5,011	4,738
Vacancy	-196	-182
Rental revenue	4,815	4,557
Property expenses	-826	-771
Net operating income	3,988	3,785
Central administration	-193	-182
Joint ventures and associated companies	1,127	1,096
Net financial items	-790	-555
Lease expenses	-36	-31
Profit from property management	4,096	4,114
Tax	-696	-741
Profit after tax	3,400	3,374
– of which, holders of Class D shares	253	253
– of which, holders of Class A and B shares	3,147	3,122
Run rate yield, %	6.6	6.6
Net debt/run rate EBITDA, multiple	5.1	4.9

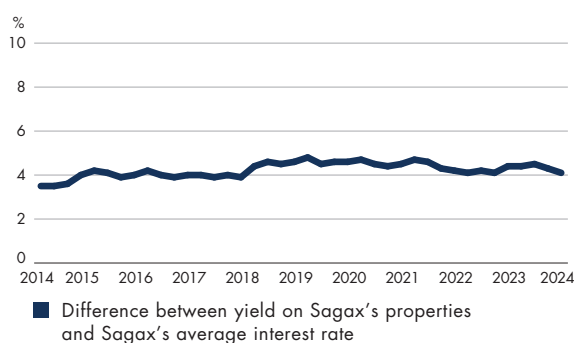
Current earnings capacity before tax



Yield and interest rate



Difference between yield and interest rate



Property portfolio

On 30 June 2024, the property portfolio comprised 918 (773) properties with a lettable area of 4,425,000 square metres (3,979,000). At the end of the period, the rental value and contractual annual rent amounted to SEK 5,011 M (4,517) and SEK 4,815 M (4,320), respectively. This corresponds to an economic occupancy rate of 96% (96).

INVESTMENTS

During the period, Sagax invested SEK 1,574 M (1,412), of which property acquisitions accounted for SEK 1,033 M (1,096).

A total of SEK 540 M (315) was invested in the existing property portfolio. SEK 124 M (83) referred to property maintenance and SEK 263 M (112) to new construction. In addition, SEK 109 M (107) was invested in connection with new lettings and SEK 44 M (13) against rent supplements. Of total investments, SEK 24 M (6) referred to investments in energy-saving measures.

During the period, Sagax has agreed to acquire 2 properties in Germany and 1 in France, with closing taking place after the end of the period. The total investment will amount to SEK 134 M.

After the end of the period, an agreement was concluded on the acquisition of a property in Germany equivalent to SEK 125 M.

DIVESTMENTS

During the period, 2 properties were divested for a total of SEK 30 M. Agreements were signed for the sale of 2 properties in France for a total of SEK 30 M, with closing scheduled after the end of the period.

PROPERTY PORTFOLIO YIELD

The yield for the period was 6.6% (6.2). The run rate yield was 6.6% (6.3).

Summary of property portfolio, 1 July 2024

Segment	Market value			No. of properties	Lettable area, sqm	Vacant area, sqm	Rental value, SEK M	Economic occupancy rate	Contractual annual rent, SEK M
	SEK M	Share	SEK per sqm						
Sweden	14,768	25%	16,100	125	920,000	43,000	1,105	95%	1,051
Finland	19,063	32%	12,900	247	1,476,000	84,000	1,877	95%	1,785
France	10,559	18%	14,000	268	757,000	23,000	870	97%	846
Benelux	8,828	15%	13,200	149	671,000	16,000	659	97%	638
Spain	5,186	9%	10,400	117	500,000	11,000	369	99%	366
Germany	1,347	2%	14,100	10	96,000	2,000	119	99%	117
Other Europe	124	0%	19,200	2	6,000	–	12	100%	12
Total	59,875	100%	13,500	918	4,425,000	179,000	5,011	96%	4,815

Property investments January-June 2024

Amounts in SEK M	Property acquisitions	Existing portfolio	Total	Share of total investments	Divestments	Net investments
Sweden	–	335	335	21%	–	335
Finland	405	92	497	32%	–19	478
France	84	54	138	9%	–11	127
Benelux	111	45	156	10%	–	156
Spain	404	15	419	27%	–	419
Germany	28	–	28	2%	–	28
Total	1,033	540	1,574	100%	–30	1,544

LEASE STRUCTURE

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

Sagax's annual rent at the end of the period was distributed between 2,465 leases (2,282). 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 2,458 leases (2,274) had an individual rental value of less than 1% of the Group's annual rent. The total rental value for these leases accounted for 90% (88) of Sagax's annual rent. In addition, Sagax is party to six leases (seven) with a rental value corresponding to 1–2% of the Group's annual rent. Combined, these leases total 8% (9) of Sagax's annual rent. Only one (one) of Sagax's leases had an annual rental value

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

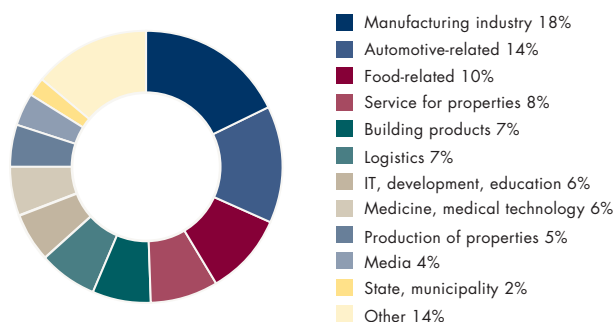
Sagax's tenants operate in a variety of sectors. Companies in the manufacturing industry account for 18% (15) of rental revenue. The automotive-related industry, including sales, service and manufacturing, accounts for 14% (14) of rental revenue and food-related operations for 10% (10). Diverse tenant 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 50% of the annual rent expire in or after 2028. 8–16% 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%	102	2	1	102	13
1–2%	370	8	6	62	3
<1%	4,343	90	2,458	2	5
Total	4,815	100	2,465	2	5

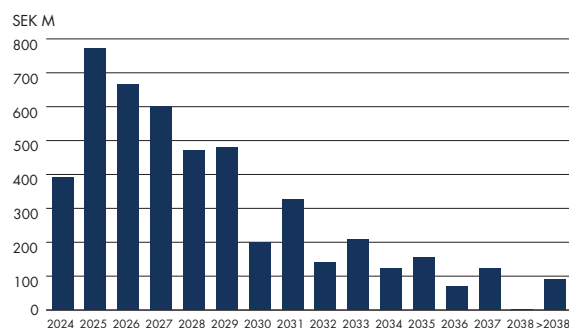
Industry exposure



Lease terms

Year of expiry	No.	Area, sqm	SEK M	Share
2024	560	303,000	392	8%
2025	599	753,000	773	16%
2026	400	599,000	666	14%
2027	349	565,000	600	12%
2028	175	387,000	472	10%
>2028	382	1,640,000	1,912	40%
Total	2,465	4,247,000	4,815	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 918 properties (773) was established at SEK 59,875 M (55,476) on 30 June 2024. Exchange rate fluctuations during the period resulted in property values denominated in EUR and DKK changing by SEK 995 M (2,245).

The unrealised change in value for the period amounted to SEK 276 M (–842) corresponding to a change in value of 0.5% (–1.5). In the same period, weighted inflation was 1.3% (2.4) in the markets where Sagax is active. Accordingly, the real change in value amounted to –0.8% (–3.8).

Of this unrealised change in value, SEK 272 M was attributable to property management and SEK 4 M was related to general changes in market value. Compared with the preceding quarter, the weighted capitalisation rate declined by 0.05 percentage point to 6.41%.

Funding terms and market interest rates remain uncertain, despite the ECB and Sweden's central bank Riksbanken lowering their key policy interest rate, and caution prevails in the property market with few comparable transactions.

VALUATION METHOD AND IMPLEMENTATION

The valuations were carried out in accordance with generally accepted international valuation methods. Properties corresponding to 98% of the property value have been valued by authorised property appraisers from independent valuation companies as per 30 June 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

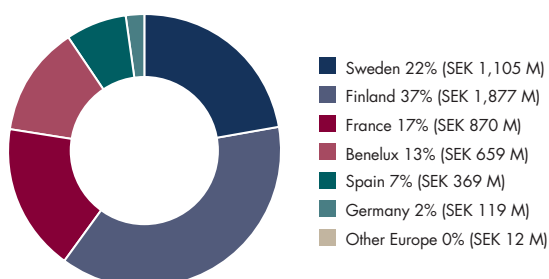
The discount rate for the present value calculation of cash flows (5.3–16.1%), the discount rate for the present value calculation of residual values (5.3–16.1%) and the capitalisation rate for the residual value calculations (4.3–14.0%) are based on comparable transactions and on individual assessments 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 8.0% (7.9) and 8.0% (8.0), respectively. The weighted capitalisation rate was 6.4% (6.3).

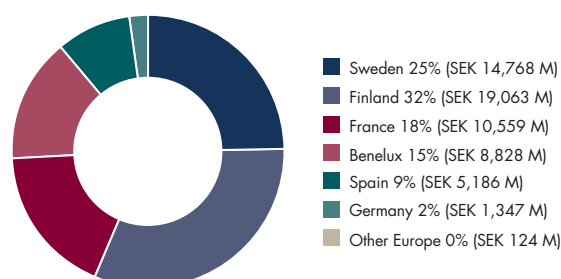
Change in the carrying amounts of the property portfolio

	SEK M	No.
Property portfolio, 31 December 2023	57,061	903
Acquisition of properties	1,033	17
Investments in the existing portfolio	540	–
Divestment of properties	–30	–2
Currency translation effect	995	–
Unrealised changes in value	276	–
Property portfolio, 30 June 2024	59,875	918
Acquired properties, not yet closed	134	3

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 8,549 M, which has generated an accumulated dividend of SEK 3,633 M (3,061) for Sagax. The carrying amount of these investments amounted to SEK 14,011 M (13,458), of which 86% comprised Hemsö Fastighets AB, Nyfosa AB, Söderport Property Investment AB and NP3 Fastigheter AB. The change in the carrying amount primarily refers to the acquisition of the associated company French Wholesale Properties in France and dividends from other holdings.

These investments contributed a total of SEK 531 M (437) to profit from property management during the period and SEK 333 M (405) to the cash flow. Sagax's share of changes in the value of properties amounted to SEK -78 M (-525) and the share of changes in the value of derivatives was SEK 15 M (-5).

In addition to what is presented below, Sagax owns shares amounting to SEK 98 M (15) 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 1,155 M was located in Stockholm on 30 June 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 4,622 M (2,652) and the carrying amount to SEK 2,785 M (3,023) on 30 June 2024.

Nyfosa is a property company active in the Swedish, Finnish and Norwegian markets focusing on commercial properties in high-growth municipalities. The property portfolio encompassed 494 properties with a total property value of SEK 39 billion and a rental value of SEK 3,899 M on 30 June 2024. Nyfosa is listed on Nasdaq Stockholm, Large Cap. For more information, refer to www.nyfosa.se.

NP3 Fastigheter AB (NP3)

Sagax owns shares corresponding to 21.3% of the votes and 16.1% of the capital in NP3. The market value of Sagax's shareholding amounted to SEK 3,359 M (2,140) and the carrying amount to SEK 2,134 M (2,166) on 30 June 2024.

NP3 is a property company focusing on high-yielding commercial investment properties mainly in northern Sweden. The property portfolio encompassed 516 properties with a total property value of SEK 20.9 billion and a rental value of SEK 2,097 M on 30 June 2024. NP3 is listed on Nasdaq Stockholm, Large Cap. For more information, refer to www.np3fastigheter.se.

Fastighetsbolaget Emilshus AB (Emilshus)

Sagax owns shares corresponding to 25.4% of the votes and 24.7% of the capital in Emilshus. The market value of Sagax's shareholding amounted to SEK 1,151 M (590) and the carrying amount to SEK 927 M (660) on 30 June 2024.

Emilshus acquires, develops and manages commercial properties in Småland and nearby growth regions. The property portfolio encompassed 157 properties with a total property value of SEK 8.3 billion and a rental value of SEK 730 M on 30 June 2024. Emilshus is listed on Nasdaq Stockholm, Mid Cap. For more information, refer to www.emilshus.com.

French Wholesale Properties (FWP)

Sagax's participation corresponds to 26.8% in FWP. The carrying amount of Sagax's participation amounted to SEK 703 M on 30 June 2024.

FWP owns and manages a property portfolio concentrated to the Paris, Lyon, Lille and Marseille regions of France. The properties encompass a lettable area of 285,000 square metres and are used for wholesale operations in the HORECA segment. The property portfolio encompassed 43 properties with a total market value of SEK 3.5 billion and a rental value of SEK 320 M on 30 June 2024.

Sagax's joint ventures

	Hemsö		Söderport		Ess-Sierra	
	2024, Jan-Jun	2023, Jan-Jun	2024, Jan-Jun	2023, Jan-Jun	2024, Jan-Jun	2023, Jan-Jun
<i>Sagax's ownership, %</i>	15	15	50	50	50	50
<i>Sagax's share of comprehensive income, SEK M</i>	-82	-224	87	102	10	-16
<i>Sagax's share of profit from property management, SEK M</i>	158	152	110	117	11	15
Rental revenue, SEK M	2,561	2,386	549	512	49	48
Profit from property management, SEK M	1,240	1,187	221	234	23	31
Profit/loss for the period, SEK M	670	-1,842	173	203	20	-32
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
<i>Carrying amount of ownership interest, SEK M</i>	4,516	4,502	2,565	2,806	283	297
No. of properties	487	484	86	85	39	39
Carrying amounts of properties, SEK M	84,126	85,071	14,489	14,418	1,479	1,540
Lettable area, sqm	2,457,000	2,438,000	774,000	773,000	184,000	184,000
Lease term, years	9.3	9.7	4.0	3.9	6.9	7.0
Economic occupancy rate, %	98	98	95	94	100	100
Interest-bearing liabilities, SEK M	51,379	53,645	7,725	7,308	843	862
Loan maturity, years	5.3	5.8	3.5	1.9	3.5	1.4
Average fixed interest rate period, years	4.9	5.1	2.3	1.4	2.4	0.4
Market value of derivatives, SEK M	-376	-313	-35	162	-	-

Funding

EQUITY

Consolidated equity amounted to SEK 37,452 M (34,689) on 30 June 2024. During the period, equity increased primarily due to total comprehensive income of SEK 2,164 M and dividends of SEK –1,301 M.

INTEREST-BEARING LIABILITIES

Sagax's interest-bearing liabilities at the end of the period amounted to SEK 36,283 M (30,934) corresponding to a nominal amount of SEK 36,453 M (31,023). An amount corresponding to SEK 33,753 M (29,282) of liabilities was recognised in EUR. Exchange rate fluctuations increased interest-bearing liabilities by SEK 692 M (1,790).

The interest-bearing liabilities have increased due to the bond issue of SEK 5,653 M that was completed in the second quarter.

Listed bonds amounted to SEK 29,109 M (26,996). Other interest-bearing liabilities comprised commercial paper of SEK 1,972 M (1,683) and liabilities to banks of SEK 5,202 M (2,254).

Unsecured liabilities including commercial paper corresponded to 86% (94) of interest-bearing liabilities.

The interest coverage ratio amounted to 5.4 (6.5) times for the period and the debt ratio to 45% (43) at the end of the period. Net interest-bearing debt was 5.3 (6.8) times EBITDA for the past 12 months and 5.1 (6.3) times run rate EBITDA.

During the period, a total of SEK 12,099 M (3,444) was raised in loans and SEK 6,852 M (6,635) was repaid. Net interest-bearing debt amounted to SEK 22,640 M (24,134).

The average remaining fixed interest and loan maturity terms were 3.3 years (3.2) and 3.6 years (3.5), respectively, at the end of the period. The average interest rate on interest-bearing liabilities on the balance sheet date was 2.5% (1.8), including the effect of derivatives.

Of Sagax's interest-bearing liabilities, SEK 29,109 M (27,239), or 80% (88), bear fixed interest rates. The company has interest-rate caps and interest-rate swaps with a total nominal value of SEK 4,088 M (1,211), corresponding to 11.3% (3.9) of interest-bearing liabilities.

WORKING CAPITAL AND UNUTILISED CREDIT FACILITIES

Sagax's working capital amounted to SEK –2,783 M (–5,439) on 30 June 2024. At the same date, unutilised credit facilities including back-up facilities for commercial paper programmes amounted to SEK 11,463 M (9,914).

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

Interest rate exposure and loan maturity 30 June 2024

Year of expiry	Interest rate exposure ¹⁾			Loan maturity	
	Nominal amount, SEK M	Interest rate	Share	Nominal amount, SEK M	Share
2024	3,356	4.1%	9%	16	0%
2025	4,545	2.2%	12%	4,625	13%
2026	3,408	1.7%	9%	3,658	10%
2027	5,198	2.1%	14%	5,826	16%
2028	6,634	1.1%	18%	6,822	19%
>2028	13,311	3.2%	37%	15,507	43%
Total/Average	36,453	2.5%	100%	36,453	100%

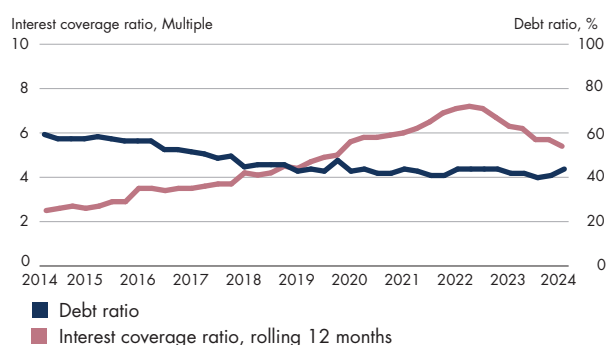
¹⁾ Including derivatives.

Net debt

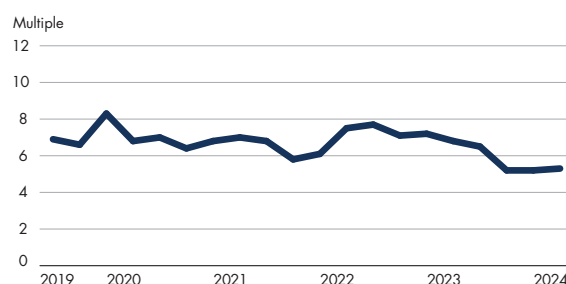
Amounts in SEK M	30 Jun 2024	30 Jun 2023
Interest-bearing liabilities	36,283	30,934
Interest-bearing assets	–752	–821
Listed instruments ¹⁾	–9,834	–5,957
Cash and cash equivalents	–3,056	–22
Net debt	22,640	24,134

¹⁾ Including associated companies whose shares are listed.

Debt ratio and interest coverage ratio



Net debt/EBITDA, rolling 12 months



Listed bonds, 30 June 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%		

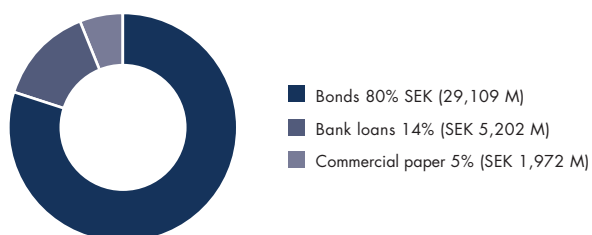
Derivative contracts, 30 June 2024

Amounts in SEK M	Nominal amount	Years to maturity	Market value 30 Jun 2024	Market value 31 Dec 2023	Change for the period
Nominal interest-rate swaps	3,844	4	8	-27	35
Interest-rate caps	244	-	2	5	-3
Total/average	4,088	4	10	-21	31

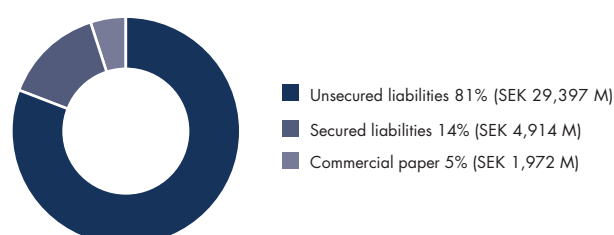
Rating and key performance indicators according to EMTN programme

	Financial covenant in EMTN programme	30 Jun 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%	6%	3%

Sources of financing



Distribution between secured and unsecured liabilities



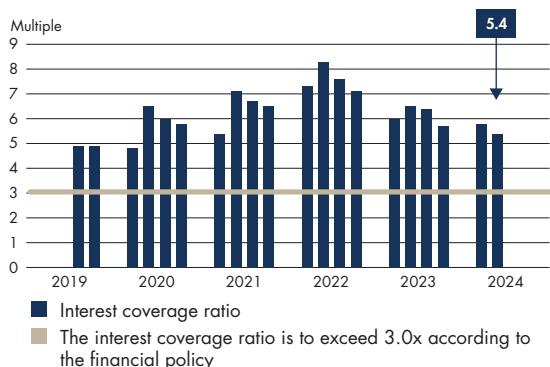
FINANCIAL POLICY

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.

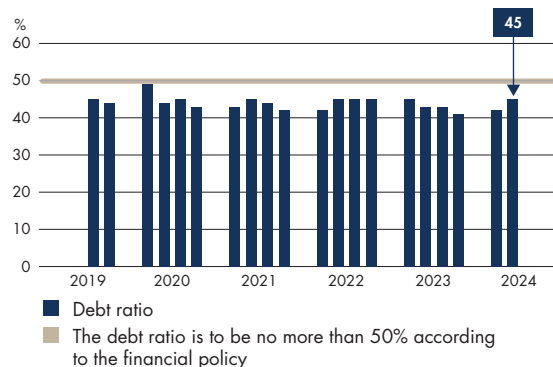
- A debt ratio of no more than 50%.
- An interest coverage ratio exceeding 3.0x.
- Net debt in relation to the Group's EBITDA not above 8x.

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

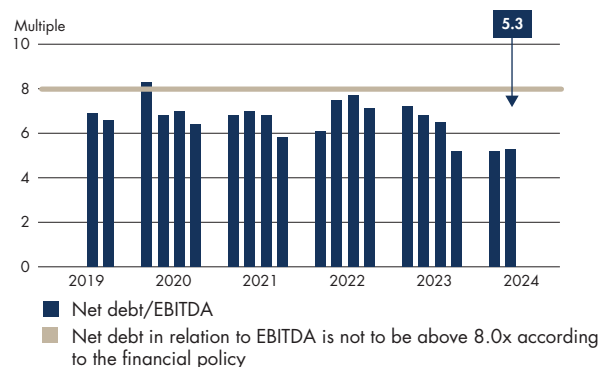
Interest coverage ratio



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 536 M (448).

INTEREST-BEARING NON-CURRENT RECEIVABLES

Interest-bearing non-current receivables amounted to SEK 246 M (735) at the end of the period and comprised receivables from joint ventures of SEK 138 M (76) and promissory notes issued in connection with a property divestment in 2021 of SEK 107 M (123). The decrease compared with last year was primarily due to a convertible debenture being reclassified to interest-bearing current receivables.

LISTED INSTRUMENTS

Listed instruments amounted to SEK 814 M (629) and comprise bonds of SEK 814 M (597) and, when applicable, listed shares that are not holdings in associated companies of SEK – M (33).

INTEREST-BEARING CURRENT RECEIVABLES

Interest-bearing current receivables comprise a convertible debenture issued by the French company Groupe BMG valued at SEK 507 M.

OTHER CURRENT ASSETS

Other current assets amounted to SEK 1,200 M (1,002) at the end of the period and primarily comprised prepaid costs and accrued income of SEK 517 M (426), other receivables of SEK 369 M (382) and rent receivables of SEK 312 M (194).

Consolidated statement of comprehensive income

Amounts in SEK M	2024 Jan-Jun	2023 Jan-Jun	2024 Apr-Jun	2023 Apr-Jun	2023 Jan-Dec	Rolling 12 months
Rental revenue	2,388	2,048	1,203	1,040	4,293	4,633
Other revenue	18	9	10	5	25	34
Operating expenses	-184	-183	-71	-79	-350	-351
Maintenance costs	-76	-49	-41	-24	-104	-131
Property tax	-121	-103	-61	-53	-220	-238
Other property expenses	-51	-42	-25	-19	-94	-103
Net operating income	1,974	1,679	1,015	870	3,551	3,846
Central administration	-90	-80	-47	-38	-182	-193
Profit from joint ventures and associated companies	354	-90	177	58	-556	-113
– of which, profit from property management	531	437	293	252	937	1,031
– of which, changes in value	-62	-530	-65	-189	-1,523	-1,055
– of which, tax	-115	-11	-51	-20	14	-90
– of which, other	-	15	-	15	15	-
Financial income	76	271	45	108	339	144
Financial expenses	-418	-336	-234	-171	-734	-816
Financial expense, interest component of leases	-18	-15	-9	-8	-31	-34
Profit including profit from joint ventures and associated companies	1,879	1,430	947	819	2,388	2,837
– of which, profit from property management	2,056	1,956	1,063	1,014	3,881	3,981
Changes in value of properties, realised	4	-	-	-	9	13
Changes in value of properties, unrealised	276	-842	124	-508	-1,306	-188
Changes in value of financial instruments, realised	-	23	-	18	23	-1
Changes in value of financial instruments, unrealised	88	-725	-11	-211	-955	-141
Profit/loss before tax	2,247	-113	1,060	119	159	2,519
Deferred tax	-117	-1	-42	-8	-16	-132
Current tax	-72	-100	-39	-57	-156	-129
Profit/loss for the period	2,058	-214	978	53	-13	2,259
Other comprehensive income						
– items that might be reclassified subsequently to the profit or loss:						
Translation differences for foreign operations	402	946	-316	724	-174	-718
Share of other comprehensive income for joint ventures	-156	15	-107	13	228	58
Translation differences, hedge accounting	-125	-466	147	-346	29	369
Tax on items that may be reclassified	-15	9	-6	9	16	-8
Total other comprehensive income, net of tax	106	504	-281	400	99	-300
Total comprehensive income for the period	2,164	290	697	453	86	1,960
Earnings per Class A and B share, SEK	5.71	-1.07	2.70	-0.03	-0.82	5.96
Earnings per Class A and B share after dilution, SEK	5.71	-1.07	2.70	-0.03	-0.82	5.96
Earnings per Class D share, SEK	1.00	1.00	0.50	0.50	2.00	2.00
Average no. of Class A and B shares, million	338.3	318.6	338.3	319.1	324.8	334.6
Average no. of Class A and B shares after dilution, million	338.5	318.7	338.5	319.6	325.1	334.8
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 Jun	2023 30 Jun	2023 31 Dec
Investment properties	59,845	55,445	57,061
Investment properties for sale	30	30	–
Leases, right-of-use assets	536	448	454
Joint ventures and associated companies	14,011	13,458	13,171
Deferred tax assets ¹⁾	141	204	168
Derivatives	10	21	–
Interest-bearing financial receivables	246	735	225
Other fixed assets	93	152	127
Total fixed assets	74,911	70,493	71,207
Listed instruments	814	629	752
Interest-bearing current receivables	507	–	504
Other current assets	1,200	1,002	919
Cash and bank balances	3,056	22	28
Total current assets	5,577	1,653	2,203
Total assets	80,488	72,146	73,410
Equity	37,452	34,689	36,578
Non-current interest-bearing liabilities	29,706	25,499	25,436
Deferred tax liabilities ¹⁾	4,092	4,118	3,954
Derivatives	–	–	21
Lease liabilities	536	448	454
Other non-current liabilities	342	301	318
Total non-current liabilities	34,676	30,365	30,184
Commercial paper	1,972	1,683	1,495
Other current interest-bearing liabilities	4,605	3,752	3,412
Other current liabilities	1,784	1,657	1,741
Total current liabilities	8,360	7,092	6,648
Total equity and liabilities	80,488	72,146	73,410

1) Comparative figures as per 30 June 2023 pertaining to deferred tax assets and deferred tax liabilities have been updated. Deferred tax regarding unutilised loss carryforwards and financial instruments of SEK 204 M were previously recognised in a net amount under deferred tax liabilities.

Consolidated statement of cash flows

Amounts in SEK M	2024 Jan-Jun	2023 Jan-Jun	2024 Apr-Jun	2023 Apr-Jun	2023 Jan-Dec	Rolling 12 months
Profit/loss before tax	2,247	-113	1,060	119	159	2,519
Tax paid	-92	-111	-60	-80	-130	-111
Adjustment for items in operating activities						
Changes in value of financial instruments	-88	702	11	193	932	142
Change in value of properties	-280	842	-124	510	1,297	175
Profit/loss from joint ventures and associated companies	-354	90	-177	-58	556	112
Dividends from joint ventures and associated companies	333	405	159	291	653	581
Dissolution of allocated borrowing costs	28	23	14	12	49	53
Other items not included in cash flow	-4	-55	2	-42	-31	20
Cash flow from operating activities before changes in working capital	1,789	1,782	885	944	3,485	3,492
Cash flow from changes in current receivables	96	115	-55	-82	79	60
Cash flow from changes in current liabilities	-432	-292	125	112	1	-139
Cash flow from operating activities	1,453	1,605	954	974	3,565	3,414
Acquisition of properties	-1,033	-1,096	-327	-1,078	-5,088	-5,025
Divestment of properties	30	21	-	-	86	95
Investments in existing properties	-540	-315	-262	-151	-902	-1,128
Acquisition of listed shares	-	-285	-	-260	-334	-49
Divestment of listed shares	-	512	-	443	478	-34
Purchase of financial instruments	-76	-460	-61	-225	-733	-349
Sale of financial instruments	15	2,026	-	2,008	2,122	111
Acquisition of joint ventures and associated companies	-870	-84	-774	-34	-111	-897
Capital contribution to joint ventures and associated companies	-	-	-	-	-225	-225
Lending to joint ventures and associated companies	-14	-10	-3	-10	-45	-49
Increase in other fixed assets	-51	-46	-49	-	-260	-266
Decrease in other fixed assets	39	59	-	59	264	244
Cash flow from investing activities	-2,501	322	-1,477	752	-4,749	-7,573
Issue of new Class B shares	15	2,040	15	2,040	4,166	2,141
Dividends paid to shareholders	-1,175	-985	-1,112	-922	-1,111	-1,301
Incentive plan	-4	8	-4	8	-26	-38
Proceeds from borrowings	12,099	3,444	8,096	230	7,326	15,981
Repayment of borrowings	-6,852	-6,635	-3,409	-3,276	-9,206	-9,424
Decrease in other non-current liabilities	-24	-14	-21	-	-195	-205
Increase in other non-current liabilities	17	160	-	160	181	38
Cash flow from financing activities	4,075	-1,982	3,564	-1,760	1,135	7,192
Cash flow for the period	3,027	-55	3,041	-34	-49	3,033
Exchange rate differences in cash and cash equivalents	1	1	1	-	1	1
Change in cash and cash equivalents	3,028	-54	3,041	-34	-48	3,034
Cash and cash equivalents at beginning of period	28	76	15	56	76	22
Cash and cash equivalents at end of period	3,056	22	3,056	22	28	3,056

Consolidated statement of changes in equity

Amounts in SEK M	Share capital	Other contributed capital	Reserves, translation differences	Profit earned incl. net profit for the period	Total equity ¹⁾
Equity, 31 December 2022	781	3,616	1,078	27,988	33,463
Profit/loss for the period, January-June 2023	–	–	–	–214	–214
Other comprehensive income, January-June 2023	–	–	504	–	504
Total comprehensive income for the period	–	–	504	–214	290
<i>Transactions with shareholders</i>					
Issue of Class B shares	18	2,022	–	–	2,040
Dividends	–	–	–	–1,111	–1,111
Transactions with shareholders	18	2,022	–	–1,111	928
<i>Other transactions</i>					
Subscription of incentive plan	–	–	–	8	8
Other transactions	–	–	–	8	8
Equity, 30 June 2023	799	5,638	1,582	26,671	34,689
Profit/loss for the period, July-December 2023	–	–	–	201	201
Other comprehensive income, July-December 2023	–	–	–405	–	–405
Total comprehensive income for the period	–	–	–405	201	–204
<i>Transactions with shareholders</i>					
Issue of Class B shares	18	2,154	–	–	2,172
Transactions with shareholders	18	2,154	–	–	2,172
<i>Other transactions</i>					
Transaction costs	–	–46	–	–	–46
Redemption of incentive plan	–	–	–	–34	–34
Other transactions	–	–46	–	–34	–80
Equity 31 December 2023	817	7,746	1,177	26,838	36,578
Profit/loss for the period, January-June 2024	–	–	–	2,058	2,058
Other comprehensive income, January-June 2024	–	–	106	–	106
Total comprehensive income for the period	–	–	106	2,058	2,164
<i>Transactions with shareholders</i>					
Issue of Class B shares	–	15	–	–	15
Dividends	–	–	–	–1,301	–1,301
Transactions with shareholders	–	15	–	–1,301	–1,287
<i>Other transactions</i>					
Redemption of incentive plan	–	–	–	–13	–13
Subscription of incentive plan	–	–	–	9	9
Other transactions	–	–	–	–4	–4
Equity, 30 June 2024	817	7,761	1,283	27,591	37,452

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

Parent Company income statement

Amounts in SEK M	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Net sales	60	100	125
Administration costs	-70	-62	-131
Profit/loss before financial income and expenses	-10	37	-5
Profit from participations in Group companies	672	95	2,171
Profit from participations in joint ventures	4	161	161
Financial income	442	435	1,033
Financial expenses	-216	-290	-759
Profit before tax and appropriations	892	437	2,601
Appropriations	-	-	102
Tax	6	-3	-18
Profit for the period	886	435	2,684

Condensed Parent Company balance sheet

Amounts in SEK M	2024 30 Jun	2023 30 Jun	2023 31 Dec
Tangible fixed assets	2	1	1
Receivables from Group companies	2,080	1,769	2,101
Other financial fixed assets	16,996	14,535	15,697
Total fixed assets	19,078	16,306	17,799
Receivables from Group companies	23,997	24,727	25,868
Other current assets	39	28	37
Cash and bank balances	2,984	0	2
Total current assets	27,020	24,755	25,907
Total assets	46,098	41,061	43,706
Equity	10,580	6,605	10,990
Untaxed reserves	13	22	13
Non-current interest-bearing liabilities	9,800	6,974	7,291
Liabilities to Group companies	18,202	18,374	18,096
Deferred tax liabilities	5	5	5
Total non-current liabilities	28,006	25,354	25,393
Current interest-bearing liabilities	1,978	1,716	1,612
Liabilities to Group companies	5,178	7,037	5,417
Other current liabilities	344	327	281
Total current liabilities	7,499	9,080	7,310
Total equity, untaxed reserves and liabilities	46,098	41,061	43,706

Segment information

Segment	Rental revenue ¹⁾		Net operating income		Changes in value, properties				Total return	
					Unrealised		Realised			
	2024 Jan-Jun	2023 Jan-Jun	2024 Jan-Jun	2023 Jan-Jun	2024 Jan-Jun	2023 Jan-Jun	2024 Jan-Jun	2023 Jan-Jun	2024 Jan-Jun	2023 Jan-Jun
Sweden	519	471	445	398	-216	-437	-	-	230	-39
Finland	896	816	716	659	-17	-130	1	-	701	529
France	415	324	332	251	387	-76	3	-	721	176
Benelux	319	270	293	242	11	-196	-	-	304	46
Spain	174	109	160	99	121	-3	-	-	281	96
Germany	58	51	55	49	-8	7	-	-	47	56
Other Europe	6	6	5	6	-2	-7	-	-	2	-2
Non-specified	-	-	-31	-25	-	-	-	-	-31	-25
Total	2,388	2,048	1,974	1,679	276	-842	4	-	2,254	837

1) All rental revenue pertains to external tenants.

Segment	Market value properties		Investments properties		Acquisition properties		Divestment properties	
	2024 30 Jun	2023 30 Jun	2024 Jan-Jun	2023 Jan-Jun	2024 Jan-Jun	2023 Jan-Jun	2024 Jan-Jun	2023 Jan-Jun
Sweden	14,768	14,723	335	191	-	186	-	-
Finland	19,063	19,583	92	49	405	726	-19	-
France	10,559	8,438	54	46	84	46	-11	-21
Benelux	8,828	7,731	45	17	111	94	-	-
Spain	5,186	3,464	15	11	404	42	-	-
Germany	1,347	1,394	-	2	28	1	-	-
Other Europe	124	144	-	-	-	-	-	-
Total	59,875	55,476	540	315	1,033	1,096	-30	-21

Key performance indicators

	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec	2019 Jan-Dec
Property-related key figures							
Yield, %	6.6	6.2	6.4	5.8	6.0	6.3	6.4
Surplus ratio, %	83	82	83	82	83	83	83
Occupancy rate by area, %	96	95	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	4,425	3,979	4,331	3,895	3,759	3,480	3,022
No. of properties at the end of the period	918	773	903	751	673	673	553
Financial key figures							
Return on total capital, %	6.5	6.4	6.4	5.7	5.9	6.6	6.7
Return on equity, %	11.1	-1.3	0.0	8.4	36.6	17.8	23.7
Average interest rate, %	2.5	1.8	1.9	1.7	1.4	1.8	1.9
Fixed interest period incl. derivatives, years	3.3	3.2	2.8	3.2	4.0	3.4	3.5
Loan maturity, years	3.6	3.6	3.1	3.7	4.3	3.4	3.8
Equity/assets ratio, %	47	48	50	46	50	48	48
Debt ratio, %	45	43	41	45	42	43	44
Net debt/run rate EBITDA, multiple	5.1	6.3	4.9	6.5	5.4	6.4	6.6
Net debt/EBITDA, multiple	5.3	6.8	5.2	7.1	5.8	6.4	6.6
Interest coverage ratio, multiple	5.4	6.5	5.7	7.1	6.5	5.7	4.9
Interest coverage ratio, EMTN programme, multiple	6.7	10.7	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	271.20	213.00	277.40	236.50	305.00	169.60	136.20
Net asset value, SEK	114	108	111	107	98	66	57
Equity, SEK	97.61	92.28	95.05	91.33	83.93	55.19	46.86
Equity after dilution, SEK	97.59	92.14	95.01	91.20	83.84	55.09	46.78
Earnings, SEK	5.71	-1.07	-0.82	7.76	30.09	10.80	12.15
Earnings after dilution, SEK	5.71	-1.07	-0.82	7.75	30.04	10.78	12.13
Profit from property management, SEK	5.70	5.74	11.17	9.71	8.01	6.63	5.51
Profit from property management after dilution, SEK	5.70	5.74	11.16	9.70	7.99	6.62	5.51
Cash flow, SEK	4.91	5.20	9.95	8.69	6.59	6.10	4.86
Cash flow after dilution, SEK	4.91	5.19	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	328.0	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	338.3	318.6	324.8	317.8	317.5	317.1	316.9
Average number of shares after dilution, millions	338.5	318.7	325.1	318.3	318.0	317.7	317.3
Data per Class D share							
Share price at the end of period, SEK	30.90	26.10	28.00	26.70	33.40	32.05	36.35
Equity, SEK	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Earnings, SEK	1.00	1.00	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 32–33.

The Sagax share and shareholders

At the end of the period, Sagax had 24,731 (23,732) shareholders. Sagax's market capitalisation amounted to SEK 95,677 M (73,217).

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

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

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 11.14 (10.74), which, compared with the share price of the Class B share at the end of the period, corresponded to a multiple of 24.4 (19.8).

EQUITY PER CLASS A AND B SHARE

Equity per Class A and B share after dilution amounted to SEK 97.59 (92.14). Net asset value per Class A and B share amounted to SEK 113.62 (108.07). The share price for the Class B share at the end of the period was 278% (231) of equity per Class A and B share and 239% (197) of net asset value per Class A and B share.

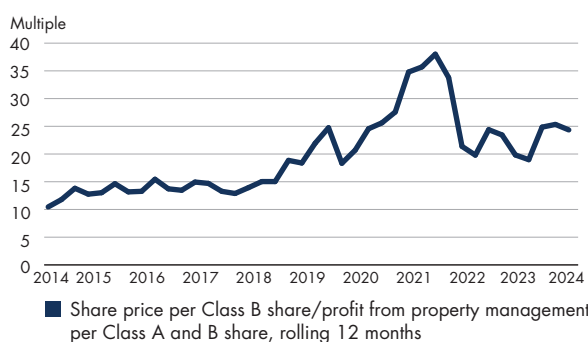
Key performance indicators per Class B share

	2024 30 Jun	2023 30 Jun	2023 31 Dec	2022 31 Dec	2021 31 Dec	2020 31 Dec	2019 31 Dec
Share price at the end of period, SEK	271.20	213.00	277.40	236.50	305.00	169.60	136.20
Profit from property management after dilution, SEK ¹⁾	11.14	10.74	11.16	9.70	7.99	6.62	5.51
Cash flow after dilution, SEK ^{1) 2)}	9.68	9.10	9.94	8.68	6.58	6.09	4.86
Equity after dilution, SEK	97.59	92.14	95.01	91.20	83.84	55.09	46.78
Net asset value, SEK	113.62	108.07	110.90	106.61	97.92	66.38	56.77
Share price/Profit from property management, multiple	24.4	19.8	24.9	24.4	38.2	25.6	24.7
Share price/Cash flow, multiple ¹⁾	28.0	23.4	27.9	27.3	46.4	27.9	28.0
Share price/Equity, %	278	231	292	259	364	308	292
Share price/Net asset value, %	239	197	250	222	311	255	240

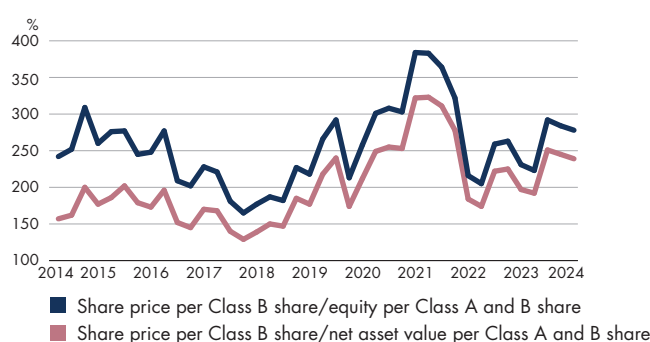
1) Profit from property management and cash flow pertains to rolling 12 months.

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 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Class A shares	271.00	215.00	1	1	0	0
Class B shares	271.20	213.00	29	26	91	75
Class D shares	30.90	26.10	56	56	71	8

Ownership structure 30 June 2024¹⁾

No. of shares	No. of shareholders	Shareholder category	No.	Share of voting power	Shareholders by country		
					No.	Share of voting power	
1–500	17,711	Private individuals residing in Sweden	22,884	13%	Sweden	23,508	83%
501–1,000	2,004				USA	92	6%
1,001–2,000	1,632	Private individuals residing abroad	323	1%	Norway	199	2%
2,001–5,000	1,530				Netherlands	15	1%
5,001–10,000	671	Companies/institutions in Sweden	624	70%	UK	47	1%
10,001–50,000	841	Companies/institutions abroad	900	11%	Other	870	8%
50,001–	342	Unknown type of shareholder	–	5%			
Total	24,731	Total	24,731	100%	Total	24,731	100%

1) Including shares held by AB Sagax.

Largest shareholders, 30 June 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	12,095,927	6,155,514	4.1%	3.8%
Third Swedish National Pension Fund	–	17,708,952	–	3.8%	2.5%
Vanguard	–	9,297,861	6,697,077	3.4%	2.3%
Avanza Pension	43,173	291,589	15,336,630	3.4%	2.3%
Länsförsäkringar Fonder	–	11,366,549	1,026,439	2.7%	1.8%
SEB Fonder	–	12,135,028	–	2.6%	1.7%
Handelsbanken Fonder	–	8,805,454	3,031,965	2.5%	1.7%
BlackRock	–	9,405,985	37,334	2.0%	1.3%
Patrik Brummer and companies	–	–	8,357,887	1.8%	1.2%
Norges Bank	–	4,004,928	2,972,130	1.5%	1.0%
Filip Engelbert and companies	241,000	1,869,784	4,200,000	1.4%	1.2%
Lannebo Fonder	–	5,902,121	–	1.3%	0.8%
Swedbank Robur Fonder	500,000	4,603,918	–	1.1%	1.4%
Erik Selin and companies	1,179,959	1,883,964	1,716,868	1.0%	2.2%
Second Swedish National Pension Fund	–	4,700,981	–	1.0%	0.7%
Folksam	–	3,820,353	–	0.8%	0.5%
Didner & Gerge Fonder	–	3,453,502	–	0.7%	0.5%
Danske Invest	–	1,518,530	1,800,000	0.7%	0.5%
Total 20 largest shareholders	22,523,071	205,177,617	52,231,844	60.0%	68.6%
Other shareholders	3,971,095	106,752,676	74,029,485	39.6%	31.4%
Sub-total	26,494,166	311,930,293	126,261,329	99.6%	100.0%
Shares held by AB Sagax	–	2,000,000	–	0.4%	–
Total	26,494,166	313,930,293	126,261,329	100.0%	100.0%
– of which, Board and employees	20,353,565	100,947,807	6,309,435	27.3%	44.2%

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

Source: Monitor from Modular Finance AB. Data compiled and processed from such sources as Euroclear, 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	26,494,166	1.0	26,494,166.00	38%	6%
Class B shares	313,930,293	0.1	31,393,029.30	45%	67%
Class D shares	126,261,329	0.1	12,626,132.90	18%	27%
Total	466,685,788		70,513,328.20	100%	100%

Risks and uncertainties

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

PROPERTY-RELATED RISKS

The valuation of investment properties is affected by the estimates and assumptions made. To reduce the risk of incorrect estimates, properties corresponding to 98% of the property value on 30 June 2024 were valued by authorised property appraisers from independent valuation companies. By their very nature, properties valuations are always associated with uncertainty.

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

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

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

FINANCIAL RISKS

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

CURRENCY RISKS

The amounts in the consolidated balance sheet are partly exposed to exchange rate fluctuations, particularly for the EUR. Net exposure on 30 June 2024, assets less liabilities in EUR, amounted to SEK 10,792 M (9,096). In total, net exposure in EUR amounted to 29% (26) 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 June, EUR 1 was equivalent to SEK 11.36 (11.79), DKK 1 was equivalent to SEK 1.52 (1.58) and NOK 1 was equivalent to SEK 1.00. Revenue and expense items are translated at the average exchange rate for the period: EUR 1 was equivalent to SEK 11.39 (11.32), DKK 1 was equivalent to SEK 1.53 (1.52) and NOK 1 was equivalent to SEK 0.99. In accordance with IAS 21, the currency effects for foreign operations and hedge accounting are recognised in Other comprehensive income. Other currency effects are recognised in profit or loss.

RISK OF CONFLICTS OF INTEREST

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

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

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

OTHER RISKS

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

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

Currency exposure		
Amounts in EUR M	2024 30 Jun	2023 30 Jun
Investment properties	4,010	3,444
Other assets	421	127
Total assets	4,431	3,571
Interest-bearing liabilities	2,972	2,483
Other liabilities	149	317
Total liabilities	3,481	2,800
Net exposure	950	771

SENSITIVITY ANALYSIS

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

Sensitivity analysis for property values					
	-20%	-10%	0%	+10%	+20%
Value change, SEK M	-11,975	-5,988	-	5,988	11,975
Debt ratio, %	53	49	45	42	39

Sensitivity analysis for changes in the occupancy rate					
	-10%	-5%	0%	+5%	+10%
Occupancy rate, %	86	91	96	N/A	N/A
Interest coverage ratio, multiple	4.8	5.1	5.4	N/A	N/A

Sensitivity analysis for property values		
	Change	Value change, SEK M
Capitalisation rate	+/-0.25% point	-1,723/+1,855
Discount rate	+/-0.25% point	-985/+985
Rental revenue	+/-5%	+2,588/-2,621
Property expenses	+/-5%	-366/+343

Sensitivity analysis on 30 June 2024¹⁾

Amounts in SEK M	Change	Effect on profit from property management, annual basis	Effect on profit after tax, annual basis	Effect on equity
Economic occupancy rate	+/-1% point	+50/-50	+42/-42	+42/-42
Rental revenue	+/-1%	+48/-48	+40/-40	+40/-40
Property expenses	+/-1%	-8/+8	-7/+7	-7/+7
Interest expenses for liabilities in SEK including fixed income derivatives	+/-1% point	-12/+12	-10/+10	-10/+10
Interest expenses for liabilities in EUR including fixed income derivatives	+/-1% point	-28/+28	-23/+23	-23/+23
Change in SEK/EUR exchange rate ²⁾	+/-10%	+219/-219	+184/-184	+1,079/-1,079
Changed rent level for contract maturities in 2024	+/-10%	+39/-39	+33/-33	+33/-33

1) Excluding shares in profit of joint ventures and associated companies.

2) Sagax's net exposure to the SEK/EUR exchange rate comprises assets and liabilities recognised in EUR, in addition to revenue and expenses in EUR.

Other disclosures

ACCOUNTING POLICIES

This condensed interim report has been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting. The term “IFRS” in this report means application of the International Financial Reporting Standards (IFRS), as adopted by the EU, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The accounting policies and calculation methods are the same as those applied in the 2023 Annual Report and are to be read together with this Annual Report.

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

Rounding-off differences may occur.

TRANSACTIONS WITH RELATED PARTIES

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

EVENTS AFTER THE REPORTING PERIOD

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, 15 July 2024
AB SAGAX (publ)
Corporate Registration Number 556520-0028

Staffan Salén
Chairman of the Board

Johan Cederlund
Board member

Filip Engelbert
Board member

David Mindus
CEO and Board member

Johan Thorell
Board member

Ulrika Werdelin
Board member

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

This constitutes information that AB Sagax (publ) is legally obliged to publish under the EU's Market Abuse Regulation and the Swedish Securities Market Act. The information was released for publication on 15 July 2024 at 12:30 p.m. (CEST).

Calendar

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

Interim report January – September 2024
Year-end Report 2024

25 October 2024
21 February 2025

SCHEDULE OF DIVIDEND PAYMENTS TO HOLDERS OF CLASS D SHARES

September 2024

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

December 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

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Definitions

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

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

Key performance indicators	Description	Reason for alternative performance measure
Cash flow per Class A and B share after dilution	Profit before tax adjusted for items not included in cash flow, less tax paid and increased by dividends received from joint ventures and associated companies in relation to the weighted average number of Class A and B shares after dilution. Dividends on Class D shares for the period have also been deducted from profit before tax.	The KPI shows the amount of cash flow for the period that can be considered to be attributable to owners of Class A and Class B shares.
Debt ratio	Interest-bearing liabilities at the end of the period in relation to total assets at the end of the period.	The KPI shows financial risk.
Dilution	Dilution due to outstanding warrants has been calculated, in line with IAS 33, as the number of Class A and B shares to be issued to cover the difference between the strike price and market price for all potential Class A and B shares (warrants) outstanding, insofar as it is probable that they will be utilised.	Not an APM.
Earnings per Class A and B share	Profit for the period in relation to the weighted average number of Class A and B shares after taking into account the portion of profit for the period represented by Class D shares.	The KPI shows the shareholders' share of profit.
Earnings per Class D share	Class D shares are entitled to five times the total dividend on Class A and B shares, although not more than SEK 2.00 per share annually.	The KPI shows the shareholders' share of profit.
EBITDA	Net operating income less central administration costs plus dividends received from joint ventures and associated companies.	Sagax uses EBITDA so that the Net debt/EBITDA KPI shows financial risk.
Economic occupancy rate	Contractual annual rent at the end of the period as a percentage of rental value directly after the end of the period.	The KPI shows the economic degree of utilisation of the Group's properties.
Equity/assets ratio	Equity in relation to total assets.	The KPI shows financial risk.
Equity per Class A and B share	Equity at the end of the period in relation to the number of Class A and B shares at the end of the period after taking into account equity attributable to Class D shares.	The KPI shows the owner's share of equity.
Equity per Class D share	Equity at the end of the period as a percentage of the number of common shares at the end of the period. Equity is restricted to SEK 35.00 per Class D share.	The KPI shows the owner's share of equity.
Fixed income derivatives	Agreements on lending rates that may include the factors of time, inflation and/or maximum interest rates. Usually signed to hedge interest rates for interest-bearing loans.	Not an APM.
Interest coverage ratio	Profit from property management, excluding profit from property management from joint ventures and associated companies but including dividends from joint ventures and associated companies, after reversal of financial expenses in relation to financial expenses (including lease expenses).	The KPI shows financial risk.
Interest coverage ratio, EMTN programme	Profit from property management after reversal of financial income and expenses as a percentage of net financial items.	The KPI shows financial risk.
Interest-rate swaps	An agreement between two parties to swap interest rate conditions in the same currency. The swap entails that one party exchanges its floating interest rate for a fixed rate, while the other party receives a fixed rate in exchange for a floating rate. The purpose of an interest-rate swap is to reduce interest-rate risk.	Not an APM.
Lease term	Remaining term of a lease.	The KPI shows the risk of future vacancies.
Net asset value	Recognised equity according to the balance sheet, less equity attributable to Class D shares, with add-back of reserves for fixed income derivatives, deferred tax on temporary differences on property values and fixed income derivatives. Reversal of corresponding items attributable to joint ventures and associated companies takes place on a separate row.	An established indicator of the Group's net asset value that facilitates analyses and comparisons with EPRA NAV.

Key performance indicators	Description	Reason for alternative performance measure
Net debt	Interest-bearing liabilities less interest-bearing assets, cash and cash equivalents, and listed shares as a percentage of total assets.	The KPI shows financial risk.
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 excluding changes in value and tax. Also includes changes in value from subsidiaries, associated companies and joint ventures.	An indicator of the earnings generation in the operations, excluding changes in value.
Profit from property management per Class A and B share after dilution	Profit from property management for the period reduced by dividends on Class D shares divided by the weighted average number of Class A and B shares after dilution.	An indicator of the earnings generation of the assets, excluding the changes in value accruing to holders of Class A and B shares.
Property	Pertains to properties held under title or site leasehold.	Not an APM.
Rental 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 unless otherwise stated	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec	Amounts in SEK M unless otherwise stated	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Cash flow per Class A and B share				Interest coverage ratio			
Profit/loss before tax	2,247	-113	159	Profit from property management	2,056	1,956	3,881
Items not affecting cash flow	-366	2,006	3,456	Reversal of profit from property management joint ventures and associated companies	-531	-437	-937
Tax paid	-92	-111	-130	Dividends from joint ventures and associated companies	384	405	653
Dividends attributable to Class D shares	-126	-126	-253	Financial expenses incl leases	436	351	765
Cash flow	1,663	1,656	3,232	Adjusted profit from property management before financial expenses	2,345	2,275	4,362
Cash flow per Class A and B share after dilution, SEK	4.91	5.19	9.94	Interest coverage ratio	5.4x	6.5x	5.7x
Debt ratio				Interest coverage ratio, EMTN programme			
Interest-bearing liabilities	36,283	30,934	30,343	Profit from property management	2,056	1,956	3,881
Total assets	80,488	71,943	73,410	Net financial items	360	201	550
Debt ratio	45%	43%	41%	Profit from property management before net financial items	2,416	2,157	4,431
Earnings per Class A and B share¹⁾				Interest coverage ratio	6.7x	10.7x	8.1x
Profit after tax	2,058	-214	-13	Net asset value			
Dividends attributable to Class D shares	-126	-126	-253	Equity	37,452	34,689	36,578
Adjusted profit/loss after tax	1,932	-340	-266	Equity attributable to Class D shares	-4,419	-4,419	-4,419
Earnings per Class A and B share after dilution, SEK	5.71	-1.07	-0.82	Reversal of derivatives	-10	-21	21
EBITDA rolling 12 months				Reversal of deferred tax, net	4,022	4,035	3,882
Net operating income	3,846	3,249	3,551	Reversals due to joint ventures and associated companies	1,415	1,219	1,474
Central administration	-193	-176	-182	Net asset value	38,460	35,503	37,537
Dividends from joint ventures and associated companies	632	452	653	NAV per Class A and B share after dilution, SEK	114	108	111
EBITDA	4,286	3,525	4,023	Net debt			
Economic occupancy rate				See page 15.			
Contractual annual rent	4,815	4,320	4,557	Net debt according to EMTN programme			
Rental value	5,011	4,517	4,738	Interest-bearing liabilities	36,283	30,934	30,343
Economic occupancy rate	96%	96%	96%	Listed shares in fixed assets ²⁾	-9,020	-5,328	-8,030
Equity/assets ratio				Listed shares in current assets	-	-33	-
Equity	37,452	34,689	36,578	Cash and cash equivalents	-3,056	-22	-28
Total assets	80,488	71,943	73,410	Net debt according to EMTN programme	24,206	25,550	22,285
Equity/assets ratio	47%	48%	50%	Net debt according to EMTN programme/Total assets			
Equity per Class A and B share				Net debt according to EMTN programme	24,206	25,550	22,285
Equity	37,452	34,689	36,578	Total assets	80,488	71,943	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	33,032	30,270	32,159	Net debt/EBITDA			
No. of shares, '000s	338,424	328,020	338,335	Net debt	22,640	24,134	20,804
No. of shares after dilution, '000s	338,483	328,514	338,477	EBITDA rolling 12 months	4,286	3,525	4,023
Equity per Class A and B share, SEK	97.61	92.28	95.05	Net debt/EBITDA	5.3x	6.8x	5.2x
Equity per Class A and B share after dilution, SEK	97.59	92.14	95.01				

1) IFRS performance measure.

2) Pertains to listed shares in companies recognised as associated companies.

Associated companies are recognised in the balance sheet pursuant to the equity method.

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

Amounts in SEK M unless otherwise stated	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec	Amounts in SEK M unless otherwise stated	2024 Jan-Jun	2023 Jan-Jun	2023 Jan-Dec
Net debt/run rate EBITDA				Return on total capital			
Net debt	22,640	24,134	20,804	Profit from property management	2,056	1,956	3,881
EBITDA, run rate	4,428	3,826	4,256	Addition for translation to annual value	2,056	1,956	–
Net debt/run rate EBITDA	5.1x	6.3x	4.9x	Financial expenses	436	351	765
Net debt/Total assets				Addition for translation to annual value	436	351	–
Net debt	22,640	24,134	20,804	Profit before financial expenses	4,984	4,614	4,646
Total assets	80,488	71,943	73,410	Average total assets	76,949	72,017	72,751
Net debt/Total assets	28%	34%	28%	Return on total capital	6.5%	6.4%	6.4%
Occupancy rate by area				Run rate EBITDA			
Contracted area, '000s sqm	4,247	3,798	4,182	Net operating income according to current earnings capacity	3,988	3,550	3,785
Total lettable area, '000s sqm	4,425	3,979	4,331	Central administration	–193	–176	–182
Occupancy rate by area	96%	95%	97%	Dividends from joint ventures and associated companies	632	452	653
Profit from property management				Run rate EBITDA	4,428	3,826	4,256
Profit after tax	2,058	–214	–13	Run rate yield			
Tax	304	112	158	Net operating income according to current earnings capacity	3,988	3,550	3,785
Changes in value	–306	2,059	3,737	Add-back of site leasehold fees	–33	–28	–25
Profit from property management	2,056	1,956	3,881	Adjusted net operating income	3,956	3,522	3,760
Profit from property management per Class A and B share after dilution				Carrying amounts of properties	59,875	55,476	57,061
Profit from property management	2,056	1,956	3,881	Run rate yield	6.6%	6.3%	6.6%
Dividends attributable to Class D shares	–126	–126	–253	Secured liabilities/Total assets			
Adjusted profit from property management	1,930	1,830	3,628	Secured liabilities	4,914	1,977	2,309
Average no. of Class A and B shares after dilution, '000s	338,471	318,726	325,123	Total assets	80,488	71,943	73,410
Profit from property management per Class A and B share after dilution, SEK	5.70	5.74	11.16	Secured liabilities/Total assets	6.1%	2.7%	3.0%
Profit from property management per Class A and B shares, rolling 12 months				Surplus ratio			
Profit from property management	3,981	3,676	3,881	Net operating income	1,974	1,679	3,551
Dividends attributable to Class D shares	–253	–253	–253	Rental revenue	2,388	2,048	4,293
Adjusted profit from property management	3,728	3,423	2,628	Surplus ratio	83%	82%	83%
Average no. of Class A and B shares after dilution, '000s	334,787	318,726	325,123	Yield			
Profit from property management per Class A and B share after dilution, SEK	11.14	10.74	11.16	Net operating income	1,974	1,679	3,551
Profit from property management per Class A and B share, preceding period	10.74	8.82	9.70	Add-back of site leasehold fees	–16	–14	–27
Annual growth rate, %	4%	22%	15%	Addition for translation to annual value	1,958	1,665	–
Rental revenue, comparable portfolios				Holding adjustment, acquisitions/divestments	28	23	232
Rental revenue	2,388	2,048	N/A	Currency translation to closing rate	–9	110	–100
Acquired and sold properties	–258	–17	N/A	Adjusted net operating income	3,936	3,463	3,656
Currency adjustment ¹⁾	–	9	N/A	Carrying amounts of properties	59,875	55,476	57,061
Rental revenue, comparable portfolios excluding currency effects	2,130	2,039	N/A	Yield	6.6%	6.2%	6.4%
Return on equity				Yield			
Profit/loss after tax	2,058	–214	–13	Net operating income	1,974	1,679	3,551
Addition for translation to annual value	2,058	–214	–	Add-back of site leasehold fees	–16	–14	–27
Adjusted profit/loss after tax	4,117	–428	–13	Addition for translation to annual value	1,958	1,665	–
Average equity	37,015	34,076	35,020	Holding adjustment, acquisitions/divestments	28	23	232
Return on equity	11.1%	–1.3%	0.0%	Currency translation to closing rate	–9	110	–100

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 June 2024 amounted to 4,425,000 square metres, distributed between 918 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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