

YEAR-END REPORT 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

Year-end report 2024

2024 FINANCIAL YEAR

- Rental revenue increased 16% to SEK 4,994 M (SEK 4,293 M in the year-earlier period).
- Profit from property management attributable to Parent Company's shareholders increased 11% to SEK 4,296 M (3,881).
- Profit from property management per Class A and B share after dilution amounted to SEK 11.95 (11.16).
- Changes in the value of properties had an impact on profit of SEK 558 M (-2,517).
- Changes in value of financial instruments had an impact on profit of SEK 1,104 M (-1,235).
- Profit after tax for the year attributable to Parent Company's shareholders was SEK 5,255 M (-13).
- Cash flow from operating activities before changes in working capital amounted to SEK 3,586 M (3,485), corresponding to SEK 9.85 (9.94) per Class A and B share after dilution.
- Net investments in properties amounted to SEK 6,683 M (5,913), of which property acquisitions accounted for SEK 5,698 M (5,088).
- The Board of Directors proposes that the dividend per Class A and B share be raised to SEK 3.50 (3.10). The Board also proposes a dividend of SEK 2.00 (2.00) per Class D share through a quarterly payment of SEK 0.50. The dividend proposal is in accordance with the company's dividend policy.

FOURTH QUARTER OF 2024

- Rental revenue increased 16% to SEK 1,315 M (SEK 1,133 M in the year-earlier period).
- Profit from property management attributable to Parent Company's shareholders increased 19% to SEK 1,079 M (909).
- Profit from property management per Class A and B share after dilution amounted to SEK 3.00 (2.52).
- Changes in the value of properties had an impact on profit of SEK 101 M (-837).
- Changes in value of financial instruments had an impact on profit of SEK 29 M (-501).
- Profit after tax for the period attributable to Parent Company's shareholders was SEK 999 M (-433).
- Cash flow from operating activities before changes in working capital amounted to SEK 882 M (778), corresponding to SEK 2.42 (2.13) per Class A and B share after dilution.
- Net investments in properties amounted to SEK 841 M (2,188), of which property acquisitions accounted for SEK 611 M (1,852).

FORECAST FOR 2025

Profit from property management for 2025 attributable to Parent Company's shareholders, meaning profit before revaluations and tax, based on the current property portfolio, announced acquisitions and divestments and current exchange rates, is expected to amount to SEK 4,400 M.

Selected key performance indicators

	2024 Jan-Dec	2023 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec
Profit from property management per Class A and B share after dilution, SEK	11.95	11.16	9.70	7.99	6.62
<i>Change compared with preceding year, %</i>	7	15	21	21	20
Earnings per Class A and B share after dilution, SEK	14.78	-0.82	7.75	30.04	10.78
Dividend per Class A and B share, SEK (2024 proposed)	3.50	3.10	2.70	2.15	1.65
Net debt/EBITDA, multiple	5.4	5.2	7.1	5.8	6.4
Interest coverage ratio, multiple	5.0	5.7	7.1	6.5	5.7
Debt ratio at year end, %	42	41	45	42	43
Properties' market value at the year end, SEK M	65,874	57,061	52,682	46,067	37,548
Yield, %	6.6	6.4	5.8	6.0	6.3
Return on equity, %	13.5	0.0	8.4	36.6	17.8

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

Business concept, targets and strategies

BUSINESS CONCEPT

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

OPERATIONAL TARGETS

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

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

FINANCIAL TARGETS

Sagax has the following financial targets:

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

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

Financial targets

	Outcome 2024	Five-year average
Return on equity, measured over a five-year period, shall exceed 15% per year	14%	15%
Profit from property management per Class A and B share shall increase by a minimum of 15% per year	7%	18%

STRATEGIES

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

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

Investment strategy

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

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

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

Financing strategy

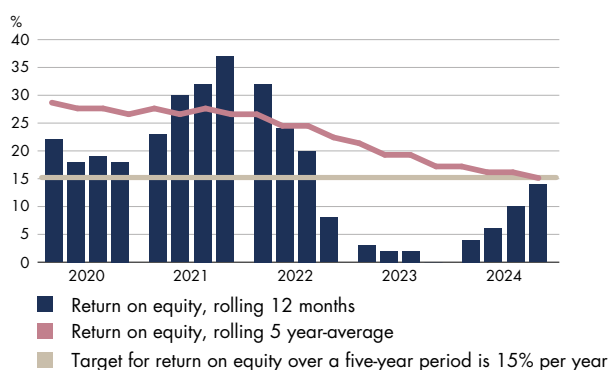
The financial structure of Sagax is designed with a clear focus on operating cash flow and interest coverage ratio. This is expected to create both good prerequisites for expansion and attractive return on equity.

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

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

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

Return on equity



Profit from property management per Class A and B share



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

Asset management strategy

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

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

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

SUSTAINABILITY ACTIVITIES

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

Environmental and resource efficiency

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

Business ethics

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

Economic sustainability

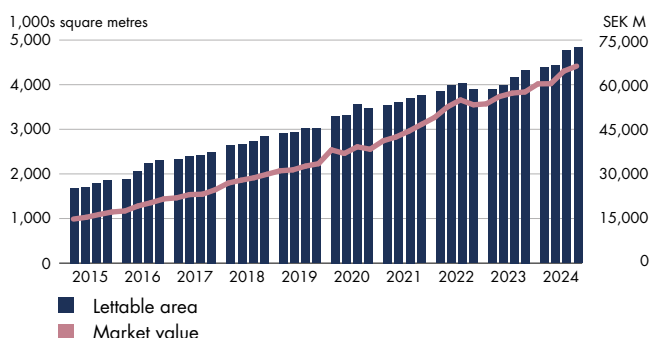
Sagax's business model is characterised in all areas by a long-term approach. Short-term gains are subordinate to the company's long-term value creation. Accordingly, sustainability work is integrated into the business model.

Professional and dedicated employees

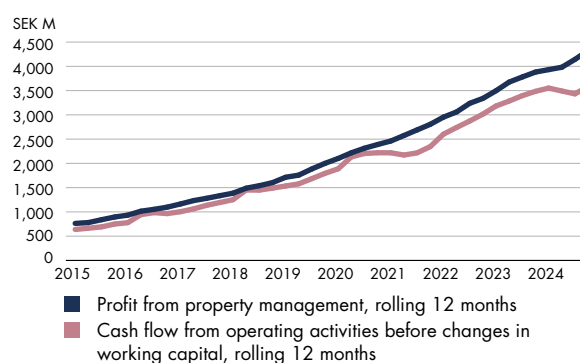
The development of the company is dependent on highly skilled employees. For this reason, it is important that the company is an attractive employer that can recruit and has the ability to retain highly skilled personnel. Sagax employees are expected to assume responsibility of their work duties and 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 Maxwellstraat 31 and Energiestraat 6-8 properties in the Netherlands were acquired in the fourth quarter. The properties encompass a total of 7,900 square metres of lettable area and are fully let.

Profit, revenue and expenses

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

PROFIT

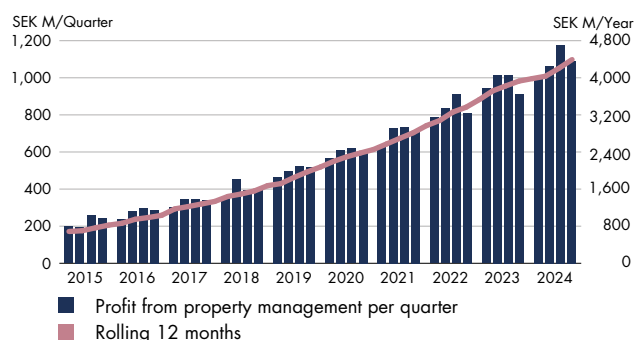
Profit from property management rose 11% to SEK 4,326 M (3,881), mainly due to property acquisitions, rent indexation and higher profit from property management from joint ventures and associated companies. Profit from property management attributable to Parent Company's shareholders increased 11% to SEK 4,296 M (3,881). Profit from property management per Class A and B share after dilution amounted to SEK 11.95 (11.16).

Property revaluation had an impact of SEK 558 M (-2,517) on profit for the year, of which SEK 12 M (-1,220) referred to changes in value of properties in joint ventures and associated companies.

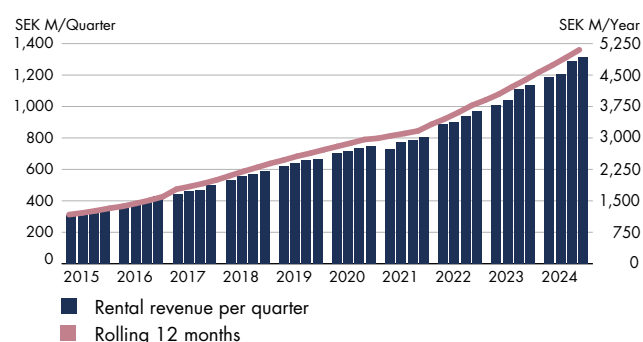
Revaluation of financial instruments had an impact on profit for the year of SEK 1,104 M (-1,235), of which SEK -81 M (-302) referred to changes in value from joint ventures and associated companies. SEK 1,185 M referred to the revaluation to market value of Sagax's holding in NP3 Fastigheter AB. For additional information, see page 13.

Profit after tax for the year amounted to SEK 5,274 M (-13), of which SEK 5,255 M (-13) was attributable to Parent Company's shareholders. Accordingly, profit attributable to non-controlling interests amounted to SEK 19 M (-).

Profit from property management



Rental revenue



REVENUE

Rental revenue rose 16% to SEK 4,994 M (4,293). Revenue increased primarily due to by property acquisitions in the France, Spain, Finland and Benelux segments and rent indexation.

During the year, rental revenue in comparable portfolios increased 3.9% (6.6) excluding currency effects. The segments with the largest percentage increases were Sweden with 8.6%, France 4.9% and Germany 2.9%. The weighted inflation rate for the reporting period was 1.4% (3.4) at an annual rate.

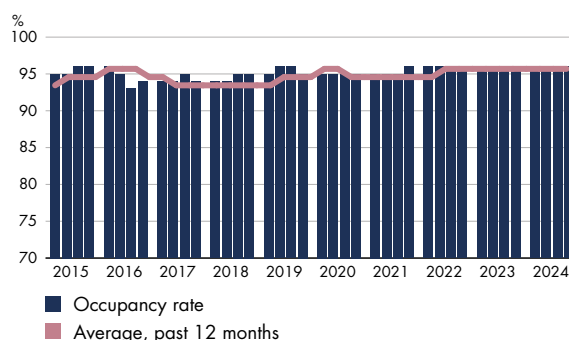
Other revenue rose to SEK 69 M (25) and mainly related to insurance compensation.

Rental revenue, comparable portfolios

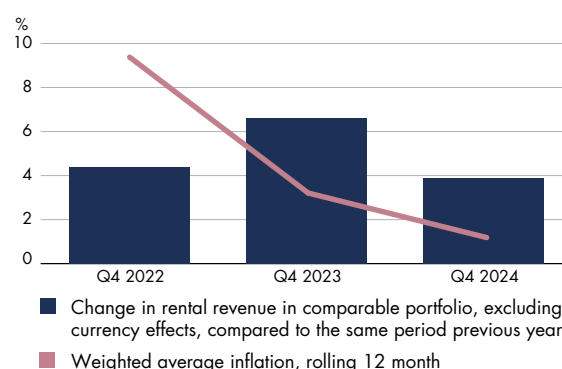
Amounts in SEK M	2024	2023
	Jan-Dec	Jan-Dec
Rental revenue	4,994	4,293
Acquisitions and divestments	-716	-163
Currency adjustment ¹⁾	-	-12
Total	4,278	4,118

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

Economic occupancy rate



Rental revenue, comparable portfolios



CHANGE IN THE ECONOMIC OCCUPANCY RATE

The economic occupancy rate amounted to 96% (96). During the year, the vacancy value rose SEK 199 M (210) due to tenants vacating premises and declined SEK 156 M (211) following new lettings. Fixed-term rent discounts for new tenants fell SEK 11 M (–13) to SEK 42 M (52) on an annual basis at the end of the year. Acquisitions and property divestments during the year increased the vacancy value by a net SEK 13 M (–1). The total vacancy value at the end of the year amounted to SEK 231 M (182).

FUTURE VACANCY CHANGES

At year end, notice of termination had been served for leases with a rental value of SEK 201 M (74), of which leases with notice of vacating the premises for SEK 196 M (74) and leases with notice of renegotiation accounted for SEK 5 M (–). Of the leases for which notice had been received, vacancies corresponding to a rental value of SEK 84 M will arise in 2025 and SEK 97 M in 2026. Lettings of premises to tenants who have not yet occupied reduced the adjusted vacancy value by SEK 43 M (19). New lettings corresponding to a rental value of SEK 43 M will occur in 2025. The adjusted vacancy value was SEK 389 M (237).

Vacancy changes

Amounts in SEK M	2024 Jan-Dec	2023 Jan-Dec
Opening vacancy for each year	182	171
New lettings	–156	–211
Vacancies	199	210
Change in discounts provided	–11	13
Vacancy value, acquired properties	20	6
Vacancy value, divested properties	–7	–7
Change in exchange rates	4	–
Closing vacancy value	231	182
Terminated for renegotiation	5	–
Terminated lease, not vacated	196	74
Letting, not occupied	–43	–19
Adjusted closing vacancy value	389	237

PROPERTY EXPENSES

Operating and maintenance costs amounted to a total of SEK 483 M (454). The increase was primarily due to property acquisitions. Operating and maintenance costs in comparable portfolios increased 1.7% and weighted inflation for the year was 1.4%. In real terms, the increase in costs was 0.2% corresponding to SEK 1 M. In real terms, operating expenses decreased 3.1% corresponding to SEK 11 M, mainly due to lower electricity and heating costs. In real terms, maintenance costs increased 12% corresponding to SEK 12 M, of which SEK 5 M related to the upgrade of the ventilation system in a property in the Other Europe segment due to changes in regulatory requirements.

Expenses for property tax increased to SEK 272 M (220) and other property expenses increased to SEK 117 M (94). Expenses for property tax and other property expenses in the comparable portfolio were unchanged compared with last year.

Number of employees

Country	Total
Sweden	38
Finland	29
France	12
Netherlands	10
Spain	8
Germany	1
Total	98

Signed leases and leases terminated

Year of occupancy and vacancy	New lettings		Vacancies	
	No. of leases	Rental value, SEK M	No. of leases	Rental value, SEK M
2025	28	43	99	84
2026	–	–	17	97
2027	–	–	2	8
2028	–	–	1	6
>2028	–	–	–	–
Total	28	43	119	196

Vacancies on 1 January 2025

Market 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	1,147	75	7%	935,000	65,000	7%
Finland	1,923	97	5%	1,480,000	77,000	5%
France	1,234	20	2%	1,050,000	18,000	2%
Benelux	704	21	3%	708,000	11,000	2%
Spain	383	8	2%	524,000	23,000	4%
Germany	150	10	7%	132,000	10,000	8%
Other Europe	12	–	–	6,000	–	–
Total	5,553	231	4%	4,834,000	203,000	4%

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

CENTRAL ADMINISTRATION

Central administration costs amounted to SEK 187 M (182), corresponding to 3.7% (4.2) of the year's rental revenue.

At year end, Sagax had 98 (96) employees. Functions such as property caretaking and on-call operations are outsourced. Sagax has offices in Stockholm, Helsinki, Paris, Rotterdam, Barcelona and Frankfurt.

PROFIT FROM JOINT VENTURES AND ASSOCIATED COMPANIES

Profit from joint ventures and associated companies for the year amounted to SEK 783 M (-556), of which profit from property management accounted for SEK 1,108 M (937), changes in value of properties for SEK 12 M (-1,220) and changes in the value of fixed income derivatives for SEK -81 M (-302). Tax expense on profit from joint ventures and associated companies amounted to SEK 256 M (-14). For additional information, see page 13.

NET FINANCIAL ITEMS

Financial income amounted to SEK 162 M (339), of which SEK 154 M (110) refers to interest income on listed bonds and other financial investments and SEK 8 M (46) referred to dividends from listed shares. Last year included income pertaining to repurchased bonds of SEK 59 M and financial income of SEK 124 M pertaining to a current finance lease asset, and there was no such corresponding income this year.

Financial expenses, excluding the interest component relating to the Group's lease liabilities, increased to SEK 912 M (734) due to higher interest-bearing liabilities resulting from property acquisitions and the impact of higher market interest rates on the Group's borrowing costs. The average interest rate on interest-bearing liabilities was 2.3% (1.9) on the balance sheet date.

The interest component relating to the Group's lease liabilities amounted to SEK -36 M (-31). This expense primarily comprised site leasehold fees and ground rents.

REVALUATION OF PROPERTIES

Sagax uses external valuations to determine the market value of its properties. As per the balance sheet date, a corresponding 99% of the market value of the properties had been externally valued. For other properties, the market value was determined as the acquisition price or internal valuations were applied. The changes in value for the properties amounted to SEK 546 M (-1,297), of which unrealised changes in value amounted to SEK 563 M (-1,306) and realised changes in value amounted to SEK -17 M (9). Of the unrealised change in value, SEK 652 M (670) was attributable to property management and SEK -89 M (-1,976) was related to general changes in market value. For additional information, see page 12.

REVALUATION OF FINANCIAL INSTRUMENTS

The change in value of financial instruments was SEK 1,184 M (-932).

Realised changes in value amounted to SEK -17 M (23) and referred to divestments of financial instruments.

Unrealised changes in value amounted to SEK 1,202 M (-955). Revaluation of listed instruments resulted in an unrealised change in value of SEK 1,185 M (-631) in connection with the market valuation of Sagax's holding in NP3 Fastigheter AB. For additional information, see page 13.

The revaluation of financial instruments in joint ventures amounted to SEK 61 M (-226). The unrealised change in value attributable to fixed income derivatives amounted to SEK -49 M (-36). Other financial instruments were revalued by SEK 5 M (-61).

TAX

Sagax recognised a tax expense of SEK 458 M (172) comprising of a current tax expense of SEK 194 M (156) and a deferred tax expense of SEK 264 M (16). The higher deferred tax expense was mainly attributable to unrealised changes in value of properties. The tax expense recognised in other comprehensive income amounted to SEK 8 M (-16). The Group's deferred tax liabilities at year end amounted to SEK 4,289 M (3,954). Deferred tax assets pertaining to accumulated loss carry-forwards and financial instruments amounted to SEK 163 M (168).

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 3,586 M (3,485). Changes in working capital had an impact of SEK -235 M (80) on cash flow. Investing activities had an impact of SEK -5,732 M (-4,749) on cash flow, of which SEK 2,814 M derived from the acquisition of French Wholesale Properties. Cash flow from financing activities amounted to SEK 2,639 M (1,135). In total, cash and cash equivalents changed by SEK 259 M (-48) during the year.

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 127 M (119).

Forecast and current earnings capacity

FORECAST FOR 2025

Profit from property management for 2025 attributable to Parent Company's shareholders, meaning profit before revaluations and tax, based on the current property portfolio, announced acquisitions and divestments and current exchange rates, is expected to amount to SEK 4,400 M.

CURRENT EARNINGS CAPACITY

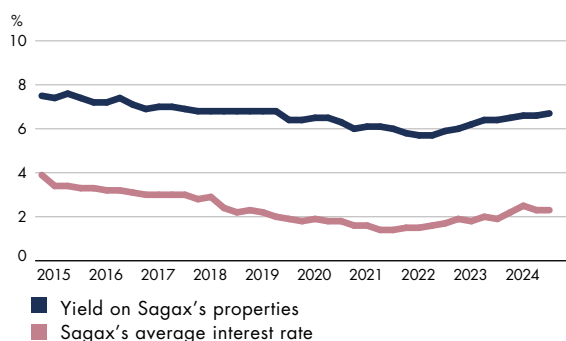
Current earnings capacity is reported in conjunction with interim reports and year-end reports.

The table below shows the company's earnings capacity on a 12-month basis on 1 January. It is important to note that this capacity is not equivalent to a forecast for the forthcoming 12 months since it does not contain assessments about, for example, future vacancies, interest rate scenario, currency effects, rent trends or changes in value.

Current earnings capacity

Amounts in SEK M	1 Jan 2025	1 Jan 2024
Rental value	5,553	4,738
Vacancy	-231	-182
Rental revenue	5,323	4,557
Property expenses	-909	-771
Net operating income	4,414	3,785
Central administration	-187	-182
Joint ventures and associated companies	1,162	1,096
Net financial items	-859	-555
Lease expenses	-36	-31
Profit from property management	4,494	4,114
– of which profit from property management attributable to non-controlling interests	61	–
Tax	-764	-741
Profit after tax	3,730	3,374
Attributable to the Parent Company's shareholders	3,669	3,374
– of which, holders of Class D shares	253	253
– of which, holders of Class A and B shares	3,416	3,122
Run rate yield, %	6.7	6.6
Net debt/run rate EBITDA, multiple	5.1	4.9

Yield and interest rate



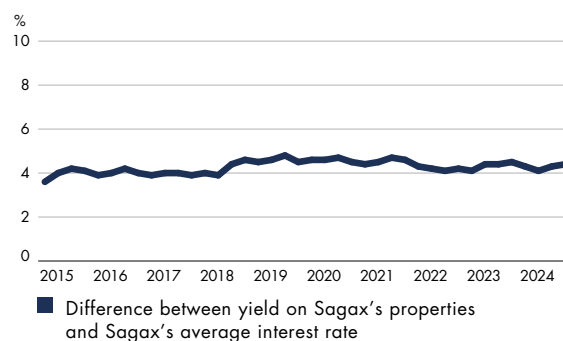
The rental value is based on contractual rental revenue on an annual basis, with supplements for estimated market rents for vacant premises. Property expenses are based on actual outcomes over the past twelve months adjusted for the holding period. Central administration costs are based on actual outcomes over the past twelve 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 actual outcomes over the past twelve months. Dividends attributable to the company's holdings of listed shares were not taken into account in the earnings capacity. Tax is calculated at the standard tax rate of 17% (18). Translation from EUR took place at the closing rate of SEK 11.49. Translation from EUR of the earnings capacity on 1 January 2024 took place at a rate of SEK 11.43.

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.

Profit from property management attributable to Parent Company's shareholders according to current earnings capacity



Difference between yield and interest rate



Property portfolio

On 31 December 2024, the property portfolio comprised 983 (903) properties with a lettable area of 4,834,000 square metres (4,331,000). At year end, the rental value and contractual annual rent amounted to SEK 5,553 M (4,738) and SEK 5,323 M (4,557), respectively. This corresponds to an economic occupancy rate of 96% (96).

PROPERTY ACQUISITIONS

During the year, Sagax invested SEK 6,827 M (5,991), of which property acquisitions accounted for SEK 5,698 M (5,088). 85 (142) properties were acquired, of which 43 properties related to Sagax's acquisition of French Wholesale Properties (FWP) in France. Sagax's ownership in FWP amounted to 77% at year end.

INVESTMENTS IN THE EXISTING PORTFOLIO

A total of SEK 1,129 M (902) was invested in the existing property portfolio, of which SEK 279 M (205) referred to property maintenance and

SEK 510 M (395) to new construction. Of the investment in new construction, SEK 410 M was related to projects in Sweden. In addition, SEK 233 M (252) was invested in connection with new lettings and SEK 107 M (50) against rent supplements. Of total investments, SEK 53 M (18) referred to investments in energy-saving measures.

DIVESTMENTS

During the year, 5 (9) properties with a carrying amount of SEK 144 M (77) million were divested.

PROPERTY PORTFOLIO YIELD

The yield for the period was 6.6% (6.4). The run rate yield was 6.7% (6.6).

Summary of property portfolio, 1 January 2025

Market 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	15,101	23%	16,200	128	935,000	65,000	1,147	93%	1,072
Finland	19,606	30%	13,200	248	1,480,000	77,000	1,923	95%	1,826
France	14,515	22%	13,800	310	1,050,000	18,000	1,234	98%	1,214
Benelux	9,264	14%	13,100	157	708,000	11,000	704	97%	683
Spain	5,485	8%	10,500	124	524,000	23,000	383	98%	375
Germany	1,778	3%	13,500	14	132,000	10,000	150	93%	140
Other Europe	126	0%	19,500	2	6,000	–	12	100%	12
Total	65,874	100%	13,600	983	4,834,000	203,000	5,553	96%	5,323

Property investments January-December 2024

	Property acquisitions, SEK M	Property acquisitions, no. of properties	Existing portfolio, SEK M	Total, SEK M	Share of total investments	Divestments, SEK M	Divestments, no. of properties	Net investments, SEK M
Sweden	88	3	635	722	11%	–	–	722
Finland	439	7	279	717	11%	–19	2	699
France	3,725 ¹⁾	48	103	3,828	56%	–45	2	3,783
Benelux	408	10	89	497	7%	–	–	497
Spain	681	12	23	705	10%	–80	1	625
Germany	357	5	1	358	5%	–	–	358
Total	5,698	85	1,129	6,827	100%	–144	5	6,683

1) Of which SEK 1,089 M refers to acquired value attributable to non-controlling interests in French Wholesale Properties.

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 year end was distributed between 2,557 leases (2,462). The table below presents the size of Sagax's leases in relation to the Group's annual rent at year end. The table shows that 2,550 leases (2,455) had an individual rental value of less than 1% of the Group's annual rent. The total rental value for these leases accounted for 91% (90) of Sagax's annual rent. In addition, Sagax is party to 7 (6) leases with a rental value corresponding to 1–2% of the Group's annual rent. Combined, these leases total 9% (8) of Sagax's annual rent. None of Sagax's leases had an annual rental value that accounted for more than 2% of the Group's annual rent (last year one lease accounted for more than 2% of the Group's annual rent).

Sagax's annual rent at year end was distributed between 1,407 tenants. The table below shows that 70% of the Group's annual rent at year end comprised tenants who each accounted for less than 1% of

Distribution of leases

Share of contractual annual rent	Annual rent		No. of leases	Average annual rent, SEK M	Lease term, years
	SEK M	Share, %			
>2%	–	–	–	–	–
1–2%	498	9	7	71	6
<1%	4,825	91	2,550	2	5
Total	5,323	100	2,557	2	5

Distribution of tenants

Share of contractual annual rent	Annual rent		No. of tenants ¹⁾	No. of leases	Average annual rent, SEK M	Lease term, years
	SEK M	Share, %				
>2%	1,009	19	6	187	84	7
1–2%	598	11	8	125	26	6
<1%	3,716	70	1,393	2,245	3	4
Total	5,323	100	1,407	2,557	4	5

1) Companies within the same group or with state and municipal ownership are listed as one tenant.

Lease terms

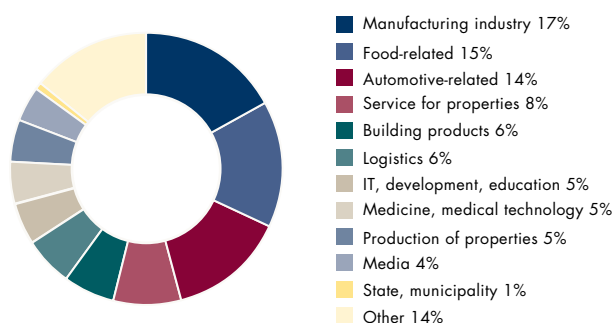
Year of expiry	No leases	Area, sqm	Contractual annual rent	
			SEK M	Share
2025	882	600,000	733	14%
2026	515	691,000	768	14%
2027	416	687,000	726	14%
2028	240	434,000	535	10%
2029	121	454,000	532	10%
>2029	383	1,766,000	2,028	38%
Total	2,557	4,631,000	5,323	100%

the Group's annual rent, 11% of Sagax's annual rent comprised tenants who each accounted for 1–2% of the Group's annual rent and 19% of the Group's annual rent comprised tenants who each accounted for more than 2% of the Group's annual rent. The six largest tenants in alphabetical order are Baxter, Groupe Colas, Kesko, Metro France and Nokia as well as state and municipal-owned operations.

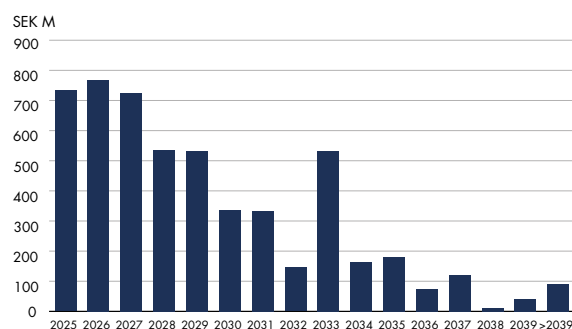
Sagax's tenants operate in a variety of sectors. Companies in the manufacturing industry accounted for 17% (16) of rental revenue. The food-related operations and automotive-related industry, including sales, service and manufacturing, accounted for 15% (10) and 14% (14) of rental revenue, respectively. Diverse tenant industries are considered to lower the risk of vacancies and rent losses. The main industries are presented in the pie chart below.

According to Sagax's asset management strategy, the company strives to secure long-term leases and an even distribution of contract maturities over the years. This is deemed to reduce the risk of significant variations in the Group's occupancy rate. Leases representing 48% of the annual rent expire in or after 2029. 10–14% of annual rent expires each year between 2025 and 2028.

Industry exposure



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 983 properties (903) was established at SEK 65,874 M (57,061) on 31 December 2024. Exchange rate fluctuations during the year resulted in property values denominated in EUR and DKK changing by SEK 1,567 M (–229).

The unrealised change in value for the period amounted to SEK 563 M (–1,306) corresponding to a change in value of 0.9% (–2.2). In the same period, weighted inflation was 1.6% (3.4) in the markets where Sagax is active. The real change in value amounted to –0.7% (–5.5).

Of this unrealised change in value, SEK 652 M was attributable to property management and SEK –89 M was related to general changes in market value. The weighted capitalisation rate was unchanged compared with the same period last year.

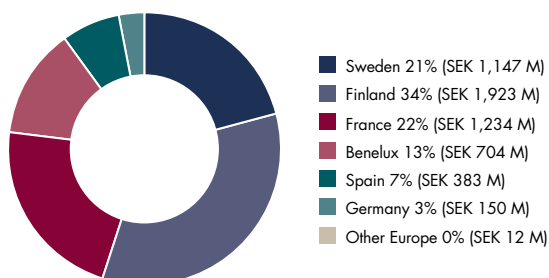
Change in the carrying amounts of the property portfolio

	SEK M	No
Property portfolio, 31 December 2023	57,061	903
Acquisition of properties	5,698	85
Investments in the existing portfolio	1,129	–
Divestment/disposal of properties	–144	–5
Currency translation effect	1,567	–
Unrealised changes in value	563	–
Property portfolio, 31 December 2024	65,874	983
Properties acquired, possession pending	326	3

Unrealised changes in the value of properties

Amounts in SEK M	Jan-Dec 2024
New lettings/Renegotiations	887
Vacancies/Renegotiations	–235
General change in market value	–89
Total	563

Group's rental value



VALUATION METHOD AND IMPLEMENTATION

The valuations were carried out in accordance with generally accepted international valuation methods. Properties corresponding to 99% of the property value have been valued by authorised property appraisers from independent valuation companies as per 31 December 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 5 and 20 years. As a rule, the calculation period is 10 years. For more information, see Sagax's 2023 Annual Report, page 94.

ANALYSIS AND GENERAL CONDITIONS

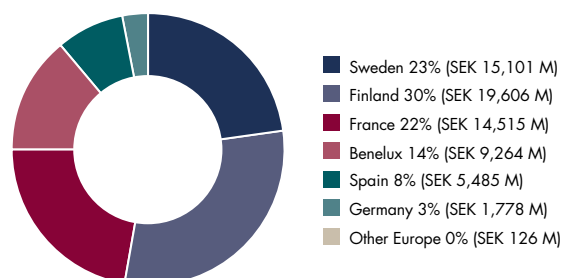
The discount rate for the present value calculation of cash flows (5.1–16.0%), the discount rate for the present value calculation of residual values (5.3–16.1%) and the capitalisation rate for the residual value calculations (4.3–14.0%) are based on comparable transactions and on individual assessments 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% (7.8) and 8.1% (7.9), respectively. The weighted capitalisation rate was 6.4% (6.4).

Unrealised changes in the value of properties per quarter

Amounts in SEK M	Jan-Dec 2024
First quarter	152
Second quarter	124
Third quarter	206
Fourth quarter	81
Total	563

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 the shareholders. The accumulated investments amounted to SEK 7,872 M, which has generated an accumulated dividend of SEK 3,734 M (3,249) for Sagax. The carrying amount of these investments amounted to SEK 15,170 M (13,171), of which 97% comprised Hemsö Fastighets AB, NP3 Fastigheter AB, Nyfosa AB, Söderport Property Investment AB and Fastighetsbolaget Emilshus AB.

These investments contributed a total of SEK 1,108 M (937) to profit from property management during the year and SEK 477 M (692) to the cash flow. In addition, Sagax received a distribution in kind comprising shares in Fastighetsbolaget Emilshus AB corresponding to SEK 50 M. Sagax's share of changes in the value of properties amounted to SEK 12 M (-1,220) and the share of changes in the value of derivatives was SEK -81 M (-302).

In addition to the holdings presented below, Sagax owns shares amounting to SEK 118 M (12) 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 1,182 M was located in Stockholm on 31 December 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

NP3 Fastigheter AB (NP3)

Sagax owns shares corresponding to 20.5% of the votes and 15.2% of the capital in NP3. The market value of Sagax's shareholding amounted to SEK 3,378 M (3,041) and the carrying amount to SEK 3,478 M (2,104) on 31 December 2024.

NP3 is a property company focusing on high-yielding commercial investment properties mainly in northern Sweden. The company's property portfolio encompassed 554 properties with a total property value of SEK 23.4 billion and a rental value of SEK 2,326 M on 31 December 2024. NP3 is listed on Nasdaq Stockholm, Large Cap. For more information, refer to www.np3fastigheter.se.

In September 2024, NP3 carried out a directed issue, which resulted in Sagax reclassifying the holding in NP3 to financial instruments which led to an unrealised change in value of SEK 1,335 M in the third quarter. In November 2024, Sagax acquired shares in NP3, and the holding in NP3 was subsequently recognised as an associated company in accordance with the equity method. This reclassification resulted in an unrealised change in value of financial instruments of SEK -150 M.

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 4,856 M (4,265) and the carrying amount to SEK 2,809 M (2,789) on 31 December 2024.

Nyfosa is a property company active in the Swedish, Finnish and Norwegian markets focusing on commercial properties in high-growth municipalities. The company's property portfolio encompassed 494 properties with a total property value of SEK 39.4 billion and a rental value of SEK 3,963 M on 31 December 2024. Nyfosa is listed on Nasdaq Stockholm, Large Cap. For more information, refer to www.nyfosa.se.

Fastighetsbolaget Emilshus AB (Emilshus)

Sagax owns shares corresponding to 25.7% of the votes and 25.2% of the capital in Emilshus. The market value of Sagax's shareholding amounted to SEK 1,395 M (820) and the carrying amount to SEK 982 M (708) on 31 December 2024.

Emilshus acquires, develops and manages commercial properties in Småland and nearby growth regions. The company's property portfolio encompassed 172 properties with a total property value of SEK 8.9 billion and a rental value of SEK 790 M on 31 December 2024. Emilshus is listed on Nasdaq Stockholm, Mid Cap. For more information, refer to www.emilshus.com.

Sagax's joint ventures

	Hemsö		Söderport		Ess-Sierra	
	2024 Jan-Dec	2023 Jan-Dec	2024 Jan-Dec	2023 Jan-Dec	2024 Jan-Dec	2023 Jan-Dec
<i>Sagax's ownership, %</i>	15	15	50	50	50	50
<i>Sagax's share of total comprehensive income, SEK M</i>	238	-219	224	24	22	-30
<i>Sagax's share of profit from property management, SEK M</i>	318	297	235	224	24	31
Rental revenue, SEK M	5,130	4,818	1,096	1,025	99	96
Profit from property management, SEK M	2,498	2,345	469	449	48	62
Profit/loss for the year, SEK M	1,886	-2,721	448	48	44	-59
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
<i>Carrying amount of ownership interest, SEK M</i>	4,799	4,546	2,702	2,728	282	283
No. of properties	477	488	86	86	39	39
Carrying amount of properties, SEK M	85,973	82,624	14,688	14,418	1,484	1,475
Lettable area, sqm	2,425,000	2,458,000	778,000	773,000	184,000	184,000
Lease term, years	9.1	9.5	3.9	4.0	6.6	6.5
Economic occupancy rate, %	98	98	94	96	100	100
Interest-bearing liabilities, SEK M	52,185	50,823	7,709	7,354	843	847
Loan maturity, years	5.0	5.5	3.1	3.9	3.0	4.0
Average fixed interest rate period, years	4.8	5.0	2.1	2.7	2.0	2.8
Market value of derivatives, SEK M	-604	-187	-54	-72	-	-

Funding

EQUITY

Consolidated equity amounted to SEK 41,803 M (36,578) on 31 December 2024. During the year, equity changed primarily due to total comprehensive income of SEK 5,678 M (86), transactions totalling SEK 9 M in connection with the incentive programme, dividends of SEK –1,301 M, transactions with non-controlling interests of SEK 10 M and change in non-controlling interests of SEK 830 M. The change in non-controlling interests was attributable to French Wholesale Properties, in which Sagax acquired 77% of the participations during the year.

INTEREST-BEARING LIABILITIES

Sagax's interest-bearing liabilities at year end amounted to SEK 35,134 M (30,343) corresponding to a nominal amount of SEK 35,283 M (30,481). An amount corresponding to SEK 33,202 M (28,636) of liabilities was recognised in EUR. Exchange rate fluctuations increased interest-bearing liabilities by SEK 1,069 M (–72).

Listed bonds amounted to SEK 29,454 M (26,162). Other interest-bearing liabilities comprised commercial paper of SEK 456 M (1,495) and liabilities to banks of SEK 5,224 M (2,686).

Unsecured liabilities including commercial paper corresponded to 86% (92) of interest-bearing liabilities.

The interest coverage ratio amounted to 5.0 (5.7) times for the year and the debt ratio to 42% (41) at year end. Net interest-bearing debt was 5.4 (5.2) times EBITDA and 5.1 (4.9) times run rate EBITDA. During the year, a total of SEK 13,405 M (7,326) was raised in loans and SEK 9,683 M (9,206) was repaid. Net interest-bearing debt amounted to SEK 24,367 M (20,804).

The average remaining fixed interest and loan maturity terms were 2.9 years (2.8) and 3.1 years (3.1), respectively, at year end. The average interest rate on interest-bearing liabilities on the balance sheet date was 2.3% (1.9), including the effect of derivatives.

Of Sagax's interest-bearing liabilities, SEK 29,454 M (26,162), or 84% (86), bear fixed interest rates. The company has interest-rate swaps with a total nominal value of SEK 4,077 M (1,393), corresponding to 12% (5) of interest-bearing liabilities.

WORKING CAPITAL AND UNUTILISED CREDIT FACILITIES

Sagax's working capital amounted to SEK –5,006 M (–4,445) on 31 December 2024. At the same date, unutilised credit facilities including back-up facilities for commercial paper programmes amounted to SEK 11,560 M (11,393). No additional collateral needs to be pledged to utilise these credit facilities.

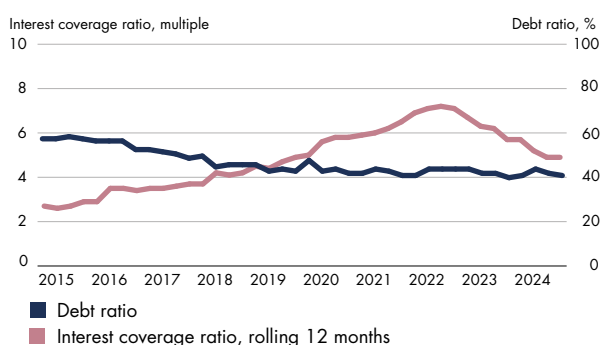
Interest rate exposure and loan maturity 31 December 2024

Year of expiry	Interest rate exposure ¹⁾			Loan maturity	
	Nominal amount, SEK M	Interest rate ²⁾	Share	Nominal amount, SEK M	Share
2025	6,223	2.9%	18%	4,675	13%
2026	3,446	1.6%	10%	3,698	10%
2027	5,251	1.8%	15%	5,882	17%
2028	6,708	1.3%	19%	5,766	16%
2029	7,911	2.0%	22%	9,519	27%
>2029	5,743	4.4%	16%	5,743	16%
Total/ Average	35,283	2.3%	100%	35,283	100%

1) Including derivatives.

2) The average interest rate for 2025 includes the margin for the variable portion of the debt portfolio.

Debt ratio and interest coverage ratio

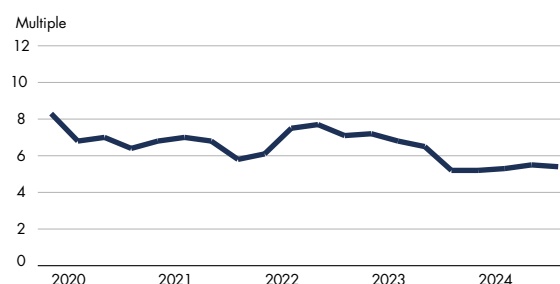


Net debt

Amounts in SEK M	2024 31 Dec	2023 31 Dec
Interest-bearing liabilities	35,134	30,343
Interest-bearing assets	–359	–729
Listed instruments ¹⁾	–10,121	–8,782
Cash and cash equivalents	–287	–28
Net debt	24,367	20,804

1) Including associated companies whose shares are listed.

Net debt/EBITDA, rolling 12 months



Listed bonds, 31 December 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	369	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	2,564	2.0%	1.9%		

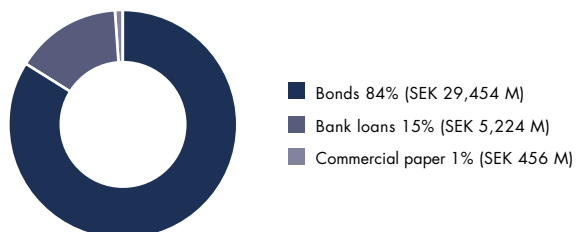
Derivative contracts, 31 December 2024

Amounts in SEK M	Nominal amount	Years to maturity	Market value 31 Dec 2024	Market value 31 Dec 2023	Change for the period
Nominal interest-rate swaps	4,077	4	-71	-27	-44
Interest-rate caps	-	-	-	5	-5
Total/average	4,077	4	-71	-21	-49

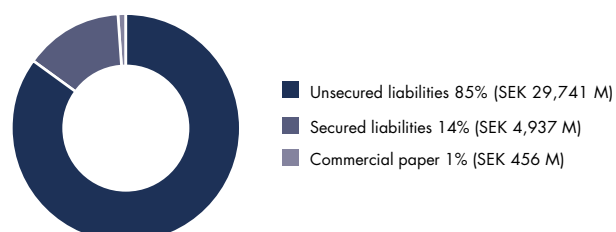
Rating and key performance indicators according to EMTN programme

	Financial covenant in EMTN programme	31 Dec 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	6.5x	8.1x
Secured liabilities/Total assets	<45%	6%	3%

Sources of financing



Distribution between secured and unsecured liabilities



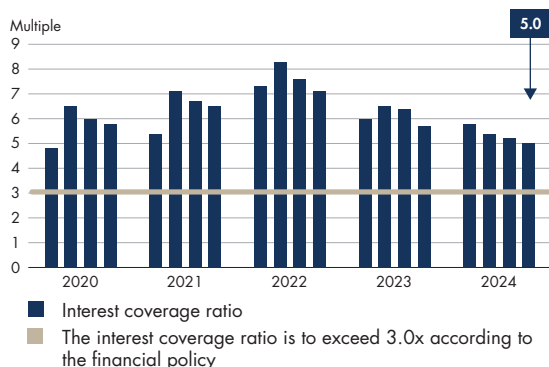
FINANCIAL POLICY

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.

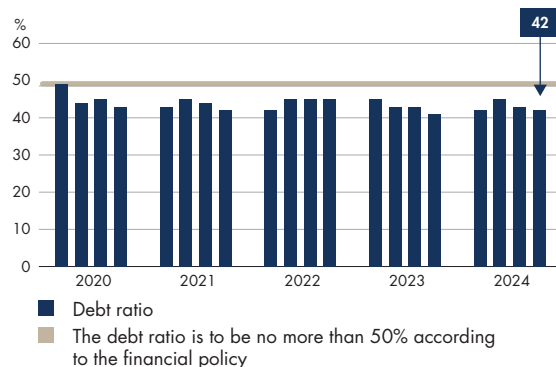
- A debt ratio of no more than 50%.
- An interest coverage ratio exceeding 3.0x.
- Net debt in relation to the Group's EBITDA not above 8x.

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

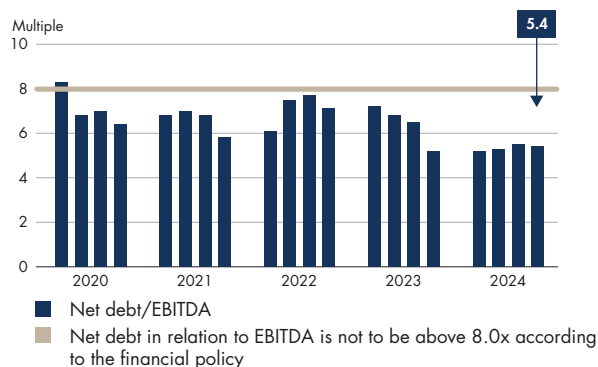
Interest coverage ratio



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 year amounted to SEK 546 M (454).

LISTED INSTRUMENTS

Listed instruments amounted to SEK 625 M (752) and comprised listed bonds.

OTHER CURRENT ASSETS

Other current assets amounted to SEK 574 M (543) at the end of the year and primarily comprised rent receivables of SEK 288 M (264), of which due rent receivables amounted to SEK 28 M (24).

ACCRUED EXPENSES AND DEFERRED INCOME

Accrued expenses and deferred income amounted to SEK 1,231 M (999) at the end of the year and primarily comprised prepaid rental revenue of SEK 623 M (527) and accrued interest expenses of SEK 452 M (346).

Consolidated statement of comprehensive income

Amounts in SEK M	2024 Jan-Dec	2023 Jan-Dec	2024 Oct-Dec	2023 Oct-Dec
Rental revenue	4,994	4,293	1,315	1,133
Other revenue	69	25	2	13
Operating expenses	-357	-350	-104	-97
Maintenance costs	-126	-104	-16	-31
Property tax	-272	-220	-75	-62
Other property expenses	-117	-94	-35	-26
Net operating income	4,191	3,551	1,086	930
Central administration	-187	-182	-50	-64
Profit from joint ventures and associated companies	783	-556	313	-496
– of which, profit from property management	1,108	937	275	239
– of which, changes in value	-69	-1,523	128	-761
– of which, tax	-256	14	-90	26
– of which, other	-	15	-	-
Financial income	162	339	44	35
Financial expenses	-912	-734	-254	-224
Financial expense, interest component of leases	-36	-31	-9	-7
Profit including profit from joint ventures and associated companies	4,001	2,388	1,130	175
– of which, profit from property management	4,326	3,881	1,092	909
– of which attributable to Parent Company's shareholders	4,296	3,881	1,079	909
Changes in value of properties, realised	-17	9	-21	8
Changes in value of properties, unrealised	563	-1,306	81	-350
Changes in value of financial instruments, realised	-17	23	-17	-1
Changes in value of financial instruments, unrealised	1,202	-955	-40	-234
Profit before tax	5,732	159	1,133	-402
Deferred tax	-264	-16	-54	-18
Current tax	-194	-156	-74	-13
Profit/loss for the period	5,274	-13	1,005	-433
– of which attributable to Parent Company's shareholders	5,255	-13	999	-433
– of which attributable to non-controlling interests	19	-	6	-
Other comprehensive income				
Items that might be reclassified subsequently to the profit or loss:				
Translation differences for foreign operations	642	-174	373	-681
Share of other comprehensive income for joint ventures	9	228	7	161
Translation differences, hedge accounting	-240	29	-163	296
Tax on items that may be reclassified	-8	16	4	11
Total other comprehensive income, net of tax	404	99	221	-213
Total comprehensive income for the period	5,678	86	1,225	-646
– of which attributable to Parent Company's shareholders	5,646	86	1,206	-646
– of which attributable to non-controlling interests	32	-	19	-
Earnings per Class A and B share, SEK	14.78	-0.82	2.76	-1.54
Earnings per Class A and B share after dilution, SEK	14.78	-0.82	2.76	-1.53
Earnings per Class D share, SEK	2.00	2.00	0.50	0.50
Average no. of Class A and B shares, million	338.4	324.8	338.4	333.7
Average no. of Class A and B shares after dilution, million	338.5	325.1	338.5	333.9
Average number of Class D shares, million	126.3	126.3	126.3	126.3

Condensed consolidated statement of financial position

Amounts in SEK M	2024 31 Dec	2023 31 Dec
Investment properties	65,862	57,061
Investment properties for sale	12	–
Leases, right-of-use assets	546	454
Joint ventures and associated companies	15,170	13,171
Deferred tax assets	163	168
Interest-bearing financial receivables	230	225
Other fixed assets	91	127
Total fixed assets	82,073	71,207
Listed instruments	625	752
Interest-bearing current receivables	129	504
Other current assets	574	543
Prepaid expenses and accrued income	356	376
Cash and bank balances	287	28
Total current assets	1,971	2,203
Total assets	84,044	73,410
Equity	41,803	36,578
– of which equity attributable to non-controlling interests	862	–
Non-current interest-bearing liabilities	30,002	25,436
Deferred tax liabilities	4,289	3,954
Derivatives	71	21
Lease liabilities	546	454
Other non-current liabilities	357	318
Total non-current liabilities	35,264	30,184
Commercial paper	456	1,495
Other current interest-bearing liabilities	4,676	3,412
Other current liabilities	612	742
Accrued expenses and deferred income	1,231	999
Total current liabilities	6,976	6,648
Total equity and liabilities	84,044	73,410

Consolidated statement of cash flows

Amounts in SEK M	2024 Jan-Dec	2023 Jan-Dec	2024 Oct-Dec	2023 Oct-Dec
Profit before tax	5,732	159	1,133	-402
Tax paid	-162	-130	-24	24
Dividends from joint ventures and associated companies	477	653	75	64
Adjustment for non-cash items				
Changes in value of financial instruments	-1,184	932	58	235
Change in value of properties	-546	1,297	-60	343
Profit/loss from joint ventures and associated companies	-783	556	-313	496
Dissolution of allocated borrowing costs	56	49	15	11
Other items not included in cash flow	-4	-31	-2	8
Cash flow from operating activities before changes in working capital	3,586	3,485	882	778
Cash flow from changes in current receivables	196	79	48	-90
Cash flow from changes in current liabilities	-431	1	-301	21
Cash flow from operating activities	3,351	3,565	629	710
Acquisition of properties	-4,853	-5,088	-610	-1,852
Divestment of properties	127	86	94	28
Investments in existing properties	-1,129	-902	-342	-356
Acquisition of listed shares	-	-334	-	-15
Divestment of listed shares	-	478	-	116
Purchase of financial instruments	-101	-733	-25	-49
Sale of financial instruments	683	2,122	603	95
Investments in joint ventures and associated companies	-442	-336	-195	-172
Changes in lending to joint ventures and associated companies	-54	-45	158	-9
Increase in other fixed assets	-51	-260	-	-214
Decrease in other fixed assets	88	264	8	-
Cash flow from investing activities	-5,732	-4,749	-310	-2,428
Issue of new Class B shares	15	4,166	-	2,095
Dividends paid to shareholders	-1,301	-1,111	-63	-63
Incentive plan	-4	-26	-	-
Proceeds from borrowings	13,405	7,326	277	2,126
Repayment of borrowings	-9,683	-9,206	-1,049	-2,512
Decrease in other non-current liabilities	-24	-195	-	-
Increase in other non-current liabilities	181	181	128	77
Transactions with non-controlling interests	52	-	52	-
Cash flow from financing activities	2,639	1,135	-656	1,721
Cash flow for the period	258	-49	-337	3
Exchange rate differences in cash and cash equivalents	1	1	-	-
Change in cash and cash equivalents	259	-48	-337	3
Cash and cash equivalents at beginning of period	28	76	624	25
Cash and cash equivalents at end of period	287	28	287	28

Consolidated statement of changes in equity

Amounts in SEK M	Share capital	Other contributed capital	Reserves, translation differences	Profit earned incl. net profit for the period	Total equity attributable to Parent Company's shareholders	Non-controlling interests	Total equity
Equity, 31 December 2022	781	3,616	1,078	27,988	33,463	–	33,463
Profit for 2023	–	–	–	–13	–13	–	–13
Other comprehensive income 2023	–	–	99	–	99	–	99
Total comprehensive income for the period	–	–	99	–13	86	–	86
<i>Transactions with shareholders</i>							
Issue of Class B shares	36	4,176	–	–	4,212	–	4,212
Dividends	–	–	–	–1,111	–1,111	–	–1,111
Transactions with shareholders	36	4,176	–	–1,111	3,101	–	3,101
<i>Other transactions</i>							
Transaction costs	–	–46	–	–	–46	–	–46
Redemption of incentive plan	–	–	–	–34	–34	–	–34
Subscription of incentive plan	–	–	–	8	8	–	8
Other transactions	–	–46	–	–26	–72	–	–72
Equity, 31 December 2023	817	7,746	1,177	26,838	36,578	–	36,578
Profit for 2024	–	–	–	5,255	5,255	19	5,274
Other comprehensive income 2024	–	–	391	–	391	13	404
Total comprehensive income for the period	–	–	391	5,255	5,646	32	5,678
<i>Transactions with shareholders</i>							
Issue of Class B shares	0	15	–	–	15	–	15
Dividends	–	–	–	–1,301	–1,301	–	–1,301
Transactions with shareholders	0	15	–	–1,301	–1,287	–	–1,287
<i>Other transactions</i>							
Transaction costs	–	–1	–	–	–1	–	–1
Redemption of incentive plan	–	–13	–	–	–13	–	–13
Subscription of incentive plan	–	–	–	9	9	–	9
Transfer to share premium reserve	–	2,179	–	–2,179	–	–	–
Transactions with non-controlling interests	–	10	–	–	10	–	10
Change in non-controlling interests	–	–	–	–	–	830	830
Other transactions	–	2,175	–	–2,173	4	830	834
Equity, 31 December 2024	817	9,935	1,568	28,621	40,941	862	41,803

Parent Company income statement

Amounts in SEK M	2024 Jan-Dec	2023 Jan-Dec
Net sales	139	125
Administration costs	-136	-131
Profit/loss before financial income and expenses	3	-5
Profit from participations in Group companies	1,182	2,171
Profit from participations in joint ventures	122	161
Financial income	1,054	1,033
Financial expenses	-732	-759
Profit before tax and appropriations	1,629	2,601
Appropriations	-52	102
Taxes	-45	-18
Profit for the period	1,531	2,684

Condensed Parent Company balance sheet

Amounts in SEK M	2024 31 Dec	2023 31 Dec
Tangible fixed assets	2	1
Receivables from Group companies	2,097	2,101
Other financial fixed assets	17,118	15,697
Total fixed assets	19,216	17,799
Receivables from Group companies	26,034	25,868
Other current assets	18	37
Cash and bank balances	172	2
Total current assets	26,223	25,907
Total assets	45,440	43,706
Restricted equity	966	966
Unrestricted equity	10,263	10,024
Equity	11,229	10,990
Untaxed reserves	11	13
Non-current interest-bearing liabilities	9,936	7,291
Liabilities to Group companies	18,252	18,096
Deferred tax liabilities	6	5
Total non-current liabilities	28,194	25,393
Current interest-bearing liabilities	456	1,612
Liabilities to Group companies	5,200	5,417
Other current liabilities	350	281
Total current liabilities	6,006	7,310
Total equity, untaxed reserves and liabilities	45,440	43,706

Segment information

Market segment	Rental revenue		Net operating income		Changes in value, properties				Total return	
	2024	2023	2024	2023	Unrealised		Realised		2024	2023
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Amounts in SEK M										
Sweden	1,044	955	948	816	-270	-859	-	-	677	-44
Finland	1,799	1,682	1,457	1,370	90	-629	1	8	1,549	748
France	1,012	697	804	534	509	230	2	1	1,315	765
Benelux	648	586	595	530	8	-37	-	-	602	493
Spain	355	254	324	230	155	61	-20	-	459	291
Germany	124	108	119	104	74	-52	-	0	194	52
Other Europe	12	12	6	12	-2	-19	-	-	4	-8
Non-specified	-	-	-63	-44	-	-	-	-	-63	-44
Total	4,994	4,293	4,191	3,551	563	-1,306	-17	9	4,737	2,254

Market segment	Market value properties		Investments properties		Acquisition properties		Divestment properties	
	2024	2023	2024	2023	2024	2023	2024	2023
	31 Dec	31 Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Amounts in SEK M								
Sweden	15,101	14,649	635	539	88	186	-	-
Finland	19,606	18,175	279	167	439	851	-19	-13
France	14,515	9,815	103	89	3,725	1,601	-45	-35
Benelux	9,264	8,461	89	79	408	1,096	-	-
Spain	5,485	4,543	23	26	681	1,281	-80	-
Germany	1,778	1,295	1	2	357	73	-	-30
Other Europe	126	124	-	-	-	-	-	-
Total	65,874	57,061	1,129	902	5,698	5,088	-144	-77

Key performance indicators

	2024 Jan-Dec	2023 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec
Property-related key figures					
Yield, %	6.6	6.4	5.8	6.0	6.3
Surplus ratio, %	84	83	82	83	83
Occupancy rate by area, %	96	97	95	96	95
Economic occupancy rate, %	96	96	96	96	95
Lettable area at the end of the period, 000 sqm	4,834	4,331	3,895	3,759	3,480
No. of properties at the end of the period	983	903	751	673	673
Financial key figures					
Return on total capital, %	6.7	6.4	5.7	5.9	6.6
Return on equity, %	13.5	0.0	8.4	36.6	17.8
Average interest rate, %	2.3	1.9	1.7	1.4	1.8
Fixed interest period incl. derivatives, years	2.9	2.8	3.2	4.0	3.4
Loan maturity, years	3.1	3.1	3.7	4.3	3.4
Equity/assets ratio, %	50	50	46	50	48
Debt ratio, %	42	41	45	42	43
Net debt/run rate EBITDA, multiple	5.1	4.9	6.5	5.4	6.4
Net debt/EBITDA, multiple	5.4	5.2	7.1	5.8	6.4
Interest coverage ratio, multiple	5.0	5.7	7.1	6.5	5.7
Interest coverage ratio, EMTN programme, multiple	6.5	8.1	12.7	9.4	6.4
Data per Class A and B share					
Price of Class B share at the end of the period, SEK	226.20	277.40	236.50	305.00	169.60
Net asset value, SEK	125.23	110.90	106.61	97.92	66.38
Equity, SEK	107.92	95.05	91.33	83.93	55.19
Equity after dilution, SEK	107.91	95.01	91.20	83.84	55.09
Earnings, SEK	14.78	-0.82	7.76	30.09	10.80
Earnings after dilution, SEK	14.78	-0.82	7.75	30.04	10.78
Profit from property management, SEK	11.95	11.17	9.71	8.01	6.63
Profit from property management after dilution, SEK	11.95	11.16	9.70	7.99	6.62
Cash flow, SEK	9.85	9.95	8.69	6.59	6.10
Cash flow after dilution, SEK	9.85	9.94	8.68	6.58	6.09
Dividend per share, SEK (proposed for 2024)	3.50	3.10	2.70	2.15	1.65
No. of shares at year end, million	338.4	338.3	318.0	317.7	317.3
No. of shares at year end after dilution, million	338.4	338.5	318.5	318.0	317.9
Average number of shares, millions	338.4	324.8	317.8	317.5	317.1
Average number of shares after dilution, millions	338.5	325.1	318.3	318.0	317.7
Data per Class D share					
Share price at the end of period, SEK	30.95	28.00	26.70	33.40	32.05
Equity, SEK	35.00	35.00	35.00	35.00	35.00
Earnings, SEK	2.00	2.00	2.00	2.00	2.00
Dividend per share, SEK (proposed for 2024)	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	125.8
Average number of shares, millions	126.3	126.3	126.3	126.2	118.4

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

The Sagax share and shareholders

At year end, Sagax had 26,480 (23,512) shareholders. Sagax's market capitalisation amounted to SEK 80,428 M (97,299).

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

A total of 466,685,788 shares were outstanding at year end, of which 2,000,000 were repurchased Class B treasury shares. According to the Articles of Association, each Class D share is entitled to five times the total dividend on Class A and B shares, although not more than SEK 2.00 per share annually.

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

WARRANTS

Sagax has three warrant plans for the company's employees. In total, Sagax's employees hold warrants corresponding to 0.3% of the number of Class A and B shares outstanding. The company's CEO and Board Members do not participate in the plans. These plans are valid for three years, and encompass the periods 2022–2025, 2023–2026 and 2024–2027.

The subscription price corresponds to the price paid for the Class B share at the start of each warrant plan, converted using the average

share price performance in accordance with a real estate index comprising property companies listed on Nasdaq Stockholm's main list for a three-year period. Accordingly, the warrants will have a value on condition that the price performance of the Sagax share exceeds the average for the listed property companies during each three-year period.

PROFIT FROM PROPERTY MANAGEMENT PER CLASS A AND B SHARE

Profit from property management per Class A and B share after dilution amounted to SEK 11.95 (11.16), which, compared with the share price of the Class B share, corresponded to a multiple of 18.9 (24.9).

EQUITY PER CLASS A AND B SHARE

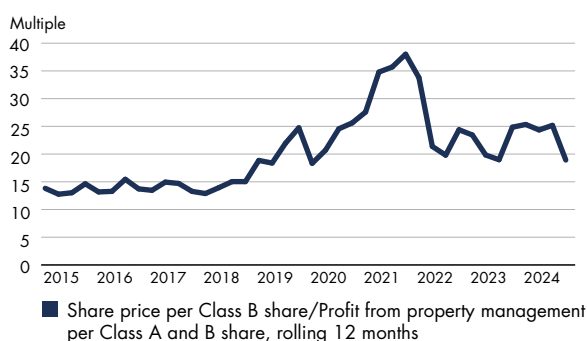
Equity per Class A and B share after dilution amounted to SEK 107.91 (95.01). Net asset value per Class A and B share amounted to SEK 125.23 (110.90). The share price for the Class B share at the end of the year was 210% (292) of equity per Class A and B share and 181% (250) of Net asset value per Class A and B share.

Key performance indicators per Class B share

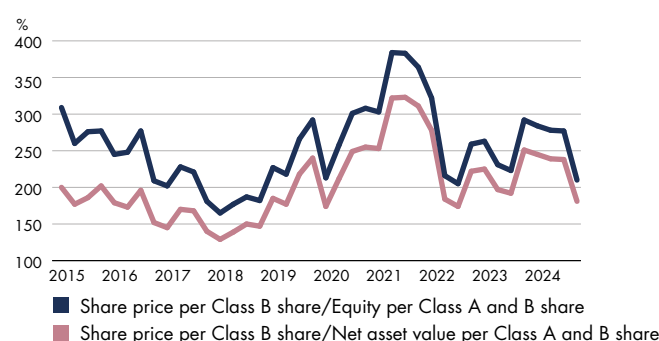
	2024 31 Dec	2023 31 Dec	2022 31 Dec	2021 31 Dec	2020 31 Dec
Share price at the end of period, SEK	226.20	277.40	236.50	305.00	169.60
Profit from property management after dilution, SEK	11.95	11.16	9.70	7.99	6.62
Cash flow after dilution, SEK ¹⁾	9.85	9.94	8.68	6.58	6.09
Equity after dilution, SEK	107.91	95.01	91.20	83.84	55.09
Net asset value, SEK	125.23	110.90	106.61	97.92	66.38
Share price/Profit from property management, multiple	18.9	24.9	24.4	38.2	25.6
Share price/Cash flow, multiple ¹⁾	23.0	27.9	27.3	46.4	27.9
Share price/Equity, %	210	292	259	364	308
Share price/Net asset value, %	181	250	222	311	255

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

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



Share price in relation to equity and net asset value



Trade in the shares on the Nasdaq Stockholm

	Price paid, SEK		Turnover rate on an annual basis, %		Average trading volume per trading day, SEK M	
	31 Dec 2024	31 Dec 2023	2024 Jan-Dec	2023 Jan-Dec	2024 Jan-Dec	2023 Jan-Dec
	Class A shares	225.00	274.00	1	2	0
Class B shares	226.20	277.40	28	25	91	69
Class D shares	30.95	28.00	51	51	8	7

Ownership structure 31 December 2024¹⁾

No. of shares	No. of shareholders	Shareholder category	No. of shareholders	Share of voting power	Shareholders by country	No. of shareholders	Share of voting power
1–500	18,599	Private individuals residing in Sweden	24,580	14%	Sweden	25,246	84%
501–1,000	2,308				USA	91	6%
1,001–2,000	1,861	Private individuals residing abroad	342	1%	Norway	192	2%
2,001–5,000	1,744	Companies/institutions in Sweden	666	70%	Netherlands	14	1%
5,001–10,000	745				Finland	153	1%
10,001–50,000	879	Companies/institutions abroad	892	11%	Other	784	7%
50,001–	344	Unknown type of shareholder	–	5%			
Total	26,480	Total	26,480	100%	Total	26,480	100%

1) Including shares held by AB Sagax.

Largest shareholders, 31 December 2024

	No. of shares			Share 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%
Vanguard	–	9,356,884	7,453,517	3.6%	2.4%
Fourth Swedish National Pension Fund	821,630	9,797,208	5,476,928	3.4%	3.3%
Avanza Pension	41,787	225,362	15,452,805	3.4%	2.3%
Länsförsäkringar Fonder	–	11,771,634	1,083,832	2.8%	1.8%
SEB Investment Management	–	12,660,002	–	2.7%	1.8%
Handelsbanken Fonder	–	9,221,863	3,106,633	2.6%	1.8%
Third Swedish National Pension Fund	–	11,399,298	–	2.4%	1.6%
BlackRock	–	10,384,232	56,123	2.2%	1.5%
Patrik Brummer and companies	–	–	8,357,887	1.8%	1.2%
Lannebo Kapitalförvaltning	–	8,316,606	–	1.8%	1.2%
Carnegie Fonder	–	7,249,953	–	1.6%	1.0%
Norges Bank Investment Management	–	4,231,649	2,539,815	1.5%	1.0%
Filip Engelbert and companies	243,000	1,889,784	4,200,000	1.4%	1.2%
Clients Fonder	–	5,200,000	–	1.1%	0.7%
Second Swedish National Pension Fund	–	4,993,812	–	1.1%	0.7%
Swedbank Robur Fonder	500,000	4,241,019	–	1.0%	1.3%
Nordea Fonder	–	4,165,085	–	0.9%	0.6%
Erik Selin and companies	1,178,959	1,768,033	1,036,935	0.9%	2.1%
Total 20 largest shareholders	22,522,685	209,184,615	49,664,475	60.3%	68.9%
Other shareholders	3,958,742	102,758,417	76,596,854	39.3%	31.1%
Sub-total	26,481,427	311,943,032	126,261,329	99.6%	100.0%
Shares held by AB Sagax	–	2,000,000	–	0.4%	–
Total	26,481,427	313,943,032	126,261,329	100.0%	100.0%
– of which, Board and employees	20,355,565	100,912,591	6,311,331	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

Class of share	No. of shares	Voting rights per share	No. of votes	Proportion of voting rights	Proportion of share capital
Class A shares	26,481,427	1.0	26,481,427.00	38%	6%
Class B shares	313,943,032	0.1	31,394,303.20	45%	67%
Class D shares	126,261,329	0.1	12,626,132.90	18%	27%
Total	466,685,788		70,501,863.10	100%	100%

Risks and uncertainties

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

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

PROPERTY-RELATED RISKS

The valuation of investment properties is affected by the estimates and assumptions made. To reduce the risk of incorrect estimates, properties corresponding to 99% of the property value on 31 December 2024 were valued by authorised property appraisers from independent valuation companies. By their very nature, properties valuations are always associated with uncertainty.

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

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

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

FINANCIAL RISKS

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

CURRENCY RISKS

The amounts in the consolidated balance sheet are partly exposed to exchange rate fluctuations, particularly for the EUR. Net exposure on 31 December 2024, assets less liabilities in EUR, amounted to SEK 14,295 M (11,838). In total, net exposure in EUR amounted to 34% (32) of equity. In preparing the consolidated financial statements, the balance sheets of the Group's foreign operations are translated from their functional currencies into SEK based on the exchange rates applying on the balance sheet date. On 31 December, EUR 1 was equivalent to SEK 11.49 (11.10), and DKK 1 was equivalent to SEK 1.54 (1.49). Revenue and expense items are translated at the average exchange rate for the year: EUR 1 was equivalent to SEK 11.43 (11.48) and DKK 1 was equivalent to SEK 1.53 (1.54). In accordance with IAS[®] 21, the currency effects for foreign operations and hedge accounting are recognised in Other comprehensive income. Other currency effects are recognised in profit or loss.

RISK OF CONFLICTS OF INTEREST

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

- i. 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.
- ii. Investing in companies in which Sagax is a shareholder.
- iii. Investing in competitors for an amount exceeding 10% of the value of the employee's or Board member's holdings in Sagax.

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

Currency exposure

Amounts in EUR M	2024 31 Dec	2023 31 Dec
Investment properties	4,409	3,861
Other assets	108	134
Total assets	4,518	3,995
Interest-bearing liabilities	2,891	2,580
Other liabilities	383	348
Total liabilities	3,273	2,928
Net exposure	1,245	1,067

SENSITIVITY ANALYSIS

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

Debt ratio on change in value of property portfolio						Interest coverage ratio on change in occupancy rate					
	-20%	-10%	0%	+10%	+20%		-10%	-5%	0%	+5%	+10%
Value change, SEK M	-13,175	-6,587	-	6,587	13,175	Occupancy rate, %	86	91	96	N/A	N/A
Debt ratio, %	50	45	42	39	36	Interest coverage ratio, multiple	4.5	4.8	5.0	N/A	N/A

Sensitivity analysis for property values		
	Change	Value change, SEK M
Capitalisation rate	+/-0.25% point	-1,770/+1,922
Discount rate	+/-0.25% point	-881/+897
Rental revenue	+/-5%	+2,644/-2,657
Property expenses	+/-5%	-356/+354

Sensitivity analysis on 31 December 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	+56/-56	+46/-46	+46/-46
Rental revenue	+/-1%	+53/-53	+44/-44	+44/-44
Property expenses	+/-1%	-9/+9	-7/+7	-7/+7
Interest expenses for liabilities in SEK including fixed income derivatives	+/-1% point	-7/+7	-6/+6	-6/+6
Interest expenses for liabilities in EUR including fixed income derivatives	+/-1% point	-41/+41	-34/+34	-34/+34
Change in SEK/EUR exchange rate ²⁾	+/-10%	+256/-256	+208/-208	+1,430/-1,430
Changed rent level for contract maturities in 2025	+/-10%	+73/-73	+61/-61	+61/-61

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 IAS 34 Interim Financial Reporting. The term “IFRS” in this report means application of IFRS as adopted by the EU, and the interpretations of the IFRIC[®]. The accounting policies and calculation methods are the same as those applied in the 2023 Annual Report and are to be read together with this Annual Report.

On 9 April 2024, the International Accounting Standards Board (IASB[®]) issued a new accounting standard, IFRS 18, which will replace IAS 1. IFRS 18 enters force for financial years beginning on or after 1 January 2027, with early application permitted. Retrospective application is required for comparative periods. The EU has yet to adopt this standard. As yet, the Group has not assessed the impact of IFRS 18.

In October 2022, the IASB published amendments to IAS 1 regarding the classification of covenants, as current or non-current, with an effective date of 1 January 2024. The amendment did not have any impact on the consolidated financial statements.

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

Rounding-off differences may occur.

SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

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

EVENTS AFTER THE REPORTING PERIOD

On 17 February 2025, it was announced in a press release that Sagax has acquired 4 properties through 4 separate transactions for the equivalent of SEK 420 million. The properties comprise a lettable area of 23,400 square metres and 42,000 square metres of land, of which 4,200 square metres are held with site leasehold title. The annual rental income amounts to the equivalent of SEK 29 million. The occupancy rate is 96% and the average remaining lease term is 3.8 years. Closing for the equivalent of SEK 289 million has taken place. Closing for the remaining SEK 131 million is expected to take place during the first quarter of 2025. The acquisitions will be reported in Sagax’s segments Benelux (SEK 218 million), France (SEK 131 million) and Spain (SEK 71 million).

No other significant events have occurred after the end of the year.

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, 21 February 2025
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 year-end report has not been reviewed by the company's auditors.

This constitutes information that AB Sagax (publ) is legally obliged to publish under the EU's Market Abuse Regulation. The information was released for publication on 21 February 2025 at 8:00 a.m. CET.

Calendar

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

2024 Annual Report	Week beginning 14 April 2025
Annual General Meeting 2025	8 May 2025
Interim Report January – March 2025	8 May 2025
Interim Report January – June 2025	14 July 2025
Interim Report January – September 2025	24 October 2025

SCHEDULE OF DIVIDEND PAYMENTS TO HOLDERS OF CLASS D SHARES

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/loss 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 year have also been deducted from profit before tax.	The KPI shows the amount of cash flow for the year that can be considered to be attributable to owners of Class A and Class B shares.
Debt ratio	Interest-bearing liabilities at year end in relation to total assets at year end.	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/loss for the year attributable to the Parent Company's shareholders in relation to the weighted average number of Class A and B shares after taking into account the portion of profit/loss for the year 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 year as a percentage of rental value directly after the end of the year.	The KPI shows the economic degree of utilisation of the Group's properties.
Equity/Assets ratio	Equity in relation to total assets.	The KPI shows financial risk.
Equity per Class A and B share	Equity attributable to the Parent Company's share owners at the end of the year in relation to the number of Class A and B shares at the end of the year 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 year as a percentage of the number of common shares at the end of the year. Equity is restricted to SEK 35.00 per Class D share.	The KPI shows the owner's share of equity.
Fixed income derivatives	Agreements on lending rates that may include the factors of time, inflation and/or maximum interest rates. Usually signed to hedge interest rates for interest-bearing loans.	Not an APM.
Interest coverage ratio	Profit from property management, excluding profit from property management from joint ventures and associated companies but including dividends from joint ventures and associated companies, after reversal of financial expenses in relation to financial expenses (including lease expenses).	The KPI shows financial risk.
Interest coverage ratio, EMTN programme	Profit from property management after reversal of financial income and expenses as a percentage of net financial items.	The KPI shows financial risk.
Interest-rate swaps	An agreement between two parties to swap interest rate conditions in the same currency. The swap entails that one party exchanges its floating interest rate for a fixed rate, while the other party receives a fixed rate in exchange for a floating rate. The purpose of an interest-rate swap is to reduce interest-rate risk.	Not an APM.
Lease term	Remaining term of a lease.	The KPI shows the risk of future vacancies.
Net asset value	Recognised equity attributable to the Parent Company's shareholders 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, listed instruments and the market value of shares in listed joint ventures and associated companies.	The KPI shows the Group's indebtedness.
Net debt according to EMTN programme	Financial indebtedness less cash and cash equivalents, listed shares including the market value of shares in listed joint ventures and associated companies.	The KPI shows the Group's indebtedness.
Net debt according to EMTN programme/Total assets	Financial indebtedness less cash and cash equivalents, listed shares including the market value of shares in listed joint ventures and associated companies 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 year end as a percentage of total lettable area directly after the end of the year.	The KPI shows the occupancy situation.
Profit from property management	Profit, including profits of associated companies and joint ventures, excluding changes in value and tax.	An indicator of the earnings generation in the operations, excluding changes in value.
Profit from property management per Class A and B share after dilution	Profit/loss from property management attributable to the Parent Company's shareholders for the year 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 year and the entire comparative year. 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 year, with supplements for estimated market rents for vacant premises.	The key performance indicator shows the Group's income potential.
Return on equity	Profit/loss for the year as a percentage of average equity (opening and closing balances) divided by 2 for the year.	The KPI shows how shareholders' capital yields interest during the year.
Return on total capital	Profit from property management for the year after reversal of financial expenses as a percentage of average total assets for the year.	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 during the year.	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 year.	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 year as a percentage of rental revenue for the year.	The KPI shows the profitability of the properties.
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 year with add-back of site leasehold fees adjusted for the holding periods of the properties during the year 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 year.	The KPI shows the earnings generation of the operations before financial expenses and central administration costs are taken into account.

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

Amounts in SEK M	2024 Jan-Dec	2023 Jan-Dec	Amounts in SEK M	2024 Jan-Dec	2023 Jan-Dec
Cash flow per Class A and B share			Interest coverage ratio		
Profit before tax	5,732	159	Profit from property management	4,326	3,881
Dividends from joint ventures and associated companies	477	653	Reversal of profit from property management joint ventures and associated companies	-1,108	-937
Items not affecting cash flow	-2,460	2,803	Dividends from joint ventures and associated companies	527	653
Tax paid	-162	-130	Financial expenses including leases	947	765
Dividends attributable to Class D shares	-253	-253	Adjusted profit from property management before financial expenses	4,693	4,362
Cash flow	3,334	3,232	Interest coverage ratio	5.0x	5.7x
Cash flow per Class A and B share after dilution, SEK	9.85	9.94			
Debt ratio			Interest coverage ratio, EMTN programme		
Interest-bearing liabilities	35,134	30,343	Profit from property management	4,326	3,881
Total assets	84,044	73,410	Net financial items	786	550
Debt ratio	42%	41%	Profit from property management before net financial items	5,112	4,431
			Interest coverage ratio	6.5x	8.1x
Earnings per Class A and B share¹⁾			Net asset value		
Profit/Loss after tax attributable to Parent Company's owners	5,255	-13	Equity attributable to Parent Company's owners	40,941	36,578
Dividends attributable to Class D shares	-253	-253	Equity attributable to Class D shares	-4,419	-4,419
Adjusted profit/Loss after tax	5,002	-266	Reversal of derivatives	71	21
Earnings per Class A and B share after dilution, SEK	14.78	-0.82	Reversal of deferred tax, net	4,185	3,882
			Reversals due to joint ventures and associated companies	1,605	1,474
			Net asset value	42,382	37,537
			NAV per Class A and B share after dilution, SEK	125.23	110.90
EBITDA			Net debt		
Net operating income	4,191	3,551	See page 15.		
Central administration	-187	-182	Net debt according to EMTN programme		
Dividends from joint ventures and associated companies	527	653	Interest-bearing liabilities	35,134	30,343
EBITDA	4,531	4,023	Listed shares in fixed assets ²⁾	-9,496	-8,030
			Cash and cash equivalents	-287	-28
			Net debt according to EMTN programme	25,352	22,285
Economic occupancy rate			Net debt according to EMTN programme/Total assets		
Contractual annual rent	5,323	4,557	Net debt according to EMTN programme	25,352	22,285
Rental value	5,553	4,738	Total assets	84,044	73,410
Economic occupancy rate	96%	96%	Net debt according to EMTN programme/Total assets	30%	30%
Equity/Assets ratio			Net debt/EBITDA		
Equity	41,803	36,578	Net debt	24,367	20,804
Total assets	84,044	73,410	EBITDA	4,531	4,023
Equity/Assets ratio	50%	50%	Net debt/EBITDA	5.4x	5.2x
Equity per Class A and B share					
Equity attributable to Parent Company's owners	40,941	36,578			
Equity attributable to Class D shares	-4,419	-4,419			
Equity attributable to Class A and B shares	36,522	32,159			
No. of shares, '000s	338,424	338,335			
Number of shares after dilution, '000s	338,444	338,477			
Equity per Class A and B share, SEK	107.92	95.05			
Equity per Class A and B share after dilution, SEK	107.91	95.01			

1) IFRS performance measure.

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

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

Amounts in SEK M	2024 Jan-Dec	2023 Jan-Dec	Amounts in SEK M	2024 Jan-Dec	2023 Jan-Dec
Net debt/Run rate EBITDA			Run rate EBITDA		
Net debt	24,367	20,804	Net operating income according to current earnings capacity	4,414	3,785
EBITDA, run rate	4,754	4,256	Central administration	-187	-182
Net debt/EBITDA run rate	5.1x	4.9x	Dividends from joint ventures and associated companies	527	653
Net debt/Total assets			Run rate EBITDA		
Net debt	24,367	20,804		4,754	4,256
Total assets	84,044	73,410	Run rate yield		
Net debt/Total assets	29%	28%	Net operating income according to current earnings capacity	4,414	3,785
Occupancy rate by area			Add-back of site leasehold fees	-32	-25
Contracted area, '000s sqm	4,631	4,182	Adjusted net operating income	4,382	3,760
Total lettable area, '000s sqm	4,834	4,331	Carrying amounts of properties	65,874	57,061
Occupancy rate by area	96%	97%	Run rate yield	6.7%	6.6%
Profit from property management			Secured liabilities/Total assets		
Profit after tax	5,274	-13	Secured liabilities	4,937	2,309
Tax	714	158	Total assets	84,044	73,410
Changes in value	-1,661	3,737	Secured liabilities/Total assets	6%	3%
Profit from property management	4,326	3,881	Surplus ratio		
- of which attributable to minority owners	30	-	Net operating income	4,191	3,551
- of which attributable to Parent Company's owners	4,296	3,881	Rental revenue	4,994	4,293
Profit from property management per Class A and B share after dilution			Surplus ratio	84%	83%
Profit from property management attributable to Parent Company's owners	4,296	3,881	Yield		
Dividends attributable to Class D shares	-253	-253	Net operating income	4,191	3,551
Adjusted profit from property management	4,044	3,628	Add-back of site leasehold fees	-32	-27
Average no. of Class A and B shares after dilution, '000s	338,465	325,123	Holding adjustment, acquisitions/divestments/other	184	232
Profit from property management per Class A and B share after dilution, SEK	11.95	11.16	Currency translation to closing rate	17	-100
Rental revenue, comparable portfolios			Adjusted net operating income	4,360	3,656
Rental revenue	4,994	4,293	Carrying amounts of properties	65,874	57,061
Acquired and sold properties	-716	-163	Yield	6.6%	6.4%
Currency adjustment ¹⁾	-	-12	1) The preceding period has been adjusted so that the exchange rate is the same as in the current period.		
Rental revenue, comparable portfolios excluding currency effects	4,278	4,118			
Return on equity					
Profit after tax	5,274	-13			
Average equity	39,191	35,020			
Return on equity	13.5%	0.0%			
Return on total capital					
Profit from property management	4,326	3,881			
Financial expenses	947	765			
Profit before financial expenses	5,274	4,646			
Average total assets	78,727	72,751			
Return on total capital	6.7%	6.4%			

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

Sagax's property holdings on 31 December 2024 amounted to 4,834,000 square metres, distributed between 983 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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