

INTERIM REPORT
JANUARY – JUNE 2025

AB | SAGAX

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

Interim Report January – June 2025

FIRST SIX MONTHS OF 2025

- Rental revenue increased 10% to SEK 2,621 M (SEK 2,388 M in the year-earlier period).
- Profit from property management attributable to the Parent Company's shareholders increased 5% to SEK 2,162 M (2,056).
- Profit from property management per Class A and B share after dilution increased 5% to SEK 6.01 (5.70).
- Property revaluation had an impact on profit of SEK –388 M (202).
- Revaluation of financial instruments had an impact on profit of SEK –148 M (103).
- Profit after tax for the period attributable to the Parent Company's shareholders was SEK 1,354 M (2,058).
- Cash flow from operating activities before changes in working capital amounted to SEK 2,007 M (1,789), corresponding to SEK 5.45 (4.91) per Class A and B share after dilution.
- Net investments in properties amounted to SEK 2,169 M (1,544), of which property acquisitions accounted for SEK 1,749 M (1,033).

SECOND QUARTER OF 2025

- Rental revenue increased 9% to SEK 1,314 M (SEK 1,203 M in the year-earlier period).
- Profit from property management attributable to the Parent Company's shareholders increased 4% to SEK 1,109 M (1,063).
- Profit from property management per Class A and B share after dilution increased 5% to SEK 3.09 (2.95).
- Property revaluation had an impact on profit of SEK –371 M (141).
- Revaluation of financial instruments had an impact on profit of SEK –179 M (–93).
- Profit after tax for the period attributable to the Parent Company's shareholders was SEK 476 M (978).
- Cash flow from operating activities before changes in working capital amounted to SEK 1,137 M (885), corresponding to SEK 3.06 (2.43) per Class A and B share after dilution.
- Net investments in properties amounted to SEK 1,128 M (589), of which property acquisitions accounted for SEK 900 M (327).

UNCHANGED FORECAST FOR 2025

Profit from property management for 2025 attributable to the 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. The forecast was presented in the 2024 year-end report.

Selected key performance indicators

	2025 Jan–Jun	2024 Jan–Jun	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	6.01	5.70	11.95	11.16	9.70	7.99	6.62
Change compared with preceding year, %	5	–1	7	15	21	21	20
Earnings per Class A and B share after dilution, SEK	3.63	5.71	14.78	–0.82	7.75	30.04	10.78
Dividend per Class A and B share, SEK	–	–	3.50	3.10	2.70	2.15	1.65
Net debt/EBITDA, multiple	5.3	5.3	5.4	5.2	7.1	5.8	6.4
Interest coverage ratio, multiple	5.1	5.4	5.0	5.7	7.1	6.5	5.7
Debt ratio at the end of the period, %	43	45	42	41	45	42	43
Properties' market value at the end of period, SEK M	66,278	59,875	65,874	57,061	52,682	46,067	37,548
Yield, %	6.6	6.6	6.6	6.4	5.8	6.0	6.3
Return on equity, %	6.6	11.1	13.5	0.0	8.4	36.6	17.8

Definitions of key performance indicators are provided on pages 31–32.

Business concept, targets and strategies

BUSINESS CONCEPT

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

OPERATIONAL TARGETS

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

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

FINANCIAL TARGETS

Sagax has the following financial targets:

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

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

Financial targets

	Outcome rolling 12 months	Five-year average
Return on equity, measured over a five-year period, shall exceed 15% per year	11%	15%
Profit from property management per Class A and B share shall increase by a minimum of 15% per year	10%	16%

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

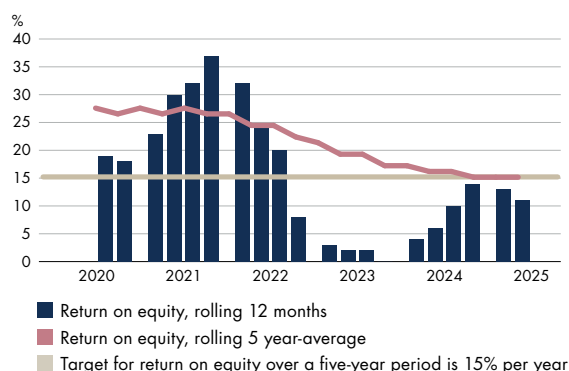
The financial structure of Sagax is designed with a clear focus on operating cash flow and interest coverage ratio. This is expected to create both good prerequisites for expansion and attractive return on equity.

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.

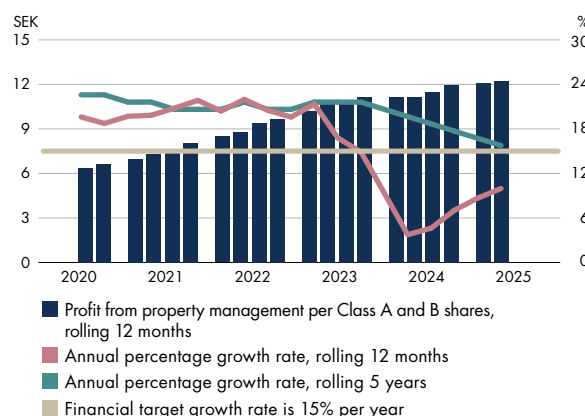
Sagax endeavours to have well-balanced fixed interest and loan maturity profiles to secure its operating cash flow. The company's interest-bearing debt mainly consists of senior unsecured bonds issued in the EUR market. Sagax also finances its operations via issuance of commercial paper in EUR and SEK.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

Return on equity



Profit from property management per Class A and B share



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

Asset management strategy

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

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

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

SUSTAINABILITY ACTIVITIES

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

Environmental and resource efficiency

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

Business ethics

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

Economic sustainability

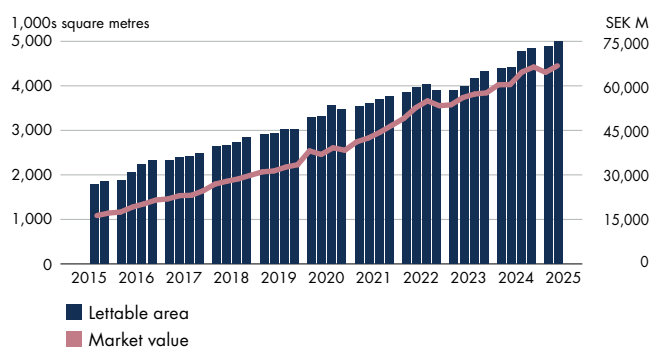
Sagax's business model is characterised in all areas by a long-term approach. Short-term gains are subordinate to the company's long-term value creation. Accordingly, sustainability work is integrated into the business model.

Professional and dedicated employees

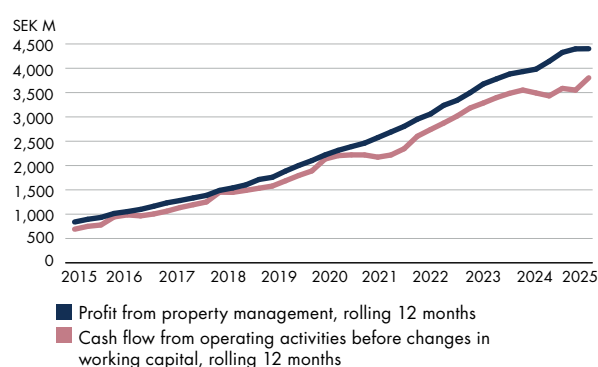
The development of the company is dependent on highly skilled employees. For this reason, it is important that the company is an attractive employer that can recruit and has the ability to retain highly skilled personnel. Sagax employees are expected to assume responsibility of their work duties and 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 2024 Annual Report.

Market value and lettable area of properties



Profit from property management and cash flow





During the second quarter, Sagax has reached an agreement to acquire the Rathenastrasse 3 property in Regensburg, Germany. The property encompasses 10,250 square metres of warehouse, and is fully let. The property will be taken in possession in the third quarter of 2025.

Profit, revenue and expenses

The profit and cash flow items below refer to the January to June 2025 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 attributable to the Parent Company's shareholders increased 5% to SEK 2,162 M (2,056), mainly due to property acquisitions, rent indexation and higher profit from property management from joint ventures and associated companies. Profit from property management per Class A and B share after dilution amounted to SEK 6.01 (5.70).

Property revaluation had an impact on profit of SEK –388 M (202), of which SEK –91 M (–78) referred to changes in the value of properties in joint ventures and associated companies.

Revaluation of financial instruments had an impact on profit of SEK –148 M (103), of which SEK –135 M (15) related to changes in value of financial instruments in joint ventures and associated companies.

Profit after tax for the period was SEK 1,379 M (2,058), of which SEK 1,354 M (2,058) was attributable to the Parent Company's shareholders. Accordingly, profit attributable to non-controlling interests amounted to SEK 25 M (–) and was attributable to French Wholesale Properties – FWP ("FWP"). Sagax's ownership in "FWP" amounted to 77% at the end of the period.

REVENUE

Rental revenue increased 10% to SEK 2,621 M (2,388). Revenue was primarily affected by property acquisitions in the France, Spain, Benelux and Germany segments and rent indexation.

During the period, rental revenue in comparable portfolios increased 2.1% (4.5) excluding currency effects. The segments with the largest percentage increases were France 3.5%, Sweden 2.9% and Benelux 2.3%. The weighted inflation rate for the reporting period was 1.1% (2.2) at an annual rate.

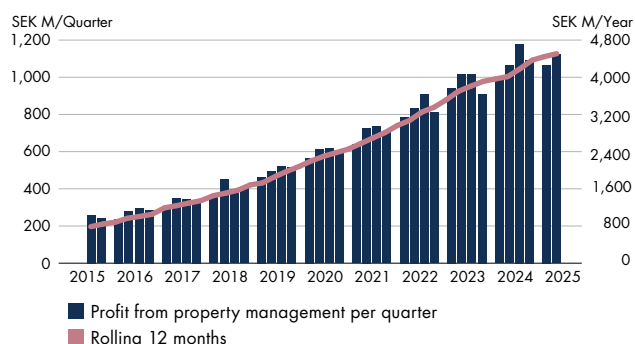
Other revenue decreased to SEK 11 M (18) and mainly related to insurance compensation.

Rental revenue, comparable portfolios

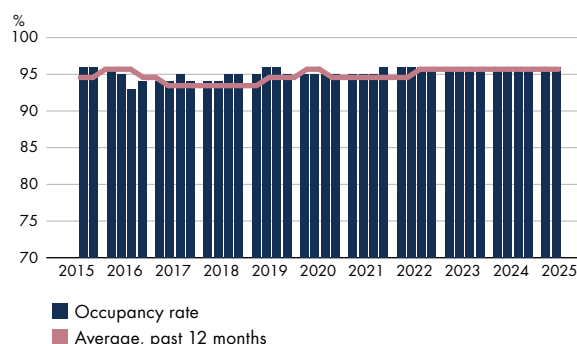
Amounts in SEK M	2025 Jan–Jun	2024 Jan–Jun
Rental revenue	2,621	2,388
Acquisitions and divestments	–341	–107
Currency adjustment ¹⁾	–	–47
Total	2,281	2,235

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

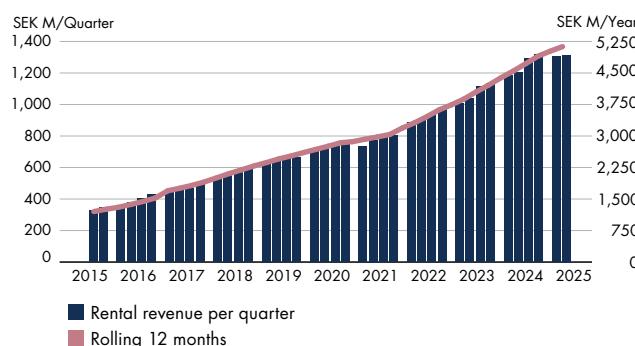
Profit from property management



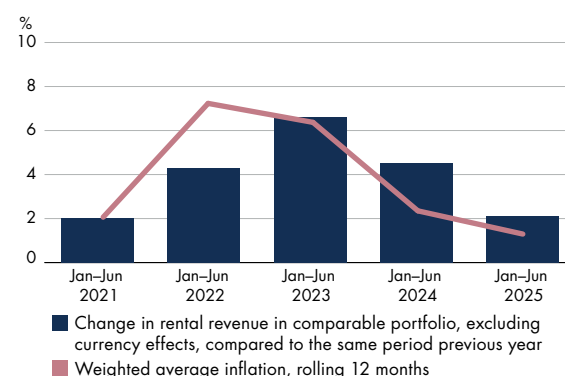
Economic occupancy rate



Rental revenue



Rental revenue, comparable portfolios



CHANGE IN THE ECONOMIC OCCUPANCY RATE

The economic occupancy rate amounted to 96% (96). During the period, the vacancy value increased SEK 99 M (95) due to tenants vacating premises and decreased SEK 79 M (70) following new lettings. Fixed-term rent discounts reduced the vacancy value by SEK 2 M (21) to SEK 40 M (31) on an annual basis at the end of the period. Acquired and divested properties together with decommissioned buildings during the period reduced the vacancy value by a net SEK 7 M (increased by 7), and exchange rate fluctuations reduced the vacancy value by SEK 5 M (increased by 3). The total vacancy value at the end of the period amounted to SEK 238 M (196).

FUTURE VACANCY CHANGES

At the end of the period, notice of termination had been served for leases with a rental value of SEK 214 M (118), of which leases with notice of vacating the premises accounted for SEK 213 M (115) and leases amounting to SEK 1 M (4) were terminated with notice of renegotiation. Of the leases for which notice had been received, vacancies corresponding to a rental value of SEK 69 M will arise in 2025. Lettings of premises to tenants who have not yet occupied reduced the adjusted vacancy value by SEK 36 M (26). New lettings corresponding to a rental value of SEK 32 M will occur in 2025. The adjusted vacancy value was SEK 416 M (288).

Vacancy changes

Amounts in SEK M	2025 Jan-Jun	2024 Jan-Dec
Opening vacancy for each year	231	182
New lettings	-79	-156
Vacancies	99	199
Change in discounts provided	-2	-11
Vacancy value, acquired properties	15	20
Vacancy value, divested properties	-1	-7
Decommissioning of buildings	-21	-
Change in exchange rates	-5	4
Closing vacancy value	238	231
Terminated for renegotiation	1	5
Terminated lease, not vacated	213	196
Letting, not occupied	-36	-43
Adjusted closing vacancy value	416	389

PROPERTY EXPENSES

Operating and maintenance costs amounted to a total of SEK 259 M (260). Operating and maintenance costs in comparable portfolio decreased 3.6%, corresponding to SEK 9 M compared with last year, primarily due to lower costs for snow clearing, caretaking, electricity and heating. Weighted inflation for the period was 1.1%, resulting in a decrease in costs, in real terms, of 4.7% corresponding to SEK 12 M. Expenses for property tax increased to SEK 148 M (121) and other property expenses increased to SEK 60 M (51) due to property acquisitions. The corresponding costs in comparable portfolio were in line with last year.

CENTRAL ADMINISTRATION

Central administration costs amounted to SEK 90 M (90), corresponding to 3.4% (3.8) of the period's rental revenue.

At the end of the period, 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.

Number of employees

Country	Total
Sweden	37
Finland	29
France	13
Netherlands	10
Spain	8
Germany	1
Total	98

Signed leases and leases terminated

Year of occupancy and vacancy	New lettings		Vacancies	
	No. of leases	Rental value, SEK M	No. of leases	Rental value, SEK M
2025	35	32	80	69
2026	6	2	65	129
2027	1	1	3	9
2028	-	-	2	6
Total	42	36	150	213

Vacancies, 1 July 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	1,145	71	6%	948,000	62,000	7%
Finland	1,839	78	4%	1,456,000	68,000	5%
France	1,223	41	3%	1,065,000	42,000	4%
Benelux	799	21	3%	792,000	14,000	2%
Spain	445	20	4%	599,000	24,000	4%
Germany	152	7	5%	138,000	10,000	7%
Other Europe	12	-	-	6,000	-	-
Total	5,615	238	4%	5,004,000	219,000	4%

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

PROFIT FROM JOINT VENTURES AND ASSOCIATED COMPANIES

Profit from joint ventures and associated companies for the period amounted to SEK 264 M (354), of which profit from property management amounted to SEK 586 M (531), changes in the value of properties to SEK -91 M (-78) and changes in the value of fixed income derivatives to SEK -135 M (15). Tax expense on profit from joint ventures and associated companies amounted to SEK 95 M (115). For additional information, see page 13.

NET FINANCIAL ITEMS

Financial income amounted to SEK 37 M (76), of which SEK 25 M (36) refers to interest income on listed bonds.

Financial expenses excluding the interest component relating to the Group's lease liabilities increased to SEK 487 M (418). The increase is due to higher interest-bearing liabilities and market rates during the period.

The interest component relating to the Group's lease liabilities amounted to SEK -19 M (-18). This expense primarily comprised site leaseholds and ground rents.

REVALUATION OF PROPERTIES

Sagax uses external valuations to determine the market value of its properties. As per the balance sheet date, a corresponding 100% of the market value of the properties had been externally valued. The changes in value for the properties amounted to SEK -297 M (280), of which unrealised changes in value amounted to SEK -281 M (276) and realised changes in value amounted to SEK -16 M (4). Of the unrealised change in value, SEK -56 M (272) was attributable to property management and SEK -225 M (4) 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 -12 M (88) and related entirely to unrealised changes in value.

The revaluation of financial instrument related to joint ventures amounted to SEK 8 M (56). The unrealised change in value attributable to fixed income derivatives amounted to SEK -19 M (31).

TAX

Sagax recognised a tax expense of SEK 181 M (189) comprising a current tax expense of SEK 124 M (72) and a deferred tax expense of SEK 57 M (117).

The Group's deferred tax liabilities at the end of the period amounted to SEK 4,260 M (4,092). Deferred tax assets pertaining to accumulated loss carryforwards and financial instruments amounted to SEK 160 M (141).

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 2,007 M (1,789). Changes in working capital had an impact of SEK -395 M (-336) on cash flow. Investing activities had an impact of SEK -2,476 M (-2,501) on cash flow. Cash flow from financing activities amounted to SEK 628 M (4,075). In total, cash and cash equivalents changed by SEK -236 M (3,028) during the period.

PARENT COMPANY

The Parent Company, AB Sagax, is responsible for stock market issues, such as financial reporting and stock market information. Services between Group companies are charged on commercial terms and conditions and in accordance with market-based pricing. Intra-Group services comprise management services. The Parent Company's management fees from Group companies amounted to SEK 60 M (56).

Forecast and current earnings capacity

UNCHANGED FORECAST FOR 2025

Profit from property management for 2025 attributable to the 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. The forecast was presented in the 2024 year-end report.

CURRENT EARNINGS CAPACITY

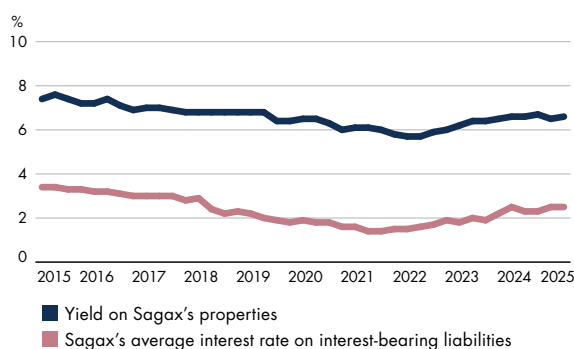
Current earnings capacity is reported in conjunction with interim reports and year-end reports.

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

Current earnings capacity

Amounts in SEK M	1 Jul 2025	1 Jan 2025
Rental value	5,615	5,553
Vacancy	-238	-231
Rental revenue	5,377	5,323
Property expenses	-925	-909
Net operating income	4,452	4,414
Central administration	-187	-187
Joint ventures and associated companies	1,240	1,162
Net financial items	-924	-859
Lease expenses	-37	-36
Profit from property management	4,543	4,494
– of which profit from property management attributable to non-controlling interests	59	61
Tax	-727	-764
Profit after tax	3,817	3,730
Attributable to the Parent Company's shareholders.	3,757	3,669
– of which, holders of Class D shares	253	253
– of which, holders of Class A and B shares	3,505	3,416
Run rate yield, %	6.7	6.7
Net debt/run rate EBITDA, multiple	5.2	5.1

Yield and interest rate



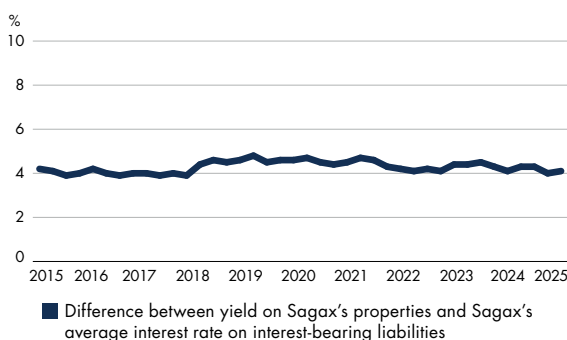
The rental value is based on contractual rental revenue on an annual basis, with supplements for estimated market rents for vacant premises. Property expenses are based on actual outcomes over the past 12 months adjusted for the holding period. Central administration costs are based on actual outcomes over the past 12 months. Net financial items are calculated based on interest-bearing liabilities and assets on the balance sheet date. Expenses for interest-bearing liabilities are based on the Group's estimated average interest rate, plus accrued financing costs and the costs for unutilised credit facilities on the balance sheet date. Lease expenses essentially pertain to site leasehold fees that are based on actual outcomes over the past 12 months. Tax is calculated at the standard tax rate of 16% (17). Translation from EUR took place at the closing rate of SEK 11.15, which was a 3.0% lower rate compared with the rate of SEK 11.49 that was used to calculate the earnings capacity as per 1 January 2025. As per 1 July 2025, 80% of Sagax's rental value was generated in EUR. Excluding currency effects, the earnings capacity's net operating income and profit after tax for the period increased 3.3% and 3.6%, respectively.

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 30 June 2025, the property portfolio comprised 989 properties (918) with a lettable area of 5,004,000 square metres (4,425,000). At the end of the period, the rental value and contractual annual rent amounted to SEK 5,615 M (5,011) and SEK 5,377 M (4,815), respectively. This corresponds to an economic occupancy rate of 96% (96).

PROPERTY ACQUISITIONS

During the period, Sagax invested SEK 2,253 M (1,574), of which property acquisitions accounted for SEK 1,749 M (1,033). The number of properties acquired was 13 (17).

INVESTMENTS IN THE EXISTING PORTFOLIO

A total of SEK 459 M (540) was invested in the existing property portfolio. SEK 122 M (124) referred to property maintenance and SEK 199 M (263) to new construction. In addition, SEK 102 M (109) was invested

in connection with new lettings and SEK 36 M (44) against rent supplements. Of total investments, SEK 42 M (24) referred to investments in energy-saving measures.

DIVESTMENTS

During the period, 7 properties (2) with a carrying amount of SEK 38 M (30) were divested.

PROPERTY PORTFOLIO YIELD

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

Summary of property portfolio, 1 July 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	15,169	23%	16,000	128	948,000	62,000	1,145	94%	1,073
Finland	18,781	28%	12,900	243	1,456,000	68,000	1,839	96%	1,761
France	14,326	22%	13,500	311	1,065,000	42,000	1,223	97%	1,182
Benelux	9,784	15%	12,400	159	792,000	14,000	799	97%	778
Spain	6,321	10%	10,500	131	599,000	24,000	445	96%	425
Germany	1,780	3%	12,900	15	138,000	10,000	152	95%	145
Other Europe	118	0%	18,200	2	6,000	–	12	100%	12
Total	66,278	100%	13,200	989	5,004,000	219,000	5,615	96%	5,377

Property investments January–June 2025

Market segment	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	–	–	208	208	9%	–	–	208
Finland	–	–	127	173	8%	–27	5	101
France	170	3	42	212	9%	–11	2	201
Benelux	711	2	66	777	35%	–	–	777
Spain	811	7	13	824	37%	–	–	824
Germany	56	1	3	59	3%	–	–	59
Total	1,749	13	459	2,253	100%	–38	7	2,169

LEASE STRUCTURE

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

Sagax's annual rent at the end of the period was distributed between 2,622 leases (2,465). The table below presents the size of Sagax's leases in relation to the Group's annual rent at the end of the period. The table shows that 2,616 leases (2,458) had an individual rental value of less than 1% of the Group's annual rent. The total rental value for these leases accounted for 92% (90) of Sagax's annual rent. In addition, Sagax is party to six leases (six) with a rental value corresponding to 1–2% of the Group's annual rent. Combined, these leases total 8% (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 1 accounted for more than 2% of the Group's annual rent).

Sagax's annual rent at end of the quarter was distributed between 1,449 tenants. The table below shows that 71% of the Group's annual rent comprised tenants who each accounted for less than 1% of 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 18% 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 the Baxter Group, 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% (18) of rental revenue. Food-related operations and automotive-related industry, including sales, service and manufacturing, accounted for 14% (10) and 13% (14) of rental revenue, respectively. Diverse tenant industries are considered to lower the risk of vacancies and rent losses. The main industries are presented in the pie chart below.

According to Sagax's asset management strategy, the company strives to secure long-term leases and an even distribution of contract maturities over the years. This is deemed to reduce the risk of significant variations in the Group's occupancy rate. Leases representing 54% of the annual rent expire in or after 2029. 7–15% of annual rent expires each year between 2025 and 2028.

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%	438	8	6	73	6
<1%	4,939	92	2,616	2	5
Total	5,377	100	2,622	2	5

Distribution of tenants

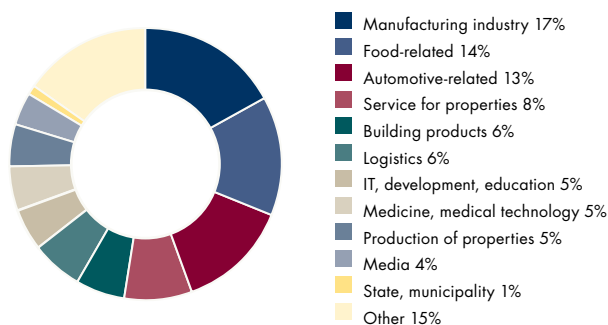
Share of contractual annual rent	Annual rent		No. of tenants ¹⁾	No. of leases	Average annual rent, SEK M	Lease term, years
	SEK M	Share, %				
>2%	982	18	6	191	89	7
1–2%	586	11	8	122	28	6
<1%	3,809	71	1,435	2,309	3	4
Total	5,377	100	1,449	2,622	4	5

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

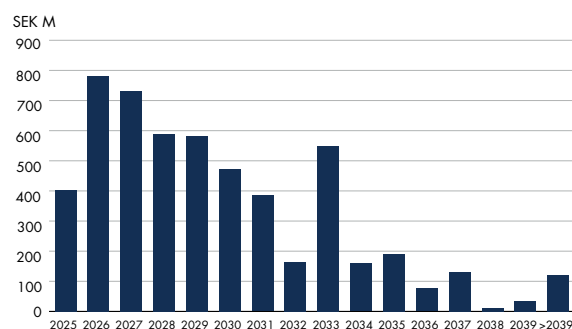
Lease terms

Year of expiry	No. of leases	Area, sqm	Contractual annual rent	
			SEK M	Share
2025	580	339,000	403	7%
2026	653	729,000	781	15%
2027	442	710,000	732	14%
2028	346	481,000	590	11%
2029	155	518,000	583	11%
>2029	446	2,009,000	2,289	43%
Total	2,622	4,785,000	5,377	100%

Industry exposure



Year of maturity of annual rent



Market value of property portfolio

Sagax prepares its consolidated financial statements in accordance with IFRS[®] Accounting Standards. 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 989 properties (918) was established at SEK 66,278 M (59,875) on 30 June 2025. Exchange rate fluctuations during the period resulted in property values denominated in EUR and DKK changing by SEK –1,484 M (995).

The unrealised change in value amounted to SEK –281 M (276) corresponding to a change in value of –0.4% (0.5). In the same period, weighted inflation was 0.7% (1.3) in the markets where Sagax is active. Accordingly, the real change in value amounted to –1.1% (–0.8).

Of the unrealised change in value, SEK –56 M was attributable to property management and SEK –225 M was related to general changes in market value. The weighted capitalisation rate amounted to 6.40% and remained unchanged compared with the preceding quarter.

VALUATION METHOD AND IMPLEMENTATION

The valuations were carried out in accordance with generally accepted international valuation methods. Properties corresponding to 100% of the property value had been valued by authorised property appraisers from independent valuation companies as per 30 June 2025.

The principal method of appraisal used was cash flow calculations in which the present value of net operating income, investments and residual values was calculated. The calculation period was adjusted to the remaining term of existing leases and varies between five and 20 years. As a rule, the calculation period is ten years. For more information, refer to page 94 of Sagax's 2024 Annual Report.

ANALYSIS AND GENERAL CONDITIONS

The discount rate for the present value calculation of cash flows (5.0–17.3%), the discount rate for the present value calculation of residual values (5.0–17.3%) 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 8.2% (8.0) and 8.2% (8.0), respectively. The weighted capitalisation rate was 6.4% (6.4).

Change in the carrying amounts of the property portfolio

	SEK M	No.
Property portfolio, 31 December 2024	65,874	983
Acquisition of properties	1,749	13
Investments in the existing portfolio	459	–
Divestment/decommissioning of properties	–38	–7
Currency translation effect	–1,484	–
Unrealised changes in value	–281	–
Property portfolio, 30 June 2025	66,278	989
Properties acquired, possession pending	363	6

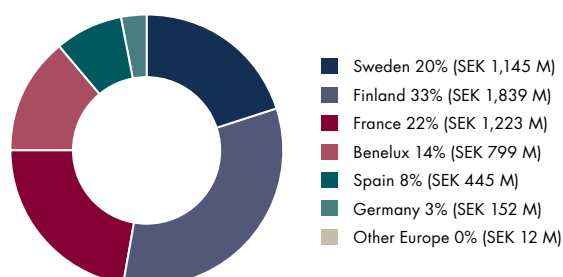
Unrealised changes in the value of properties

Amounts in SEK M	Jan–Jun 2025
Leases/renegotiations	205
Vacancies/renegotiations	–260
General change in market value	–225
Total	–281

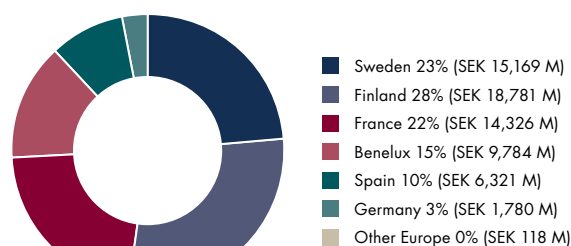
Unrealised changes in the value of properties per quarter

Amounts in SEK M	Jan–Jun 2025
First quarter	–67
Second quarter	–213
Total	–281

Group's rental value



Market value of properties



Joint ventures and associated companies

In addition to the directly owned property portfolio, Sagax has invested in joint ventures and associated companies since 2010. The investment objective is to reach markets that are considered attractive for Sagax where the company is not active. The accumulated investments amounted to SEK 8,279 M, which has generated an accumulated dividend of SEK 4,200 M (3,633) for Sagax. The carrying amount of these investments amounted to SEK 15,365 M (14,011), of which 97% comprised Hemsö Fastighets AB, NP3 Fastigheter AB, Nyfosa AB, Söderport Property Investment AB and Fastighetsbolaget Emilshus AB.

Investments in joint ventures and associated companies contributed a total of SEK 586 M (531) to profit from property management during the period and SEK 466 M (333) to the cash flow. Sagax's share of changes in the value of properties amounted to SEK -91 M (-78) and the share of changes in the value of derivatives was SEK -135 M (15).

In addition to what is presented below, Sagax owns shares amounting to SEK 175 M (98) 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 1,178 M was located in Stockholm on 30 June 2025.

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 20.3% of the votes and 15.1% of the capital in NP3. The market value of Sagax's shareholding amounted to SEK 3,705 M (3,359) and the carrying amount to SEK 3,604 M (2,134) on 30 June 2025.

NP3 is a property company focusing on high-yielding commercial investment properties mainly in northern Sweden. The company's property portfolio encompassed 575 properties with a total property value of SEK 24.5 billion and a rental value of SEK 2,411 M on 30 June 2025. NP3 is listed on Nasdaq Stockholm, Large Cap. For more information, refer to www.np3fastigheter.se.

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 4,239 M (4,622) and the carrying amount to SEK 2,782 M (2,785) on 30 June 2025.

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 491 properties with a total property value of SEK 39.0 billion and a rental value of SEK 3,876 M on 30 June 2025. 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 25.8% of the votes and 25.5% of the capital in Emilshus. The market value of Sagax's shareholding amounted to SEK 1,880 M (1,151) and the carrying amount to SEK 1,246 M (927) on 30 June 2025.

Emilshus acquires, develops and manages commercial properties in Småland and nearby growth regions. The company's property portfolio encompassed 195 properties with a total property value of SEK 10.5 billion and a rental value of SEK 919 M on 30 June 2025. Emilshus is listed on Nasdaq Stockholm, Mid Cap. For more information, refer to www.emilshus.com.

Sagax's joint ventures

	Hemsö		Söderport		Ess-Sierra	
	2025 Jan-Jun	2024 Jan-Jun	2025 Jan-Jun	2024 Jan-Jun	2025 Jan-Jun	2024 Jan-Jun
<i>Sagax's ownership, %</i>	15	15	50	50	50	50
<i>Sagax's share of comprehensive income, SEK M</i>	43	-82	36	87	13	10
<i>Sagax's share of profit from property management, SEK M</i>	163	158	119	110	12	11
Rental revenue, SEK M	2,554	2,561	548	549	51	49
Profit from property management, SEK M	1,273	1,240	239	221	24	23
Profit for the period, SEK M	607	670	72	173	25	20
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
<i>Carrying amount of ownership interest, SEK M</i>	4,785	4,516	2,488	2,565	285	283
No. of properties	476	487	86	86	39	39
Carrying amounts of properties, SEK M	85,875	84,126	14,685	14,489	1,495	1,479
Lettable area, sqm	2,435,000	2,457,000	778,000	774,000	184,000	184,000
Lease term, years	9.0	9.3	3.7	4.0	6.1	6.9
Economic occupancy rate, %	98	98	94	95	100	100
Interest-bearing liabilities, SEK M	51,804	51,379	7,990	7,725	844	843
Loan maturity, years	4.8	5.3	2.6	3.5	2.5	3.5
Average fixed interest rate period, years	4.4	4.9	1.8	2.3	1.7	2.4
Market value of derivatives, SEK M	-761	-376	-105	-35	-	-

Funding

EQUITY

Consolidated equity amounted to SEK 41,220 M (37,452) on 30 June 2025. During the period, equity increased primarily due to total comprehensive income of SEK 906 M and decreased as a result of dividends of SEK –1,437 M to the Parent Company's shareholders.

INTEREST-BEARING LIABILITIES

Sagax's interest-bearing liabilities at the end of the period amounted to SEK 36,062 M (36,283) corresponding to a nominal amount of SEK 36,212 M (36,453). An amount corresponding to SEK 33,246 M (33,753) of liabilities was recognised in EUR. Exchange rate fluctuations impacted interest-bearing liabilities by SEK –968 M (692).

Listed bonds amounted to SEK 27,457 M (29,109). Other interest-bearing liabilities comprised liabilities to banks of SEK 5,270 M (5,202) and commercial paper of SEK 3,335 M (1,972).

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

The interest coverage ratio amounted to 5.1 times (5.4) for the period and the debt ratio to 43% (45) at the end of the period. Net interest-bearing debt was 5.3 times (5.3) EBITDA for the past 12 months and 5.2 (5.1) times run rate EBITDA. During the period, a total of SEK 8,319 M (12,099) was raised in loans and SEK 6,423 M (6,852) was repaid. Net interest-bearing debt amounted to SEK 25,390 M (22,640).

The average remaining fixed interest and loan maturity terms were 3.0 years (3.3) and 3.4 years (3.6), respectively, at the end of the period. The average interest rate on interest-bearing liabilities on the balance sheet date was 2.5% (2.5), including the effects of derivatives.

Of Sagax's interest-bearing liabilities excluding commercial paper, SEK 27,457 M (29,109), or 76% (80), bear fixed interest rates. The company had interest-rate swaps with a total nominal value of SEK 3,991 M (3,844), corresponding to 11% (11) of interest-bearing liabilities.

WORKING CAPITAL AND UNUTILISED CREDIT FACILITIES

Sagax's working capital amounted to SEK –7,485 M (–2,829) on 30 June 2025. At the same date, unutilised credit facilities including back-up facilities for commercial paper programmes amounted to SEK 12,073 M (11,463).

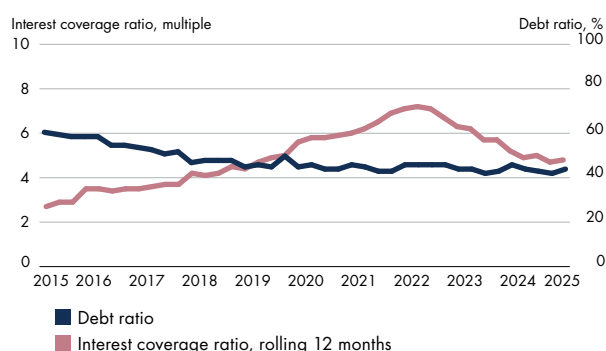
Interest rate exposure and loan maturity 30 June 2025

Year of expiry	Interest rate exposure ¹⁾			Loan maturity	
	Nominal amount, SEK M	Interest rate ²⁾	Share	Nominal amount, SEK M	Share
2025	4,525	3.0%	12%	154	0%
2026	3,454	1.7%	10%	3,669	10%
2027	5,109	1.7%	14%	4,352	12%
2028	6,510	1.5%	18%	9,456	26%
2029	7,698	1.9%	21%	9,664	27%
>2029	8,917	4.2%	25%	8,917	25%
Total/average	36,212	2.5%	100%	36,212	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

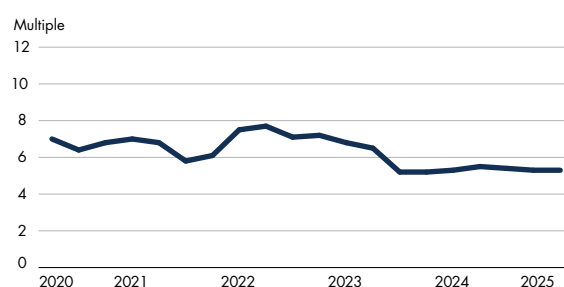


Net debt

Amounts in SEK M	2025 30 Jun	2024 30 Jun
Interest-bearing liabilities	36,062	36,283
Interest-bearing assets	–444	–752
Listed instruments ¹⁾	–10,176	–9,834
Cash and cash equivalents	–51	–3,056
Net debt	25,390	22,640

1) Including associated companies whose shares are listed.

Net debt/EBITDA, rolling 12 months



Listed bonds, 30 June 2025

Maturity	Interest base	Nominal amount, EUR M	Liabilities, EUR M	Effective interest	Coupon rate	Maturity date	ISIN code
2022–2026	Fixed interest	300	300	1.8%	1.6%	24 Feb 2026	XS2447539060
2020–2027	Fixed interest	375	370	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
2025–2032	Fixed interest	300	297	4.2%	4.0%	13 Mar 2032	XS3025210694
Total/average		2,475	2,463	2.3%	2.1%		

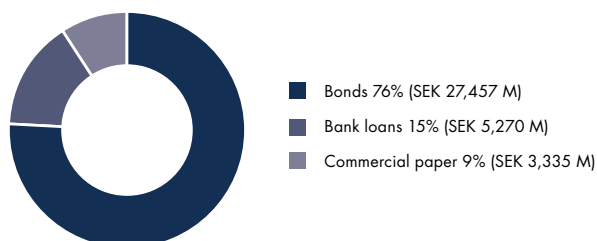
Derivative contracts, 30 June 2025

Amounts in SEK M	Nominal amount	Years to maturity	Market value 30 Jun 2025	Market value 31 Dec 2024	Change for the period
Nominal interest-rate swaps	3,991	3	–90	–71	–19
Total/average	3,991	3	–90	–71	–19

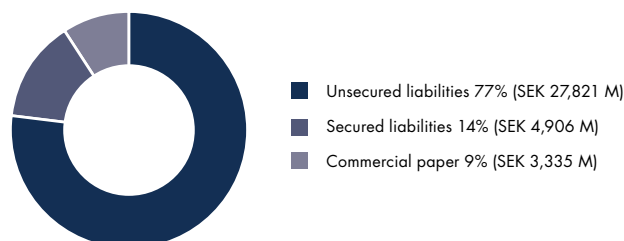
Rating and key performance indicators according to EMTN programme

	Financial covenant in EMTN programme	30 Jun 2025	31 Dec 2024
Rating according to Moody's Investors Services		Baa2, stable outlook	Baa2, stable outlook
Net debt/total assets	<65%	31%	30%
Interest coverage ratio	>1.8x	5.7x	6.5x
Secured liabilities/total assets	<45%	6%	6%

Sources of financing



Distribution between secured and unsecured liabilities



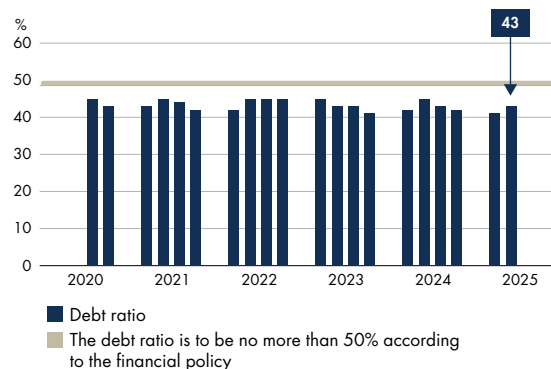
FINANCIAL POLICY

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.

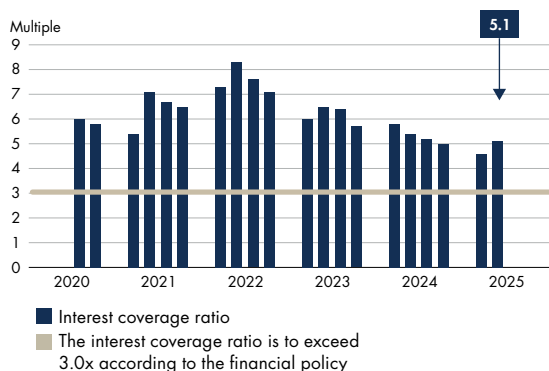
- A debt ratio of no more than 50%.
- An interest coverage ratio exceeding 3.0x.
- Net debt in relation to the Group's EBITDA not above 8x.

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

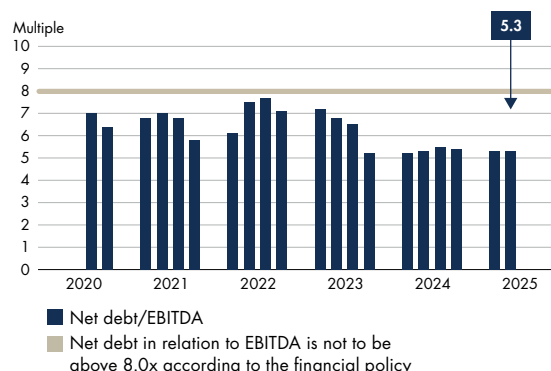
Debt ratio



Interest coverage ratio



Net debt/EBITDA



Other balance-sheet items

LEASES AND SITE LEASEHOLDS

Sagax reports leases and site leaseholds in accordance with IFRS 16. Right-of-use assets are recognised as an asset with a corresponding liability. Sagax's leases and site leaseholds at the end of the period amounted to SEK 559 M (536).

LISTED INSTRUMENTS

Listed instruments amounted to SEK 510 M (814) and comprised listed bonds.

OTHER CURRENT ASSETS

Other current assets amounted to SEK 394 M (682) at the end of the period. Due rent receivables amounted to SEK 25 M (29).

ACCRUED EXPENSES AND DEFERRED INCOME

Accrued expenses and deferred income amounted to SEK 877 M (972) at the end of the year and primarily comprised deferred rental revenue of SEK 419 M (539) and accrued interest expenses of SEK 171 M (192).

The Sagax share and shareholders

At the end of the period, Sagax had 29,354 shareholders (24,731). Sagax's market capitalisation amounted to SEK 77,334 M (95,677).

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 466,708,926 shares were outstanding at the end of the period, of which 2,000,000 were Class B treasury shares. According to the Articles of Association, each Class D share is entitled to five times the total dividend on Class A and B shares, although not more than SEK 2.00 per share annually.

WARRANTS

Sagax has three warrant plans for the company's employees. In total, Sagax's employees hold warrants corresponding to 0.4% 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 2023–2026, 2024–2027 and 2025–2028.

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

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

PROFIT FROM PROPERTY MANAGEMENT PER CLASS A AND B SHARE

Profit from property management per Class A and B share after dilution on a rolling 12-month basis amounted to SEK 12.26 (11.14), which, compared with the share price of the Class B share, corresponded to a multiple of 17.6 (24.4).

EQUITY PER CLASS A AND B SHARE

Equity per Class A and B share after dilution amounted to SEK 106.37 (97.59). Net asset value per Class A and B share amounted to SEK 123.98 (113.62). The share price for the Class B share at the end of the period was 203% (278) of equity per Class A and B share and 174% (239) of net asset value per Class A and B share.

Key performance indicators per Class B share

	2025 30 Jun	2024 30 Jun	2024 31 Dec	2023 31 Dec	2022 31 Dec	2021 31 Dec	2020 31 Dec
Share price at the end of period, SEK	216.00	271.20	226.20	277.40	236.50	305.00	169.60
Profit from property management after dilution, SEK ¹⁾	12.26	11.14	11.95	11.16	9.70	7.99	6.62
Cash flow after dilution, SEK ^{1) 2)}	10.49	9.68	9.85	9.94	8.68	6.58	6.09
Equity after dilution, SEK	106.37	97.59	107.91	95.01	91.20	83.84	55.09
Net asset value, SEK	123.98	113.62	125.23	110.90	106.61	97.92	66.38
Share price/profit from property management, multiple ¹⁾	17.6	24.4	18.9	24.9	24.4	38.2	25.6
Share price/cash flow, multiple ^{1) 2)}	20.6	28.0	23.0	27.9	27.3	46.4	27.9
Share price/equity, %	203	278	210	292	259	364	308
Share price/net asset value, %	174	239	181	250	222	311	255

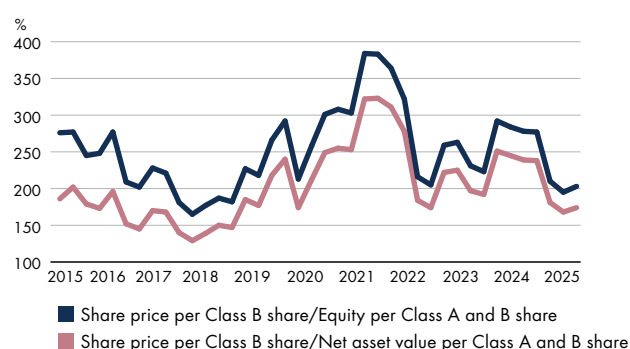
1) Profit from property management and cash flow pertains to rolling 12 months

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

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



Share price in relation to equity and net asset value



Trade in the shares on the Nasdaq Stockholm

	Price paid, SEK		Turnover rate on an annual basis, %		Average trading volume per trading day, SEK M	
	30 Jun 2025	30 Jun 2024	2025 Jan-Jun	2024 Jan-Jun	2025 Jan-Jun	2024 Jan-Jun
Class A shares	216.00	271.00	1	1	0	0
Class B shares	216.00	271.20	34	29	96	91
Class D shares	33.50	30.90	76	56	13	9

Ownership structure, 30 June 2025¹⁾

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	20,643	Private individuals residing in Sweden	27,409	14%	Sweden	28,127	83%
501–1,000	2,619				USA	93	6%
1,001–2,000	2,104	Private individuals residing abroad	347	1%	Norway	181	2%
2,001–5,000	1,895				UK	45	1%
5,001–10,000	827	Companies/institutions in Sweden	719	69%	Finland	15	1%
10,001–50,000	911	Companies/institutions abroad	879	12%	Other	893	7%
50,001–	355	Unknown type of shareholder	–	4%			
Total	29,354	Total	29,354	100%	Total	29,354	100%

1) Including shares held by AB Sagax.

Largest shareholders, 30 June 2025

	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	27,598,279	–	7.1%	12.1%
Vanguard	–	9,638,835	8,178,097	3.8%	2.5%
Avanza Pension	49,490	994,541	14,801,812	3.4%	2.3%
Handelsbanken Fonder	–	9,553,438	2,856,321	2.7%	1.8%
SEB Fonder	–	12,294,622	–	2.6%	1.7%
Fourth Swedish National Pension Fund	821,630	8,006,263	3,087,017	2.6%	2.7%
Lannebo Kapitalförvaltning	–	10,360,554	–	2.2%	1.5%
Länsförsäkringar Fonder	–	10,004,287	–	2.1%	1.4%
BlackRock	–	9,755,554	37,365	2.1%	1.4%
Patrik Brummer and companies	–	–	8,357,887	1.8%	1.2%
Carnegie Fonder	–	8,354,708	–	1.8%	1.2%
Third Swedish National Pension Fund	–	8,219,384	–	1.8%	1.2%
Norges Bank Investment Management	–	4,026,824	2,592,275	1.4%	0.9%
Filip Engelbert	243,000	1,889,784	4,200,000	1.4%	1.2%
Second Swedish National Pension Fund	–	6,239,391	–	1.3%	0.9%
Cliens Fonder	–	5,606,016	–	1.2%	0.8%
Swedbank Robur Fonder	500,000	4,920,673	–	1.2%	1.4%
Nordea Fonder	–	4,603,178	–	1.0%	0.7%
Folksam	–	4,374,243	–	0.9%	0.6%
Total 20 largest shareholders	21,351,429	210,154,486	45,010,774	59.2%	66.7%
Other shareholders	5,107,165	101,834,517	81,250,555	40.3%	33.3%
Sub-total	26,458,594	311,989,003	126,261,329	99.6%	100.0%
Shares held by AB Sagax	–	2,000,000	–	0.4%	–
Total	26,458,594	313,989,003	126,261,329	100.0%	100.0%
– of which, Board and employees	20,355,565	99,975,105	6,311,228	27.1%	44.1%

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	26,458,594	1.0	26,458,594.00	38%	6%
Class B shares	313,989,003	0.1	31,398,900.30	45%	67%
Class D shares	126,261,329	0.1	12,626,132.90	18%	27%
Total	466,708,926		70,483,627.20	100%	100%

Risks and uncertainties

To prepare the accounts based on IFRS Accounting Standards, 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 2024 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 100% of the property value on 30 June 2025 were valued by authorised property appraisers from independent valuation companies. By their very nature, properties valuations are always associated with uncertainty.

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

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

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

FINANCIAL RISKS

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

CURRENCY RISKS

The amounts in the consolidated balance sheet are partly exposed to exchange rate fluctuations, particularly for the EUR. Net exposure on 30 June 2025, assets less liabilities in EUR, amounted to SEK 14,689 M (10,792). In total, net exposure in EUR amounted to 37% (29) of equity. In preparing the consolidated financial statements, the balance sheets of the Group's foreign operations are translated from their functional currencies into SEK based on the exchange rates applying on the balance sheet date. On 30 June, EUR 1 was equivalent to SEK 11.15 (11.36), and DKK 1 was equivalent to SEK 1.49 (1.52). Revenue and expense items are translated at the average exchange rate for the period: EUR 1 was equivalent to SEK 11.10 (11.39) and DKK 1 was equivalent to SEK 1.49 (1.53). In accordance with IAS 21, the currency effects for foreign operations and hedge accounting are recognised in Other comprehensive income. Other currency effects are recognised in profit or loss.

RISK OF CONFLICTS OF INTEREST

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

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

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

Currency exposure

Amounts in EUR M	2025 30 Jun	2024 30 Jun
Investment properties	4,575	4,010
Other assets	126	421
Total assets	4,700	4,431
Interest-bearing liabilities	2,983	2,972
Other liabilities	400	509
Total liabilities	3,383	3,481
Net exposure	1,318	950

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 upon change in occupancy rate					
	-20%	-10%	0%	+10%	+20%		-10%	-5%	0%	+5%	+10%
Value change, SEK M	-13,256	-6,628	-	6,628	13,256	Occupancy rate, %	86	91	96	N/A	N/A
Debt ratio, %	51	46	43	40	37	Interest coverage ratio, multiple	4.6	4.8	5.1	N/A	N/A

Sensitivity analysis for property values		
	Change	Value change, SEK M
Capitalisation rate	+/-0.25% point	-1,718/+1,863
Discount rate	+/-0.25% point	-1,061/+1,088
Rental revenue	+/-5%	+2,569/-2,746
Property expenses	+/-5%	-379/+380

Sensitivity analysis on 30 June, 2025 ¹⁾				
Amounts in SEK M	Change	Effect on profit from property management, annual basis	Effect on profit after tax, annual basis	Effect on equity
Economic occupancy rate	+/-1% point	+56/-56	+47/-47	+47/-47
Rental revenue	+/-1%	+54/-54	+45/-45	+45/-45
Property expenses	+/-1%	-9/+9	-8/+8	-8/+8
Interest expenses for liabilities in SEK including fixed income derivatives	+/-1% point	-14/+14	-12/+12	-12/+12
Interest expenses for liabilities in EUR including fixed income derivatives	+/-1% point	-19/+19	-16/+16	-16/+16
Change in SEK/EUR exchange rate ²⁾	+/-10%	+257/-257	+211/-211	+1,469/-1,469
Changed rent level for contract maturities in 2025	+/-10%	+40/-40	+34/-34	+34/-34

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.

Key performance indicators

	2025 Jan-Jun	2024 Jan-Jun	2024 Jan-Dec	2023 Jan-Dec	2022 Jan-Dec	2021 Jan-Dec	2020 Jan-Dec
Property-related key figures							
Yield, %	6.6	6.6	6.6	6.4	5.8	6.0	6.3
Surplus ratio, %	83	83	84	83	82	83	83
Occupancy rate by area, %	96	96	96	97	95	96	95
Economic occupancy rate, %	96	96	96	96	96	96	95
Lettable area at the end of the period, '000 sqms	5,004	4,425	4,834	4,331	3,895	3,759	3,480
No. of properties at the end of the period	989	918	983	903	751	673	673
Financial key figures							
Return on total capital, %	6.4	6.5	6.7	6.4	5.7	5.9	6.6
Return on equity, %	6.6	11.1	13.5	0.0	8.4	36.6	17.8
Average interest rate, %	2.5	2.5	2.3	1.9	1.7	1.4	1.8
Fixed interest period incl. derivatives, years	3.0	3.3	2.9	2.8	3.2	4.0	3.4
Loan maturity, years	3.4	3.6	3.1	3.1	3.7	4.3	3.4
Equity/assets ratio, %	49	47	50	50	46	50	48
Debt ratio, %	43	45	42	41	45	42	43
Net debt/run rate EBITDA, multiple	5.2	5.1	5.1	4.9	6.5	5.4	6.4
Net debt/EBITDA, multiple	5.3	5.3	5.4	5.2	7.1	5.8	6.4
Interest coverage ratio, multiple	5.1	5.4	5.0	5.7	7.1	6.5	5.7
Interest coverage ratio, EMTN programme, multiple	5.7	6.7	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	216.00	271.20	226.20	277.40	236.50	305.00	169.60
Net asset value, SEK	123.98	113.62	125.23	110.90	106.61	97.92	66.38
Equity, SEK	106.37	97.61	107.92	95.05	91.33	83.93	55.19
Equity after dilution, SEK	106.37	97.59	107.91	95.01	91.20	83.84	55.09
Earnings, SEK	3.63	5.71	14.78	-0.82	7.76	30.09	10.80
Earnings after dilution, SEK	3.63	5.71	14.78	-0.82	7.75	30.04	10.78
Profit from property management, SEK	6.02	5.70	11.95	11.17	9.71	8.01	6.63
Profit from property management after dilution, SEK	6.01	5.70	11.95	11.16	9.70	7.99	6.62
Cash flow, SEK	5.45	4.91	9.85	9.95	8.69	6.59	6.10
Cash flow after dilution, SEK	5.45	4.91	9.85	9.94	8.68	6.58	6.09
Dividend per share, SEK	-	-	3.50	3.10	2.70	2.15	1.65
No. of shares at end of period, million	338.4	338.4	338.4	338.3	318.0	317.7	317.3
No. of shares at end of period after dilution, million	338.4	338.5	338.4	338.5	318.5	318.0	317.9
Average number of shares, millions	338.4	338.3	338.4	324.8	317.8	317.5	317.1
Average number of shares after dilution, millions	338.4	338.5	338.5	325.1	318.3	318.0	317.7
Data per Class D share							
Share price at the end of period, SEK	33.50	30.90	30.95	28.00	26.70	33.40	32.05
Equity, SEK	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Earnings, SEK	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Dividend per share, SEK	-	-	2.00	2.00	2.00	2.00	2.00
No. of shares at end of period, million	126.3	126.3	126.3	126.3	126.3	126.3	125.8
Average number of shares, millions	126.3	126.3	126.3	126.3	126.3	126.2	118.4

Definitions of key performance indicators are provided on pages 31–32.

Consolidated statement of comprehensive income

Amounts in SEK M	2025 Jan-Jun	2024 Jan-Jun	2025 Apr-Jun	2024 Apr-Jun	2024 Jan-Dec	Rolling 12 months
Rental revenue	2,621	2,388	1,314	1,203	4,994	5,227
Other revenue	11	18	7	10	69	62
Operating expenses	-192	-184	-81	-71	-357	-365
Maintenance costs	-67	-76	-34	-41	-126	-117
Property tax	-148	-121	-75	-61	-272	-299
Other property expenses	-60	-51	-30	-25	-117	-126
Net operating income	2,165	1,974	1,101	1,015	4,191	4,381
Central administration	-90	-90	-43	-47	-187	-187
Profit from joint ventures and associated companies	264	354	-22	177	783	693
– of which, profit from property management	586	531	305	293	1,108	1,163
– of which, changes in value	-227	-62	-311	-65	-69	-234
– of which, tax	-95	-115	-17	-51	-256	-236
Financial income	37	76	18	45	162	122
Financial expenses	-487	-418	-248	-234	-912	-981
Financial expense, interest component of leases	-19	-18	-10	-9	-36	-37
Profit including profit from joint ventures and associated companies	1,869	1,879	796	947	4,001	3,991
– of which, profit from property management	2,191	2,056	1,124	1,063	4,326	4,461
– of which, profit from property management attributable to Parent Company's shareholders	2,162	2,056	1,109	1,063	4,296	4,402
Changes in value of properties, realised	-16	4	-16	–	-17	-37
Changes in value of properties, unrealised	-281	276	-213	124	563	7
Changes in value of financial instruments, realised	–	–	–	–	-17	-17
Changes in value of financial instruments, unrealised	-12	88	-10	-11	1,202	1,102
Profit before tax	1,560	2,247	556	1,060	5,732	5,045
Deferred tax	-57	-117	-10	-42	-264	-205
Current tax	-124	-72	-61	-39	-194	-245
Profit for the period	1,379	2,058	486	978	5,274	4,594
– of which attributable to the Parent Company's shareholders	1,354	2,058	476	978	5,255	4,551
– of which attributable to non-controlling interests	25	–	10	–	19	44
Other comprehensive income						
Items that might be reclassified subsequently to the profit or loss:						
Translation differences for foreign operations	-742	402	735	-316	642	-502
Share of other comprehensive income for joint ventures	-17	-156	9	-107	9	148
Translation differences, hedge accounting	268	-125	-391	147	-240	153
Tax on items that may be reclassified	18	-15	-1	-6	-8	25
Total other comprehensive income, net of tax	-473	106	352	-281	404	-176
Total comprehensive income for the period	906	2,164	837	697	5,678	4,419
– of which attributable to the Parent Company's shareholders	906	2,164	805	697	5,646	4,388
– of which attributable to non-controlling interests	0	–	32	–	32	32
Earnings per Class A and B share, SEK	3.63	5.71	1.22	2.70	14.78	12.70
Earnings per Class A and B share after dilution, SEK	3.63	5.71	1.22	2.70	14.78	12.70
Earnings per Class D share, SEK	1.00	1.00	0.50	0.50	2.00	2.00
Average no. of Class A and B shares, million	338.4	338.3	338.4	338.3	338.4	338.5
Average no. of Class A and B shares after dilution, million	338.4	338.5	338.4	338.5	338.5	338.4
Average number of Class D shares, million	126.3	126.3	126.3	126.3	126.3	126.3

Condensed consolidated statement of financial position

Amounts in SEK M	2025 30 Jun	2024 30 Jun	2024 31 Dec
Investment properties	66,231	59,845	65,862
Investment properties for sale	47	30	12
Leases, right-of-use assets	559	536	546
Joint ventures and associated companies	15,365	14,011	15,170
Deferred tax assets	160	141	163
Derivatives	–	10	–
Interest-bearing receivables	383	246	230
Other fixed assets	104	93	91
Total fixed assets	82,850	74,911	82,073
Listed instruments	510	814	625
Interest-bearing receivables	62	507	129
Other current assets	394	682	574
Prepaid costs and accrued income	553	519	356
Cash and bank balances	51	3,056	287
Total current assets	1,570	5,577	1,971
Total assets	84,420	80,488	84,044
Equity	41,220	37,452	41,803
– of which equity attributable to non-controlling interests	799	–	862
Interest-bearing liabilities	28,919	29,706	30,002
Deferred tax liabilities	4,260	4,092	4,289
Derivatives	90	–	71
Lease liabilities ¹⁾	512	490	498
Other liabilities	365	342	357
Total non-current liabilities	34,145	34,630	35,216
Commercial paper	3,335	1,972	456
Other interest-bearing liabilities	3,808	4,605	4,676
Lease liabilities ¹⁾	48	46	48
Other liabilities	987	812	612
Accrued expenses and deferred income	877	972	1,231
Total current liabilities	9,055	8,406	7,024
Total equity and liabilities	84,420	80,488	84,044

1) Comparative figures as per 30 June 2024 and 31 December 2024 for current and non-current lease liabilities have been updated. Non-current lease liabilities decreased SEK 46 M and SEK 48 M, respectively. Current lease liabilities increased in a corresponding amount.

Consolidated statement of cash flows

Amounts in SEK M	2025 Jan-Jun	2024 Jan-Jun	2025 Apr-Jun	2024 Apr-Jun	2024 Jan-Dec	Rolling 12 months
Profit before tax	1,560	2,247	556	1,060	5,732	5,045
Tax paid	-94	-92	-42	-60	-162	-164
Dividends from joint ventures and associated companies	466	333	355	159	477	610
<i>Adjustment for non-cash items</i>						
Changes in value of financial instruments	12	-88	10	11	-1,184	-1,084
Change in value of properties	297	-280	230	-124	-546	31
Profit from joint ventures and associated companies	-264	-354	22	-177	-783	-693
Dissolution of allocated borrowing costs	35	28	14	14	56	64
Other items not included in cash flow	-5	-4	-8	2	-4	-4
Cash flow from operating activities before changes in working capital	2,007	1,789	1,137	885	3,586	3,804
Cash flow from changes in current receivables	349	96	186	-55	196	449
Cash flow from changes in current liabilities	-744	-432	-434	125	-431	-743
Cash flow from operating activities	1,612	1,453	890	954	3,351	3,510
Acquisition of properties	-1,749	-1,033	-900	-327	-4,853	-5,569
Divestment of properties	22	30	10	-	127	119
Investments in existing properties	-459	-540	-256	-262	-1,129	-1,048
Purchase of financial instruments	-36	-76	-36	-61	-101	-61
Sale of financial instruments	217	15	152	-	683	885
Investments in joint ventures and associated companies	-407	-870	-275	-774	-442	22
Changes in lending to joint ventures and associated companies	-58	-14	-43	-3	-54	-98
Increase in other fixed assets	-20	-51	-18	-49	-51	-20
Decrease in other fixed assets	12	39	5	-	88	62
Cash flow from investing activities	-2,476	-2,501	-1,360	-1,477	-5,732	-5,707
Issue of new Class B shares	5	15	5	15	15	5
Dividends paid to shareholders	-1,311	-1,175	-1,248	-1,112	-1,301	-1,437
Incentive plan	6	-4	6	-4	-4	6
Proceeds from borrowings	8,319	12,099	2,155	8,096	13,405	9,624
Repayment of borrowings	-6,423	-6,852	-580	-3,409	-9,683	-9,253
Decrease in other non-current liabilities	-26	-24	-1	-21	-24	-26
Increase in other non-current liabilities	96	17	96	-	181	260
Transactions with non-controlling interests	-38	-	-38	-	52	14
Cash flow from financing activities	628	4,075	394	3,564	2,639	-808
Cash flow for the period	-237	3,027	-76	3,041	258	-3,005
Exchange rate differences in cash and cash equivalents	1	1	-	1	1	1
Change in cash and cash equivalents	-236	3,028	-76	3,041	259	-3,004
Cash and cash equivalents at beginning of period	287	28	127	15	28	3,056
Cash and cash equivalents at end of period	51	3,056	51	3,056	287	51

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 2023	817	7,746	1,177	26,838	36,578	–	36,578
Profit for the period, January–June 2024	–	–	–	2,058	2,058	–	2,058
Other comprehensive income, January–June 2024	–	–	106	–	106	–	106
Total comprehensive income for the period	–	–	106	2,058	2,164	–	2,164
Transactions with shareholders							
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
Other transactions							
Redemption of incentive plan	–	–13	–	–	–13	–	–13
Subscription of incentive plan	–	–	–	9	9	–	9
Other transactions	–	–13	–	9	–4	–	–4
Equity, 30 June 2024	817	7,748	1,283	27,604	37,451	–	37,452
Profit for the period, July–December 2024	–	–	–	3,197	3,197	19	3,216
Other comprehensive income, July–December 2024	–	–	285	–	285	13	298
Total comprehensive income for the period	–	–	285	3,197	3,482	32	3,514
Other transactions							
Transaction costs	–	–1	–	–	–1	–	–1
Transfer to other contributed capital	–	2,179	–	–2,179	–	–	–
Transactions with non-controlling interests	–	10	–	–	10	–	10
Change in non-controlling interests	–	–	–	–	–	830	830
Other transactions	–	2,188	–	–2,179	9	830	838
Equity, 31 December 2024	817	9,935	1,568	28,621	40,941	862	41,803
Profit for the period, January–June 2025	–	–	–	1,354	1,354	25	1,379
Other comprehensive income, January–June 2025	–	–	–448	–	–448	–25	–473
Total comprehensive income for the period	–	–	–448	1,354	906	–	906
Transactions with shareholders							
Issue of Class B shares	0	5	–	–	5	–	5
Dividends	–	–	–	–1,437	–1,437	–	–1,437
Transactions with shareholders	0	5	–	–1,437	–1,432	–	–1,432
Other transactions							
Redemption of incentive plan	–	–	–	–3	–3	–	–3
Subscription of incentive plan	–	–	–	9	9	–	9
Transactions with non-controlling interests	–	–	–	–	–	–63	–63
Other transactions	–	–	–	6	6	–63	–57
Equity, 30 June 2025	817	9,940	1,120	28,544	40,421	799	41,220

Parent Company income statement

Amounts in SEK M	2025 Jan-Jun	2024 Jan-Jun	2024 Jan-Dec
Net sales	65	60	139
Administration costs	-70	-70	-136
Profit/loss before financial income and expenses	-5	-10	3
Profit from participations in Group companies	192	672	1,182
Profit from participations in joint ventures	139	4	122
Financial income	366	442	1,054
Financial expenses	-432	-216	-732
Profit/loss before tax and appropriations	259	892	1,629
Appropriations	-	-	-52
Tax	-10	-6	-45
Profit for the period	249	886	1,531

Condensed Parent Company balance sheet

Amounts in SEK M	2025 30 Jun	2024 30 Jun	2024 31 Dec
Tangible fixed assets	2	2	2
Receivables from Group companies	2,054	2,080	2,097
Other financial fixed assets	19,835	16,996	17,118
Total fixed assets	21,891	19,078	19,216
Receivables from Group companies	28,529	23,997	26,034
Other current assets	22	39	18
Cash and bank balances	-	2,984	172
Total current assets	28,551	27,020	26,223
Total assets	50,442	46,098	45,440
Restricted equity	966	966	966
Unrestricted equity	9,066	9,614	10,263
Equity	10,032	10,580	11,229
Untaxed reserves	11	13	11
Non-current interest-bearing liabilities	12,979	9,800	9,936
Liabilities to Group companies	13,960	18,202	18,252
Deferred tax liabilities	6	5	6
Total non-current liabilities	26,945	28,006	28,194
Current interest-bearing liabilities	3,454	1,978	456
Liabilities to Group companies	9,632	5,178	5,200
Other current liabilities	368	344	350
Total current liabilities	13,454	7,499	6,006
Total equity, untaxed reserves and liabilities	50,442	46,098	45,440

Segment information

Market segment	Rental revenue		Net operating income		Change in value, properties				Total return	
					Unrealised		Realised			
	2025 Jan-Jun	2024 Jan-Jun	2025 Jan-Jun	2024 Jan-Jun	2025 Jan-Jun	2024 Jan-Jun	2025 Jan-Jun	2024 Jan-Jun	2025 Jan-Jun	2024 Jan-Jun
Amounts in SEK M										
Sweden	536	519	450	445	-139	-216	-	-	311	230
Finland	885	896	715	716	-345	-17	-16	1	353	701
France	583	415	470	332	36	387	-	3	505	721
Benelux	349	319	316	293	10	11	-	-	326	304
Spain	193	174	176	160	167	121	-	-	343	281
Germany	68	58	66	55	-5	-8	-	-	61	47
Other Europe	6	6	5	5	-4	-2	-	-	1	2
Non-specified	-	-	-33	-31	-	-	-	-	-33	-31
Total	2,621	2,388	2,165	1,974	-281	276	-16	4	1,867	2,254

Market segment	Market value properties		Investments properties		Acquisition properties		Divestment properties	
	2025 30 Jun	2024 30 Jun	2025 Jan-Jun	2024 Jan-Jun	2025 Jan-Jun	2024 Jan-Jun	2025 Jan-Jun	2024 Jan-Jun
Amounts in SEK M								
Sweden	15,169	14,768	208	335	-	-	-	-
Finland	18,781	19,063	127	92	-	405	-27	-19
France	14,326	10,559	42	54	170	84	-11	-11
Benelux	9,784	8,828	66	45	711	111	-	-
Spain	6,321	5,186	13	15	811	404	-	-
Germany	1,780	1,347	3	-	56	28	-	-
Other Europe	118	124	-	-	-	-	-	-
Total	66,278	59,875	459	540	1,749	1,033	-38	-30

Notes

NOTE 1 ACCOUNTING POLICIES

This condensed interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The term IFRS Accounting Standards in this report means application of IFRS Accounting Standards as adopted by the EU. The accounting policies and calculation methods are the same as those applied in the 2024 Annual Report and are to be read together with this Annual Report.

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

There are no other changes to accounting standards that have not yet come into effect and that are expected to have any material impact on Sagax's accounts.

Rounding-off differences may occur.

NOTE 2 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described in Note 27 of the 2024 Annual Report. No material changes regarding transactions with related parties have taken place in relation to the information presented in the 2024 Annual Report.

NOTE 3 EVENTS AFTER THE REPORTING PERIOD

On July 10, it was announced that Sagax had acquired 8 properties through 7 separate transactions for the equivalent of SEK 910 M. The properties comprise a lettable area of 134,800 square metres and 330,400 square metres of freehold land. The annual rental income amounts to the equivalent of SEK 74 M. The occupancy rate is 99% and the average remaining term is 5.2 years. Closing for the equivalent of SEK 585 M has taken place at the time of the publication of this report. Closing for the remaining SEK 325 M is expected to take place during the third quarter of 2025. The acquisitions will be reported in Sagax's segments Spain (SEK 315 M), Germany (SEK 244 M), Benelux (SEK 231 M) and France (SEK 120 M).

On July 14, it was announced that Sagax had acquired 13 properties in France for the equivalent of SEK 480 M. The properties comprise a lettable area of 100,700 square metres and 166,200 square metres of freehold land. The property portfolio is concentrated to the Paris, Lyon, Marseille and Bordeaux regions. The annual rental income amounts to the equivalent of SEK 55 M. The occupancy rate is 100% and the average remaining lease term is 6.0 years. The acquisition price is equivalent to an estimated 7.4% net initial yield. In France, municipalities have a right of first refusal regarding property transactions. Necessary approvals are expected to be obtained and closing is expected to take place during the third quarter of 2025.

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

SIGNING OF THE REPORT

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, 14 July 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 interim report has not been reviewed by the company's auditors.

This constitutes information that AB Sagax (publ) is legally obliged to publish under the EU's Market Abuse Regulation and the Swedish Securities Market Act. The information was released for publication on 14 July 2025 at 12:30 p.m. CEST.

CALENDAR

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

Interim report January – September 2025	24 October 2025
Year-end report 2025	9 February 2026

SCHEDULE OF DIVIDEND PAYMENTS TO HOLDERS OF CLASS D SHARES

September 2025

■ Final day for trading including dividend rights	26 September 2025
■ Record date for dividend payment	30 September 2025

December 2025

■ Final day for trading including dividend rights	23 December 2025
■ Record date for dividend payment	30 December 2025

March 2026

■ Final day for trading including dividend rights	27 March 2026
■ Record date for dividend payment	31 March 2026

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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 Accounting Standards. The basis of the alternative performance measures provided is that they are used by company management to assess the financial performance and thus are considered to provide valuable information to shareholders and other stakeholders.

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

Key performance indicators	Description	Reason for alternative performance measure
Cash flow per Class A and B share after dilution	Profit before tax adjusted for items not included in cash flow, less tax paid and increased by dividends received from joint ventures and associated companies in relation to the weighted average number of Class A and B shares after dilution. Dividends on Class D shares for the period have also been deducted from profit before tax.	The KPI shows the amount of cash flow for the period that can be considered to be attributable to owners of Class A and Class B shares.
Debt ratio	Interest-bearing liabilities at the end of the period in relation to total assets at the end of the period.	The KPI shows financial risk.
Dilution	Dilution due to outstanding warrants has been calculated, in line with IAS 33, as the number of Class A and B shares to be issued to cover the difference between the strike price and market price for all potential Class A and B shares (warrants) outstanding, insofar as it is probable that they will be utilised.	Not an APM.
Earnings per Class A and B share	Profit for the period attributable to the Parent Company's shareholders in relation to the weighted average number of Class A and B shares after taking into account the portion of profit for the period represented by Class D shares.	The KPI shows the shareholders' share of profit.
Earnings per Class D share	Class D shares are entitled to five times the total dividend on Class A and B shares, although not more than SEK 2.00 per share annually.	The KPI shows the shareholders' share of profit.
EBITDA	Net operating income less central administration costs plus dividends received from joint ventures and associated companies.	Sagax uses EBITDA so that the Net debt/EBITDA KPI shows financial risk.
Economic occupancy rate	Contractual annual rent directly after the end of the period as a percentage of rental value directly after the end of the period.	The KPI shows the economic degree of utilisation of the Group's properties.
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 shareholders at the end of the period in relation to the number of Class A and B shares at the end of the period after taking into account equity attributable to Class D shares.	The KPI shows the owner's share of equity.
Equity per Class D share	Equity at the end of the period as a percentage of the number of common shares at the end of the period. Equity is restricted to SEK 35.00 per Class D share.	The KPI shows the owner's share of equity.
Fixed income derivatives	Agreements on lending rates that may include the factors of time, inflation and/or maximum interest rates. Usually signed to hedge interest rates for interest-bearing loans.	Not an APM.
Interest coverage ratio	Profit from property management, excluding profit from property management from joint ventures and associated companies but including dividends from joint ventures and associated companies, after reversal of financial expenses in relation to financial expenses (including lease expenses).	The KPI shows financial risk.
Interest coverage ratio, EMTN programme	Profit from property management after reversal of financial income and expenses as a percentage of net financial items.	The KPI shows financial risk.
Interest-rate swaps	An agreement between two parties to swap interest rate conditions in the same currency. The swap entails that one party exchanges its floating interest rate for a fixed rate, while the other party receives a fixed rate in exchange for a floating rate. The purpose of an interest-rate swap is to reduce interest-rate risk.	Not an APM.
Lease term	Remaining term of a lease.	The KPI shows the risk of future vacancies.
Net asset value	Recognised equity attributable to the Parent Company's 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 associated companies and joint ventures.	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 associated companies and joint ventures.	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 associated companies and joint ventures 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, listed instruments and the market value of shares in listed associated companies and joint ventures 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 as a percentage of total lettable area directly after the end of the period.	The KPI shows the occupancy situation.
Profit from property management	Profit, including profits of associated companies and joint ventures, excluding changes in value and tax.	An indicator of the earnings generation in the operations, excluding changes in value.
Profit from property management per Class A and B share after dilution	Profit from property management attributable to the Parent Company's shareholders for the period reduced by dividends on Class D shares divided by the weighted average number of Class A and B shares after dilution.	An indicator of the earnings generation of the assets, excluding the changes in value accruing to holders of Class A and B shares.
Property	Pertains to properties held under title or site leasehold.	Not an APM.
Rental revenue, comparable portfolios	Rental revenue from properties that were included in the portfolio for the entire reporting period and the entire comparative period. Project properties and properties that were acquired or sold are not included.	The KPI shows the trend in rental revenue excluding non-recurring effects, such as prematurely vacating premises, not impacted by acquired and sold properties.
Rental value	The contractual annual rent applicable directly after the end of the period, with supplements for estimated market rents for vacant premises.	The key performance indicator shows the Group's income potential.
Return on equity	Profit for the period, recalculated to 12 months, as a percentage of average equity (opening and closing balances) divided by 2 for the period.	The KPI shows how shareholders' capital yields interest during the period.
Return on total capital	Profit from property management for the period, recalculated to 12 months, after reversal of financial expenses as a percentage of average total assets for the period.	The KPI shows the ability to generate earnings on the Group's assets, excluding financing costs.
Run rate EBITDA	Net operating income according to current earnings capacity less central administration costs plus dividends received from joint ventures and associated companies rolling 12 months.	Sagax uses EBITDA so that the run rate Net debt/EBITDA KPI shows financial risk.
Run rate yield	Net operating income according to current earnings capacity less site leasehold fees, as a percentage of the carrying amounts of the properties at the end of the period.	The KPI shows the earnings generation of the operations before financial expenses and central administration costs are taken into account.
Secured liabilities/Total assets	Liabilities secured with pledged assets as a percentage of total assets.	The KPI shows financial risk for bond holders.
Surplus ratio	Net operating income for the period as a percentage of rental revenue for the period.	The KPI shows the profitability of the properties.
Triple net lease	A type of lease whereby the tenant pays, in addition to the rent, all costs incurred on the property that would normally have been paid by the property owner. These include operating expenses, maintenance, property tax, site leasehold fees, insurance, property caretaking, etc.	Not an APM.
Working capital	Current assets less current liabilities.	The KPI describes the capital that Sagax has available, excluding available credit facilities, to conduct its daily operations.
Yield	Net operating income for the period with add-back of site leasehold fees, recalculated to 12 months, adjusted for the holding periods of the properties during the period and recalculated to the current exchange rates on the balance sheet date as a percentage of the carrying amounts of the properties at the end of the period.	The KPI shows the earnings generation of the operations before financial expenses and central administration costs are taken into account.

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

Amounts in SEK M	2025 Jan-Jun	2024 Jan-Jun	2024 Jan-Dec
Cash flow per Class A and B share			
Profit/loss before tax	1,560	2,247	5,732
Dividends from joint ventures and associated companies	466	333	477
Items not affecting cash flow	75	-699	-2,460
Tax paid	-94	-92	-162
Dividends attributable to Class D shares	-126	-126	-253
Dividends paid to non-controlling interests	-38	-	-
Cash flow	1,843	1,663	3,334
Cash flow per Class A and B share	5.45	4.91	9.85
Debt ratio			
Interest-bearing liabilities	36,062	36,283	35,134
Total assets	84,420	80,488	84,044
Debt ratio	43%	45%	42%
Earnings per Class A and B share¹⁾			
Profit after tax attributable to Parent Company's shareholders	1,354	2,058	5,255
Dividends attributable to Class D shares	-126	-126	-253
Adjusted profit after tax	1,228	1,932	5,002
Earnings per Class A and B share after dilution, SEK	3.63	5.71	14.78
EBITDA rolling 12 months			
Net operating income	4,381	3,846	4,191
Central administration	-187	-193	-187
Dividends from joint ventures and associated companies	610	632	527
EBITDA	4,804	4,286	4,531
Economic occupancy rate			
Contractual annual rent	5,377	4,815	5,323
Rental value	5,615	5,011	5,553
Economic occupancy rate	96%	96%	96%
Equity/assets ratio			
Equity	41,220	37,452	41,803
Total assets	84,420	80,488	84,044
Equity/assets ratio	49%	47%	50%
Equity per Class A and B share			
Equity attributable to Parent Company's shareholders	40,421	37,452	40,941
Equity attributable to Class D shares	-4,419	-4,419	-4,419
Equity attributable to Class A and B shares	36,002	33,032	36,522
No. of shares, '000s	338,448	338,424	338,424
No. of shares after dilution, '000s	338,448	338,483	338,444
Equity per Class A and B share, SEK	106.37	97.61	107.92
Equity per Class A and B share after dilution, SEK	106.37	97.59	107.91
Interest coverage ratio			
Profit from property management	2,191	2,056	4,326
Reversal of profit from property management joint ventures and associated companies	-586	-531	-1,108
Dividends from joint ventures and associated companies	466	384	527
Financial expenses incl. leases	507	436	947
Adjusted profit from property management before financial expenses	2,577	2,345	4,693
Interest coverage ratio	5.1x	5.4x	5.0x

Amounts in SEK M	2025 Jan-Jun	2024 Jan-Jun	2024 Jan-Dec
Interest coverage ratio, EMTN programme			
Profit from property management	2,191	2,056	4,326
Net financial items	470	360	786
Profit from property management before net financial items	2,661	2,416	5,112
Interest coverage ratio	5.7x	6.7x	6.5x
Net asset value			
Equity attributable to Parent Company's shareholders	40,421	37,452	40,941
Equity attributable to Class D shares	-4,419	-4,419	-4,419
Reversal of derivatives	90	-10	71
Reversal of deferred tax, net	4,153	4,022	4,185
Reversals due to joint ventures and associated companies	1,716	1,415	1,605
Net asset value	41,960	38,460	42,382
NAV per Class A and B share after dilution, SEK	123.98	113.62	125.23
Net debt			
See page 15.			
Net debt according to EMTN programme			
Interest-bearing liabilities	36,062	36,283	35,134
Listed shares in fixed assets ²⁾	-9,666	-9,020	-9,496
Cash and cash equivalents	-51	-3,056	-287
Net debt according to EMTN programme	26,345	24,206	25,352
Net debt according to EMTN programme/Total assets			
Net debt according to EMTN programme	26,345	24,206	25,352
Total assets	84,420	80,488	84,044
Net debt according to EMTN programme/Total assets	31%	30%	30%
Net debt/EBITDA			
Net debt	25,390	22,640	24,367
EBITDA rolling 12 months	4,804	4,286	4,531
Net debt/EBITDA	5.3x	5.3x	5.4x
Net debt/run rate EBITDA			
Net debt	25,390	22,640	24,367
EBITDA, run rate	4,875	4,428	4,754
Net debt/EBITDA run rate	5.2x	5.1x	5.1x
Net debt/Total assets			
Net debt	25,390	22,640	24,367
Total assets	84,420	80,488	84,044
Net debt/Total assets	30%	28%	29%

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	2025 Jan-Jun	2024 Jan-Jun	2024 Jan-Dec
Occupancy rate by area			
Contracted area, '000s sqm	4,785	4,247	4,631
Total lettable area, '000s sqm	5,004	4,425	4,834
Occupancy rate by area	96%	96%	96%
Profit from property management			
Profit after tax	1,379	2,058	5,274
Tax	276	304	714
Changes in value	536	-306	-1,661
Profit from property management	2,191	2,056	4,326
- of which attributable to non-controlling interests	29	-	30
- of which attributable to Parent Company's shareholders	2,162	2,056	4,296
Profit from property management per Class A and B share after dilution			
Profit from property management attributable to Parent Company's shareholders	2,162	2,056	4,296
Dividends attributable to Class D shares	-126	-126	-253
Adjusted profit from property management	2,036	1,930	4,044
Average no. of Class A and B shares after dilution, '000s	338,449	338,471	338,465
Profit from property management per Class A and B share after dilution, SEK	6.01	5.70	11.95
Profit from property management per Class A and B shares, rolling 12 months			
Profit from property management attributable to Parent Company's shareholders	4,402	3,981	4,296
Dividends attributable to Class D shares	-253	-253	-253
Adjusted profit from property management	4,149	3,728	4,044
Average no. of Class A and B shares after dilution, '000s	338,454	334,787	338,465
Profit from property management per Class A and B share, current period	12.26	11.14	11.95
Profit from property management per Class A and B share, preceding period	11.14	10.74	11.16
Annual growth rate, %	10%	4%	7%
Rental revenue, comparable portfolios			
Rental revenue	2,621	2,388	N/A
Acquired and sold properties	-341	-107	N/A
Currency adjustment ¹⁾	-	-47	N/A
Rental revenue, comparable portfolios excluding currency effects	2,281	2,235	N/A
Return on equity			
Profit after tax	1,379	2,058	5,274
Addition for translation to annual value	1,379	2,058	-
Adjusted profit after tax	2,759	4,117	5,274
Average equity	41,512	37,015	39,191
Return on equity	6.6%	11.1%	13.5%
Return on total capital			
Profit from property management	2,191	2,056	4,326
Addition for translation to annual value	2,191	2,056	-
Financial expenses	507	436	947
Addition for translation to annual value	507	436	-
Profit before financial expenses	5,395	4,984	5,274
Average total assets	84,232	76,949	78,727
Return on total capital	6.4%	6.5%	6.7%

Amounts in SEK M	2025 Jan-Jun	2024 Jan-Jun	2024 Jan-Dec
Run rate EBITDA			
Net operating income according to current earnings capacity	4,452	3,988	4,414
Central administration	-187	-193	-187
Dividends from joint ventures and associated companies	610	632	527
Run rate EBITDA	4,875	4,428	4,754
Run rate yield			
Net operating income according to current earnings capacity	4,452	3,988	4,414
Add-back of site leasehold fees	-37	-33	-32
Adjusted net operating income	4,415	3,956	4,382
Carrying amounts of properties	66,278	59,875	65,874
Run rate yield	6.7%	6.6%	6.7%
Secured liabilities/Total assets			
Secured liabilities	4,906	4,914	4,937
Total assets	84,420	80,488	84,044
Secured liabilities/Total assets	6%	6%	6%
Surplus ratio			
Net operating income	2,165	1,974	4,191
Rental revenue	2,621	2,388	4,994
Surplus ratio	83%	83%	84%
Yield			
Net operating income	2,165	1,974	4,191
Add-back of site leasehold fees	-17	-16	-32
Addition for translation to annual value	2,147	1,958	-
Holding adjustment, acquisitions/divestments/other	94	28	184
Currency translation to closing rate	16	-9	17
Adjusted net operating income	4,405	3,936	4,360
Carrying amounts of properties	66,278	59,875	65,874
Yield	6.6%	6.6%	6.6%

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

AB Sagax is a property company whose business concept is to invest in commercial properties, primarily in the warehouse and light industrial segment.
Sagax's property holdings on 30 June 2025 amounted to 5,004,000 square metres, distributed between 989 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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