

AB | SAGAX

PRESS RELEASE no. 4, 2019

Stockholm, 7 February 2019

YEAR-END REPORT 2018

2018 FISCAL YEAR

- Rental revenue increased 20% to SEK 2,247 M (SEK 1,870 M for the preceding year).
- Profit from property management increased 20% to SEK 1,603 M (1,334). Profit from property management per Class A and B share after dilution rose 16% to SEK 8.61 (7.40).
- In total, property revaluation affected profit by SEK 1,878 M (1,656), of which joint ventures accounted for SEK 635 M (541).
- Revaluation of financial instruments impacted profit by a total of SEK 289 M (572), of which joint ventures accounted for SEK 42 M (65).
- Profit after tax for the year was SEK 3,166 M (2,965).
- Cash flow from operating activities before changes in working capital rose 25% to SEK 1,490 M (1,194), corresponding to SEK 7.89 (6.52) per Class A and B share after dilution.
- During the year, Sagax invested a net SEK 3,437 M (1,680), of which acquisitions of property accounted for SEK 3,026 M (1,382).
- Sagax completed new share issues that generated equity of SEK 1,125 M for the company.
- Moody's Investors Service raised Sagax's rating to Baa3 with a stable outlook.
- Sagax issued an unsecured bond loan of EUR 500 M at a fixed interest rate of 2.00% and a maturity until 2024.
- The Board of Directors proposes that the dividend per Class A and B share be raised to SEK 2.00 (1.80). The Board also proposes a dividend of SEK 2.00 per Class D and preference share through a quarterly payment of SEK 0.50. The dividend is in accordance with the company's dividend policy and corresponds to 34.6% (33.4) of profit from property management.

FOURTH QUARTER OF 2018

- Rental revenue rose 19% to SEK 591 M (498).
- Profit from property management increased 19% to SEK 403 M (340). Profit from property management per Class A and B share after dilution rose 15% to SEK 2.17 (1.89).
- In total, property revaluation affected profit by SEK 479 M (763), of which joint ventures accounted for SEK 263 M (222).
- Revaluation of financial instruments impacted profit by a total of SEK 13 M (98), of which joint ventures accounted for SEK -3 M (16).
- Profit after tax for the period amounted to SEK 767 M (991).
- Cash flow from operating activities before changes in working capital rose 15% to SEK 316 M (275), corresponding to SEK 1.62 (1.48) per Class A and B share after dilution.
- Sagax invested a net SEK 994 M (646) during the quarter, of which the acquisition of properties accounted for SEK 776 M (557).
- In connection with the acquisition of a property in Finland, SEK 165 M was paid in purchase consideration in the form of a private placement of Class D common shares.

FORECAST FOR 2019

Profit from property management for 2019, meaning profit before revaluations and tax, based on the current property portfolio as well as announced acquisitions and divestments, is expected to amount to **SEK 1,900 M**.

For further information, please contact CEO David Mindus, tel +46 8 545 83 540.

About Sagax

AB Sagax is a property company whose business concept is to invest in commercial properties, primarily in the warehouse and light industry segment. Sagax's property holdings at 31 December 2018 amounted to 2,850,000 square metres, distributed between 512 properties. AB Sagax (publ) is listed on Nasdaq Stockholm, Large Cap. More information is available at www.sagax.se.

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, through the agency of the contact person above,

on 7 February 2019 at 2:00 p.m. CET. Every care has been taken in the translation of this press release. In the event of discrepancies, however, the Swedish original will supersede the English translation.