

AB | SAGAX

PRESS RELEASE no. 5, 2023

Stockholm, 4 April 2023

NOTICE OF ANNUAL GENERAL MEETING IN AB SAGAX (PUBL)

The shareholders of AB Sagax (publ), 556520-0028, (the "**Company**") are hereby invited to the Annual General Meeting ("**AGM**") to be held on Tuesday 9 May 2023 at 4.00 p.m. at Nalen, David Bagares gata 17, in Stockholm.

The Board of Directors has resolved that shareholders shall have the right to exercise their voting rights in advance through postal voting pursuant to § 9 in the Company's Articles of Association. Consequently, shareholders may choose to exercise their voting rights at the AGM by attending by postal voting, in person, or through a proxy.

Participation by postal voting

Shareholders who wish to participate in the AGM by postal voting must:

- be registered as shareholders in the share register maintained by Euroclear Sweden AB ("**Euroclear**") per Friday 28 April 2023, and
- notify their intention to participate by submitting their postal vote in accordance with the instructions below, no later than Wednesday 3 May 2023.

For postal voting, a certain form must be used. The form is available on the Company's website, www.sagax.se. The postal voting form is valid as notification of participation at the AGM. The completed postal voting form must be received by Euroclear (who administers the forms on behalf of the Company) no later than Wednesday 3 May 2023. The completed form shall be sent to AB Sagax, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm. Completed form may also be submitted electronically. Electronic submission can be done either through verification using a BankID according to instructions at <https://anmalan.vpc.se/EuroclearProxy/> (only for natural persons) or by sending the completed form by e-mail to GeneralMeetingService@euroclear.com (state "AB Sagax AGM" in the subject line). If a shareholder votes in advance by proxy, a power of attorney must be attached to the form. Proxy forms are available at the Company's website, www.sagax.se, and are sent free of charge to those shareholders who so request and state their postal address or e-mail address. If the shareholder is a legal entity, a certificate of registration or corresponding authorisation documents must be attached to the form. The shareholder may not provide special instructions or conditions in a postal voting form. If so, the vote (i.e. the postal vote in its entirety) is invalid. Further instructions and conditions are provided in the form for postal voting. For questions regarding the AGM or to have the postal voting form sent by post, please contact Euroclear on telephone +46 (0)8 402 92 96 (Monday–Friday 9 a.m.–4 p.m.).

Those who wish to withdraw a submitted postal vote and instead exercise their voting rights by participating in the AGM in person or through a proxy must give notice thereof to the AGM's secretariat prior to the opening of the AGM.

Participation in person

Shareholders who wish to participate the AGM in person must:

- be registered as shareholders in the share register maintained by Euroclear per Friday 28 April 2023, and
- notify their intention to participate to the Company no later than Wednesday 3 May 2023 on the following address: AB Sagax, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, or via <https://anmalan.vpc.se/EuroclearProxy/>. The notification shall include name and Swedish personal or company registration number and preferably also address and telephone number.

Participation by proxy

Shareholders who are represented by proxy must issue a written, signed and dated power of attorney. The power of attorney in the original form shall be submitted to the Company at the above address well in advance of the AGM. A proxy form is available at the Company's website, www.sagax.se. If the shareholder is a legal entity, a certificate of registration (or corresponding authorisation documents for a foreign legal entity) must be attached to the form.

Nominee-registered shares

For shareholders who have their shares nominee-registered through a bank or other nominee, the following applies in order to be entitled to participate in the AGM. In addition to giving notice of participation (or submitting their postal vote), such shareholder must re-register its shares in its own name so that the shareholder is registered in the share register maintained by Euroclear as of the record date Friday 28 April 2023. Such re-registration may be temporary (so-called voting rights registration). Shareholders who wish to register their shares in their own names must, in accordance with the respective nominee's routines, request that the nominee make such registration. Voting rights registration that have been completed by the nominee no later than Wednesday 3 May 2023 will be taken into account in the preparation of the share register.

Processing of personal data

In connection with the notification, the Company will process the personal data requested about the shareholders above. For information on how your personal data is processed in connection with the AGM, see the privacy notice on Euroclear's website, <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Number of shares

As of the date of the issuance of this notice, the total number of shares in the Company amounts to 446,281,346 shares, of which 26,565,758 are ordinary shares of series A (each carrying 1 vote), 293,454,259 are ordinary shares of series B (each carrying 1/10 vote) and 126,261,329 are ordinary shares of series D (each carrying 1/10 vote), corresponding to a total of 68,537,316.8 votes. The Company holds 2,000,000 of its own ordinary shares of series B, corresponding to 200,000 votes, which cannot be represented at the AGM.

Proposed agenda

The Board of Directors proposed agenda at the AGM:

1. Opening of the meeting and election of chairperson of the meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons to verify the minutes
5. Determination of whether the meeting has been duly convened
6. Presentation of the annual report and the auditor's report as well as the consolidated financial statements and the auditor's report for the group

7. Resolutions on:
 - a) adoption of the income statement and balance sheet, and the consolidated income statement and consolidated balance sheet,
 - b) appropriation of the Company's profit or loss according to the adopted balance sheet,
 - c) discharge from liability for the Board members and the CEO
8. Resolution on the number of members of the Board of Directors and auditors
9. Resolution on remuneration for the members of the Board of Directors and the auditors
10. Election of the Board of Directors, chairperson of the Board of Directors and auditors
11. Resolution on approval of the Board of Directors' Remuneration Report 2022
12. Resolution on the introduction of Incentive Program 2023/2026 through a) issue of warrants to the subsidiary Satrap Kapitalförvaltning AB and b) approval of transfer of warrants to employees of the Company or its subsidiaries
13. Resolution on authorisation for the Board of Directors to increase the share capital through new issues of shares, warrants and/or convertibles
14. Resolution on authorisation for the Board of Directors to repurchase own shares, warrants and/or convertibles and/or to transfer own shares and/or warrants
15. Conclusion of the meeting

Proposed resolutions

Item 1

The Nomination Committee ahead of the AGM 2023 consists of Björn Alsén, nominated by David Mindus and companies, Erik Salén, nominated by the Salén family and companies, Olof Nyström, nominated by Fjärde AP-fonden, and Staffan Salén, chairperson of the Board of Directors of AB Sagax.

The Nomination Committee proposes that the chairperson of the Board of Directors Staffan Salén is appointed chairperson of the AGM.

Item 7 b)

The Board of Directors proposes that the AGM resolves on a dividend to the shareholders of SEK 2.70 per ordinary share of series A and series B and that the AGM resolves on a dividend to the shareholders of SEK 2.00 per ordinary share of series D for the financial year 2022, with a quarterly payment of SEK 0.50 per ordinary share of series D. The record date for receiving dividend for the ordinary shares of series A and series B is proposed to be Thursday 11 May 2023. The dividend is expected to be distributed by Euroclear on the third weekday after the record date. The record dates for receiving dividend for the ordinary shares of series D is proposed to be Friday 30 June 2023, Friday 29 September 2023, Friday 29 December 2023 and Thursday 28 March 2024. The dividend is expected to be distributed by Euroclear on the third weekday after each record date.

The Board of Directors further proposes that the AGM resolves that the new ordinary shares of series D that may be issued with the support of the AGM's authorisation in accordance with item 13 below shall entitle to dividends, in accordance to above, from the date they have been entered in the share register kept by Euroclear.

Item 8

The Nomination Committee proposes that the number of Board members shall amount to six for the period until the next AGM, and that one registered public accounting firm is elected auditor.

Item 9

The Nomination Committee proposes a fee of SEK 330,000 to the chairperson of the Board of Directors and SEK 180,000 to each other non-executive members of the Board of Directors elected by the AGM.

The fee includes remuneration for committee work. The Nomination Committee's proposal for remuneration to the Board of Directors totals a fee of SEK 1,050,000. The proposed fee to the Board of Directors is unchanged in relation to the resolved fees for 2022. The fee to the auditors is proposed to be paid against approved account.

Item 10

The Nomination Committee proposes that the AGM resolves on re-election of Johan Cederlund, Filip Engelbert, David Mindus, Staffan Salén, Johan Thorell and Ulrika Werdelin as members of the Board of Directors. The Nomination Committee further proposes that Staffan Salén is re-elected as chairperson of the Board of Directors. If the assignment as chairperson of the Board of Directors is terminated prematurely, the Board of Directors shall elect a new chairperson among its members.

Further information on the proposed members of the Board of Directors is available at the Company's website www.sagax.se.

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, that the AGM resolves to re-elect the registered public accounting firm Ernst & Young Aktiebolag for the period until the end of the next AGM. It is Ernst & Young Aktiebolag's intention to appoint Jonas Svensson as auditor in charge.

Item 11

The Board of Directors proposes that the AGM approve the Board of Directors' Remuneration Report for 2022 in accordance with Chapter 8, Section 53 a of the Swedish Companies Act.

Item 12

The Board of Directors proposes that the AGM resolves on the introduction of an incentive program through the Company conducting an issue of warrants and transfer of warrants to persons who are or become employed by the Company or the Company's subsidiaries, with the exception of the CEO in the Company ("**Employees**"), on the terms and conditions below ("**Incentive Program 2023/2026**").

A. Issue of warrants to the Subsidiary

The Board of Directors proposes that the AGM resolves on an issue of a maximum 450,000 warrants of series 2023/2026. The right to subscribe shall, with deviation from the shareholders' preferential rights, belong to the wholly owned subsidiary Satrap Kapitalförvaltning AB, Corp. Reg. No. 556748-3309 (the "**Subsidiary**"). The warrants shall be issued without consideration. Each warrant shall entitle the holder to subscribe for one (1) new ordinary share of series B ("**Ordinary Share**") in the Company. The warrants shall be subscribed for during the period from and including 10 May 2023 to and including 19 May 2023 on a separate subscription list. The Board of Directors is authorised to extend the subscription period.

The subscription price for a Ordinary Share upon exercise of a warrant shall consist of the Ordinary Share's average closing price during the period from 25 May 2023 up to and including 29 May 2026 according to Nasdaq Stockholm's official price list (the "**Closing Price**") reduced by an amount corresponding to the highest of:

- (i) the share price of the Ordinary Share at the time of issue, which consists of the average closing price during the period from and including 10 May 2023 up to and including 16 May 2023 according to Nasdaq Stockholm's official price list (the "**Starting Share Price**"), multiplied by the difference between
 - a. the change in the average total return index value for the Ordinary Shares during (i) the period from and including 10 May 2023 up to and including 16 May 2023 (the "**Start Index for the Ordinary Shares**") and (ii) the period from and including 25 May 2026 up to and including 29 May 2026 (the "**End Index for the Ordinary Shares**"),
 - b. the change in the average total return index value calculated according to the Total Return Real Estate Index (TRREX), a total return index calculated by Millistream Market Data AB, during (i) the period from and including 10 May 2023 up to and including 16

May 2023 (the "**TRREX Start Index**") and (ii) the period from and including 25 May 2026 up to and including 29 May 2026 (the "**TRREX End Index**"), and

(ii) zero.

TRREX is a total return index calculated by Millstream Market Data AB and comprises all property companies listed on Nasdaq Stockholm's main list with the exception of Sagax itself, taking into account the companies' share price development and dividends paid. Sagax shares are excluded from the benchmark index TRREX.

If the Company has insider information during any part of the period from and including 10 May 2023 up to and including 16 May 2023, the Board of Directors shall be entitled to postpone the subscription period and the measurement period for the average price of the Ordinary Share and the TRREX. The subscription price may not be lower than the current quota value of the Ordinary Share.

Holders of the warrants shall have the right to request that an alternative exercise model is applied in accordance with the complete terms and conditions when subscribing for shares using the warrants. When applying the alternative exercise model, the subscription price for each Ordinary Share shall correspond to the share's quota value and the warrants shall entitle to a recalculated, initially lower, number of Ordinary Shares. However, the warrants shall not entitle to more than one (1) Ordinary Share per warrant, subject to possible recalculation in accordance with the complete warrant terms and conditions. Assuming that the subscription price for the Ordinary Shares in the Company to which the warrants entitle the holder to subscribe for is set at SEK 250, the application of the alternative exercise model would have the following effects in the event of full subscription with the support of all 450,000 warrants and assuming full application of the alternative exercise model at the share prices for the Company's Ordinary Shares prior to the subscription period as stated below:

Illustrative calculation example based on an assumed subscription price of SEK 250.

Share price	Total dilution	Total number of new shares
SEK 260	0.006 %	17,425
SEK 280	0.017 %	48,518
SEK 300	0.026 %	75,440
SEK 320	0.034 %	98,979

The warrants can be exercised by application for subscription of new shares during the period from 1 June 2026 to and including 15 June 2026. Shares subscribed for by exercise of the warrants entitle to dividend for the first time on the record date for dividends that occurs immediately after the subscription has been executed. If the warrant holder is prohibited from subscribing for Ordinary Shares during this period due to applicable insider legislation, the Company shall be entitled to instead permit such warrant holder to subscribe for shares as soon as the warrant holder no longer is prohibited from doing so, but no later than 30 calendar days after such impediment has ceased.

The maximum number of additional Ordinary Shares are estimated to no more than 450,000 which corresponds to approximately 0.15 percent of the total number of Ordinary Shares in the Company, provided full subscription, and full exercise of all warrants. In such case, the increase in the share capital will amount to a maximum of SEK 787,500.

The reason for deviating from the shareholders' preferential rights is that the Board of Directors want to promote the Company's long-term interests by offering Employees a well-balanced incentive program, which gives them the opportunity to take part in the Company's long-term value development.

B. Approval of transfer of warrants to Employees

The Board of Directors further proposes that the AGM resolves to approve that the Subsidiary may transfer a maximum 450,000 warrants in the Company of series 2023/2026 to Employees, or otherwise dispose of the warrants to secure the commitments under the Incentive Program 2023/2026.

Each Employee shall be offered to acquire warrants, in the Incentive Program 2023/2026, in an amount corresponding to a maximum of one twelfth ($1/12$) of the Employee's annual salary before income tax. In the event that the Employee has been on leave, parental leave, long-term sick or similar during the twelve-month period preceding the day when the Employee is offered to acquire warrants under the Incentive Program 2023/2026, an adjustment of the number of warrants that the Employee is offered to acquire shall take place. Such adjustment shall imply that the number of warrants offered to the Employee is reduced in proportion to the number of months the Employee has not been in service. In the event that Employees do not subscribe for all warrants that they have been offered to subscribe, the other Employees participating in the Incentive Program 2023/2026 may be offered to acquire the warrants that have been offered but not subscribed. In such cases, allotment shall take place pro rata in relation to the number of warrants for the Employees have been allotted in the initial allotment.

The warrants shall be offered to Employees at a price corresponding to an estimated market value for the warrants with the application of an option valuation model based on Monte Carlo simulation and accepted assumptions on, inter alia, volatility, direct return and correlation at the time of the transfer. The calculation is performed by People & Corporate Performance AB, based on a subscription price for the Ordinary Shares corresponding to the average closing price paid during the period from and including 10 May 2023 to and including 16 May 2023 according to Nasdaq Stockholm's official price list. If the Company has inside information during this period, the Board of Directors shall have the right to postpone the measurement period for the share's average volume-weighted price paid for the share.

With regard to the fact that the warrants are to be transferred to Employees at a calculated market price, the Incentive Program 2023/2026 is not considered to entail any costs in addition to certain minor costs for preparation and administration. Provided that it is one of the first three times that an Employee participates in an incentive program in the Company and the Employee's annual salary does not exceed SEK 500,000 alternatively EUR 50,000 for Employees receiving salary in Euro, the Employee shall receive a premium subsidy in the form of an extra salary. The number of Employees currently entitled to such premium subsidy amounts to 9, corresponding to 10 percent of the total number of employees. The extra salary shall after tax, calculated by applying a tax rate of 50 percent, correspond to 50 percent of the option premium. The cost of this premium subsidy is estimated to amount to a maximum of SEK 350,000. The warrants will also not have any accounting implications other than the premium subsidy mentioned. However, the dilution effect of the warrants may affect key ratios per share in accordance with the accounting standard IAS 33.

Assuming that the value of the Company's Ordinary Share at the time of the valuation of the warrants amounts to SEK 243.60, an initial subscription price of SEK 243.60, a volatility of 25.8 percent for the Ordinary Share and 17.3 percent for TRREX and a correlation of 89.0 percent, the value per warrant will be SEK 21.90, of which existing Employees will be offered to acquire a total of 400,000 warrants. The Company will then receive a total warrant premium of SEK 8,760,000 (without deduction for premium subsidy). Upon full exercise of the warrants and at an assumed subscription price of SEK 250.00, the Company will also receive an issue proceeds of approximately SEK 100,000,000. If, under these circumstances, additional warrants would be acquired by Employees that are added during the year, the Company may receive an additional warrant premium of a maximum of SEK 1,095,000. Upon full exercise of these warrants, the Company may also receive additional issue proceeds of approximately SEK 12,500,000.

Transfer to the Employees shall be conditional upon that Sagax and the Employee entering into a warrant agreement containing, inter alia, provisions on transfers, pledging, repurchase in certain cases and other customary provisions.

For participants in jurisdictions other than Sweden, it is implied that the further transfer of the warrants is legally possible and that further transfer, in the Board of Directors' opinion, can be carried out with reasonable administrative and financial efforts at their established market value. The Board of Directors

shall have the right to adjust the terms of the Incentive Program 2023/2026 to the extent required in order for allotment and exercise of warrants to participants in other jurisdictions, to the extent practically possible, to be carried out under the same conditions imposed by the Incentive Program 2023/2026.

The warrants shall be transferred to the Employees no later than before the AGM 2024, after which non-transferred warrants shall be canceled.

The reason for deviating from the shareholders' preferential rights is that the Board of Directors want to promote the Company's long-term interests by offering Employees a well-balanced incentive program, which gives them the opportunity to take part in the Company's long-term value development.

Item 13

The Board of Directors proposes that the AGM resolves to authorise the Board of Directors to, within the framework of the current Articles of Association, with or without deviation from the shareholders' preferential rights, on one or more occasions until the next AGM, resolve on an increase in the Company's share capital through a new issue of ordinary share of series A, ordinary shares of series B, ordinary shares of series D, warrants and/or convertibles in the Company. The total number of shares covered by such issues may correspond to a total of no more than ten percent of the share capital in the Company, based on the share capital in the Company at the time when the Board of Director first exercises the authorisation. The issues shall be made at a market price, subject to a market discount if applicable, and payment may, in addition to cash payment, be made by contribution in kind or by way of set-off, or otherwise with conditions. The purpose of the authorisation and the reasons for any deviation from the shareholders' preferential rights is that issues may be executed to finance the acquisition of properties or real estate companies, or part of properties or real estate companies or alternatively to finance general business purposes.

Item 14

The Board of Directors proposes that the AGM resolves to authorise the Board of Directors to, on one or more occasions until the next AGM, resolve on the acquisition of a total of so many ordinary shares of series A, ordinary shares of series B, ordinary shares of series D, warrants and/or convertibles that the Company's holdings at any given time do not exceed one tenth of all shares in the Company. Acquisition of own shares shall take place on Nasdaq Stockholm and may only take place at a price within the price interval applicable at any given time, by which is imply the interval between the highest purchase price and lowest selling price, or through an acquisition offer addressed to all shareholders, whereby the acquisition shall take place at a price which at the time of the resolution corresponds to not less than applicable share price and a maximum of 150 percent of the applicable stock exchange price. Acquisition of own warrants and/or convertibles shall take place at a price that at the time of the decision corresponds to not more than market value.

Furthermore, it is proposed that the AGM resolves to authorise the Board of Directors to, on one or more occasions until the next AGM, resolve on transfer, with or without deviation from the shareholders' preferential rights, of all or parts of the Company's holding of ordinary shares of series A, ordinary shares of series B, ordinary shares of series D, and/or warrants as payment in connection with the acquisition of properties or real estate companies, or part of properties or real estate companies at a price corresponding to the share price, or in the case of warrants, the market value at the time of the transfer. Transfer of all or parts of the Company's holding of own ordinary shares of series A, ordinary shares of series B, ordinary shares of series D may also take place, on one or more occasions until the next AGM, to finance such acquisitions, alternatively to finance general business purposes, whereby the sale of shares shall take place on Nasdaq Stockholm at a price within the price range applicable at any given time.

The authorisation is intended primary to give the Company flexibility in financing the acquisition of properties or real estate companies, or part of properties or real estate companies, but also to give the Board of Directors increased freedom regarding work with the Company's capital structure.

Special majority requirement

A resolution by the AGM in accordance with item 12 is only valid if supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the AGM. Resolutions by the AGM in accordance with item 13 and 14, are only valid if supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the AGM.

Disclosures at the AGM

The Board of Directors and the CEO shall, if requested by any shareholder and if the Board of Directors is of the opinion that it can be done without causing material harm to the Company, provide disclosures about conditions that may impact assessment of an item of business on the agenda, about conditions that may impact assessment of the Company's or a subsidiary's financial situation, and about the Company's relationship with another group company.

Documentation

Annual report and auditor's report, remuneration report, the Board of Directors' complete proposals for resolutions as above together with documents according to Chapter 18 Section 4 and Chapter 19 Section 22 of the Swedish Companies Act and the auditor's opinion regarding the application of guidelines for remuneration to senior executives, are available at the Company's office, address as above, and on the Company's website, www.sagax.se, from no later than Tuesday 18 April 2023. Copies of the documents will also be sent to those shareholders who so request and state their postal address or e-mail address. In addition, the Nomination Committee's motivated opinion regarding the proposed Board of Directors, as well as postal voting form and proxy form are available on the Company's website.

Stockholm in April 2023

AB Sagax (publ)

The Board of Directors

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

About AB 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 per 31 December 2022 amounted to 3,895,000 square metres, distributed over 751 properties. AB Sagax (publ) is listed on Nasdaq Stockholm, Large Cap. More information is available at www.sagax.se.

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.