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AB | SAGAX

PRESS RELEASE no 12, 2023

Stockholm, 20 June 2023

SAGAX EXPLORES THE CONDITIONS FOR CARRYING OUT A DIRECTED ISSUE OF COMMON SHARES OF CLASS B IN AN AMOUNT OF SEK 2 BILLION

AB Sagax (publ) ("Sagax" or the "Company") has mandated ABG Sundal Collier AB and J.P. Morgan SE (jointly the "Joint Bookrunners") to explore the conditions for carrying out a directed issue of common shares of Class B in an amount of SEK 2.0 billion (the "Share issue") through a so called accelerated book building procedure.

Sagax is a property company focusing on commercial properties primarily within the warehouse and light industrial segment. Sagax invests mainly in properties with stable cash flows located in European metropolitan areas.

Historically, Sagax has expanded via small and medium-sized transactions. During the period 2020 to 2022, Sagax invested SEK 13.6 billion through 138 separate transactions. During the second quarter of 2023, Sagax has invested SEK 1.1 billion through 13 separate transactions in 5 countries. Sagax assesses that the acquisition strategy creates good conditions to achieve attractive risk adjusted returns. Furthermore, the Company assesses that the acquisition strategy creates conditions for continued growth in profit from property management per share, which on average has been 21 percent per year during the past 5 years. Profit from property management for 2023 is expected to amount to SEK 3.6 billion. The forecast was announced in the interim report for the first quarter of 2023.

Sagax assesses that the current market environment could present attractive investment opportunities. At the same time, Sagax is committed to maintain a conservative capital structure and strong liquidity position. It is the Board of Directors' assessment that the Share issue would lead to higher profit from property management, cash flow and net asset value per share after the proceeds from the Share issue have been invested. In light of this, the Company explores the conditions for carrying out the Share issue.

The Board of Directors has carefully considered the possibility to raise capital through a rights issue and makes the assessment that there are currently several reasons why it is more beneficial for the shareholders to raise capital through a directed share issue. A rights issue would take significantly longer time to execute, which could have a negative impact on the Company. In addition, a rights issue could require underwriting commitments from an underwriting syndicate, which could entail higher costs and/or greater dilution and a rights issue would likely have to be carried out at a lower subscription price based on the discount levels applied in recent rights issues. Furthermore, the Company wishes to expand and strengthen its base of institutional shareholders, with the aim of strengthening the liquidity of the Company's share.

The Board of Directors' assessment is thus that an issue of shares with deviation from the shareholders' preferential rights is the most suitable alternative. The subscription price would be determined through

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a book building procedure. It is therefore the Board of Directors' assessment that the subscription price would be set on market terms, such that it reflects prevailing market conditions and investor demand.

Conditions for the Share issue

The Share issue would be resolved by the Board of Directors under the authorization granted by the annual general meeting on 9 May 2023. Pricing and allocation would in such case take place before the beginning of trading on Nasdaq Stockholm on 21 June 2023. The Company will inform about the result of the Share issue in a press release when the book building procedure has been finalized. The Board of Directors may at any time decide to terminate the process and refrain from executing the Share issue.

Lock-up

Provided that the Share issue is completed, the Company will undertake not to, during a period of 90 calendar days after the settlement date of the Share issue, without the consent of the Joint Bookrunners, propose or issue further shares, with certain exceptions, for example in connection with implementation of the Company's incentive programs.

Furthermore, the Company's board members and senior executives will undertake not to, with certain exceptions, without the consent of the Joint Bookrunners, sell or in other ways dispose of their shares in the Company for a period of 90 calendar days following settlement of the Share issue.

Advisors

ABG Sundal Collier AB and J.P. Morgan SE act as Joint Bookrunners in connection with the Share issue. Cirio Advokatbyrå AB acts as legal advisor to the Company and Baker & McKenzie Advokatbyrå KB as legal advisor to the Joint Bookrunners.

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 March 2023 amounted to 3,894,000 square metres, distributed over 749 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. The information was released for publication, through the agency of the contact person above, on 20 June 2023 at 17:31 (CEST).

IMPORTANT INFORMATION

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This press release does not constitute an investment recommendation. The price and value of securities and any income from them can go down as well as up and you could lose your entire investment. Past performance is not a guide to future performance. Information in this announcement cannot be relied upon as a guide to future performance.

This press release contains forward-looking statements that reflect Sagax's current view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "estimate" and other expressions involving indications or predictions regarding future development or trends, not based on historical facts, identify forward-looking statements and reflect Sagax's beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual events and performance to differ materially from any expected future events or performance expressed or implied by the forward-looking statement. The information contained in this press release is subject to change without notice and, except as required by applicable law, Sagax does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise.

In order to comply with the product governance requirements contained in: (a) Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as consolidated, ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593, which complements MiFID II; and (c) national implementing measures (together, the "MiFID II Product Governance Requirements") and to disclaim any extra-contractual, intra-contractual or other liability to which any "manufacturer" (within the meaning of the MiFID II Product Governance Requirements) may otherwise be subject, the shares of Sagax have been subject to a product approval process, which has determined that those shares are: (i) suitable for a target market consisting of retail investors and investors meeting the criteria of professional clients and eligible counterparties, as defined in MiFID II (the "Positive Target Market"); and (ii) suitable for distribution through all distribution channels permitted under MiFID II. Distributors should note that: the price of the Sagax shares may fall and investors may lose all or part of their investment; the Sagax shares are not subject to any guarantee of return or capital protection; and an investment in the Sagax shares is only suitable for investors who are not in need of a guaranteed return or capital protection and who (alone or with the assistance of an appropriate financial or other adviser) are capable of evaluating the merits and risks of such investment and have sufficient resources to bear the losses that may result from such investment. Conversely, an investment in the shares of Sagax is not suitable for investors who need full capital protection or full repayment of the amount invested, cannot bear any risk or who require a guaranteed or predictable return (the "Negative Target Market", and together with the Positive Target Market, the "Target Market"). The Target Market assessment is without prejudice to any other requirements regarding contractual, legal or regulatory sales restrictions in relation to the Share issue. Furthermore, it should be noted that notwithstanding the Target Market assessment, the Managers will only provide investors who meet the criteria of professional clients and eligible counterparties.

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For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Sagax. Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Sagax and determining appropriate distribution channels.