

AB | SAGAX

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ADJUSTED DIVIDEND PROPOSAL AND UPDATE DUE TO COVID-19

- The proposed dividend on Class A and Class B common shares will be adjusted from SEK 1.30 to SEK 0.65.
- The adjustment to the dividend proposal is due to the higher level of uncertainty caused by COVID-19.
- Limited impact of COVID-19 on the operations to date and solid financial position.
- An additional dividend of SEK 0.65 on Class A and Class B common shares may be proposed at an Extraordinary General Meeting in the autumn.
- The proposed dividend of SEK 2.00 per Class D common share and per preference share remains unchanged.

Adjusted dividend proposal

One of the long-term objectives established for AB Sagax ("Sagax" or "the company") is that dividends are to correspond to about one third of profit from property management. This dividend target reflects Sagax's stable earnings and capital structure.

As a result of COVID-19, macroeconomic conditions have deteriorated and uncertainty has increased. The impact on Sagax has been limited to date. The impact of COVID-19 on the company will depend on how fast and at what level the economic activity will stabilise. Accordingly, as a precautionary measure, the Board of Directors has adjusted the dividend proposal for Class A and Class B common shares.

The Board has decided to adjust its dividend proposal for 2019 from SEK 1.30 to SEK 0.65 per Class A and Class B common shares. An additional dividend of SEK 0.65 per Class A and Class B common shares may be proposed at an Extraordinary General Meeting in the autumn, if deemed appropriate.

The previous proposal of SEK 2.00 per Class D common share and per preference share remains unchanged.

Update regarding the operations

On 31 March 2020, Sagax's property holdings comprised 653 properties with a lettable area of 3,297,000 square metres. The property portfolio is concentrated to industrial and warehouse properties. Sagax's exposure to particularly vulnerable sectors, such as the hotel, restaurant and tourism sectors, is low.

On 31 March 2020, Sagax's cash and available credit facilities amounted to SEK 4,538 M, of which SEK 1,740 M in cash. Sagax's cash flow from operating activities amounted to SEK 1,795 M in 2019. Sagax has no bank or bond funding that falls due for payment in 2020. Contracted acquisitions that have not yet been closed amounted to SEK 205 M on 31 March 2020. Ongoing investments in the existing portfolio are expected to be less than SEK 427 M for 2020.

The average economic occupancy rate on 31 March 2020 was 95.3 %. Rental revenue is distributed between 1,765 leases. 79 % of revenue was attributable to 1,754 leases, each with a rental value of less than 1 % of the company's rental revenue. Sagax's average rent losses amounted to less than 0.1 % of rental revenue during the last 10-year period. However, the impact of the negative macroeconomic development on Sagax's tenants is unavoidable. In recent weeks, Sagax has assisted individual tenants and allowed adjustments of payment periodicity from quarterly to monthly payments for 11 % of its rental revenue for the second quarter 2020. Sagax's aim is to reach constructive solutions that safeguard the long-term interests of both the tenants and Sagax's shareholders.

An average of six business days after the due date, Sagax had received a total of 95 % of rental revenue in Sweden, Finland, Denmark, Germany, the Netherlands and Spain.

13 % of Sagax's rental revenue is attributable to the company's operations in France. Six business days after the due date, 67 % of rents in the French property portfolio had been received (71 % at the same time in the preceding quarter). Temporary legislation has been introduced in France that affects Sagax's ability to collect rent payments in time. However, Sagax's right to receive contractual rents has not been affected. The temporary legislation will cease to have effect one month after the end of the ongoing lockdown in France.

Sagax is continuously monitoring developments and seeks to protect the health and safety of its employees, and has taken the necessary measures to reduce the spread of the virus in society. Sagax's employees are mainly working from home and have full access to the computer systems needed to maintain business operations.

Information regarding 2020 Annual General Meeting

Due to the risk of COVID-19, the company has taken precautionary measures ahead of the Annual General Meeting (AGM) to protect the health of shareholders and employees and to attempt to limit any spread of the virus. Examples of these precautionary measures are that planned presentations will be restricted to a minimum and no light refreshments will be served. Participation by company management, the Board and other attendees who are not shareholders will be limited. The company encourages shareholders to consider the option of participating at the AGM through a proxy instead of attending in person. A power of attorney form to authorise a proxy to represent a shareholder is available from Sagax's website. The company will also make it possible to vote by post. A form for voting by post will be available on the Sagax website in good time prior to the AGM and will be sent by post to the shareholders requesting such a form and providing their postal address. Sagax will also propose to AGM participants that it will be possible to follow the Meeting on Sagax's website to allow shareholders not attending in person to follow the proceedings of the Meeting.

Complete adjusted dividend proposal

New dividend proposal

The Board proposes that the AGM resolve in favour of a dividend of SEK 0.65 per Class A and Class B common share and that the AGM also resolve in favour of a dividend of SEK 2.00 per preference share and Class D common share for the 2019 fiscal year, with quarterly payments of SEK 0.50 per preference share and Class D common share. The Board proposes 8 May 2020 as the record date for payment of dividends on Class A and Class B common shares. The dividend is expected to be paid by Euroclear on the third working day after the record date. The Board proposes Tuesday 30 June 2020, Wednesday 30 September 2020, Wednesday 30 December 2020 and Wednesday 31 March 2021 as the record dates for the payments of dividends on preference shares and Class D common shares. The dividend is expected to be paid by Euroclear on the third working day after each record date.

Previous dividend proposal

The Board proposes that the AGM resolve in favour of a dividend of SEK 1.30 per Class A and Class B common share and that the AGM also resolve in favour of a dividend of SEK 2.00 per preference share and Class D common share for the 2019 fiscal year, with quarterly payments of SEK 0.50 per preference share and Class D common share. The Board proposes 8 May 2020 as the record date for payment of dividends on Class A and Class B common shares. The dividend is expected to be paid by Euroclear

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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 on 31 March 2020 amounted to 3,297,000 square metres, distributed between 653 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 14 April 2020 at 8:00 a.m. CEST.

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.