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# AB | SAGAX

PRESS RELEASE no 27, 2023

Stockholm, 13 November 2023

## SAGAX EXPLORES THE CONDITIONS FOR CARRYING OUT A DIRECTED ISSUE OF APPROXIMATELY 10 MILLION COMMON SHARES OF CLASS B

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 approximately 10 million common shares of Class B (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 2023, Sagax has invested SEK 5.4 billion through 31 separate transactions in 7 countries.

In June 2023, the Company conducted a directed share issue of common shares of Class B of SEK 2 billion to seize attractive investment opportunities while maintaining a conservative capital structure and a strong liquidity position. Since the share issue, Sagax has invested SEK 4.3 billion through 18 separate transactions in 6 countries. These acquisitions are expected to generate an attractive risk-adjusted return and contribute to an increased profit from property management per share.

Sagax has performed positively in 2023, and the Company has gradually raised the forecast for this year's profit from property management from SEK 3,600 million to SEK 3,900 million. In 2023, Sagax has also received an upgraded credit rating ("Baa2, Stable outlook") as a result of its continued strong operational and financial development according to Moody's Investors Service.

Sagax believes that the Company's investment strategy will continue to contribute to the growth of the profit from property management per share, which on average has been 21 percent per year during the past 5 years, and that the current market environment could present additional attractive investment opportunities for Sagax shareholders. At the same time, Sagax appreciates that external risk levels are elevated and that financial markets are volatile. Therefore, the Company is committed to maintain a conservative capital structure and a strong liquidity position while also taking advantage of investment opportunities deemed value-creating for the shareholders.

It is the Board of Directors' assessment that the Share issue would result in higher profit from property management, cash flow, and net asset value per share after the proceeds from the Share issue have been invested. Therefore, the Company is exploring the conditions for conducting 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 could have a negative impact on the Company, for example it would entail higher costs for the Company and take significantly longer

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time to carry out, which, especially in the current market conditions, would involve an exposure to potential market volatility. 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 the Share issue is the most suitable alternative in the best interest of all shareholders. The subscription price would be determined through 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 14 November 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 customary exceptions.

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 Global Coordinators and 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 Global Coordinators and 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 30 September 2023 amounted to 4,170,000 square metres, distributed over 811 properties. AB Sagax (publ) is listed on Nasdaq Stockholm, Large Cap. More information is available at [www.sagax.se](http://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 13 November 2023 at 17:31 (CET).

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In the United Kingdom, this press release is directed only at, and communicated only to, persons who are qualified investors within the meaning of article 2(e) of the Prospectus Regulation (2017/1129) who are (i) persons who fall within the definition of "investment professional" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (ii) persons who fall within article 49(2)(a) to (d) of the Order, or (iii) persons to whom it may otherwise be lawfully communicated (all such persons referred to in (i), (ii) and (iii) above together being referred to as "Relevant Persons"). This press release must not be acted on or relied on by persons in the UK who are not Relevant Persons.

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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

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*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.*

*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.*