

AB | SAGAX

Prospectus for the admission to trading on
NASDAQ OMX Stockholm of maximum EUR 150,000,000
senior unsecured floating rate notes 2014/2019
Series No. 4

IMPORTANT NOTICE

This prospectus (the "Prospectus") has been prepared by AB Sagax (publ) (the "Issuer", "Sagax" or the "Company" and together with its direct and indirect subsidiaries, unless the context indicates otherwise, the "Group"), a public limited liability company (Sw. aktieföretag) governed by the laws of Sweden, with its registered office at Engelbrektsplan 1, SE-114 34, Stockholm, Sweden and with corp. reg. no. 556520-0028, in relation to the application for the listing of the senior unsecured floating rate notes (the "Notes") on the corporate bond list on NASDAQ OMX Stockholm ("NASDAQ OMX"). Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy, nor is there any sale of the securities being offered.

Nordea Bank AB (publ) ("Nordea") has acted as sole bookrunner in connection with the issue of the Notes. This Prospectus has been prepared in accordance with the standards and requirements of the Swedish Financial Instruments Trading Act (Sw. lag (1991:980) om handel med finansiella instrument) (the "Trading Act") and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council. This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "SFSA") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this Prospectus is correct and complete. This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is available at the SFSA's website (www.fi.se) and the Issuer's website (www.sagax.se).

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company's auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, references to "euro", "€" and "EUR" refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, and references to "SEK" refer to Swedish krona, the legal currency of Sweden.

Each Note will be issued with a nominal amount of EUR 100,000 or full multiples thereof.

This Prospectus may not be distributed in any jurisdiction where such distribution would require any additional prospectus, registration or measures other than those required under Swedish law, or otherwise would conflict with regulations in such jurisdiction. Persons into whose possession this Prospectus may come are required to inform themselves about, and comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. The Notes have not been, and will not be, registered under the United States Securities Act of 1933 or the securities laws of any state or other jurisdiction outside Sweden. Subject to certain exemptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be provided, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Note implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer's or the Group's business since the date of this Prospectus. If the information in this Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to prospectuses in the Trading Act.

Each potential investor in the Notes must in light of its own circumstances determine the suitability of the investment. In particular, each potential investor should:

- (a) have adequate knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this document or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to assume all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency; and
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and scenarios for economic, interest rate and other factors that may affect its investment and its ability to assume the applicable risks.

Forward-looking statements and market data

This Prospectus contains certain forward-looking statements that reflect the Issuer's current views or expectations with respect to future events and financial operational performance. The words "intend", "estimate", "may", "plan", "anticipate" or similar expressions regarding indications and forecast of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Although the Issuer believes that these statements are based on reasonable assumptions and expectations, the Issuer cannot give any assurances that such statement will materialize. Because these forward-looking statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statement.

Factors that could cause the Issuer's and the Group's actual operations, results or performance to differ from the forward-looking statements include, but are not limited to, those described in "Risk factors". The forward-looking statements included in this Prospectus apply only to the date of this Prospectus. The Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. Any subsequent forward-looking information that can be ascribed to the Issuer and the Group or persons acting on the Issuer's behalf is subject to the reservations in or referred to in this section.

This Prospectus contains market data and industry forecasts, including information related to the sizes of the markets in which the Group participates. The information has been extracted from a number of sources. Although the Issuer regards these sources as reliable, the information contained in them has not been independently verified and therefore it cannot be guaranteed that this information is accurate and complete. However, as far as the Issuer is aware and can assure by comparison with other information made public by these sources, no information has been omitted in such a way as to render the information reproduced incorrect or misleading. In addition to the above, certain data in this Prospectus is also derived from estimates made by the Issuer.

Words and expressions defined in the Terms and Conditions have the same meanings when used in this Prospectus, unless expressly stated or the context requires otherwise.

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RISK FACTORS

An investment in corporate bonds always involves a certain degree of risk. A number of factors affect and may come to affect Sagax's result, financial position and the value of the Notes. Below is a description of risk factors, which Sagax considers to be the most relevant to an assessment by a prospective investor of whether to invest in the Notes. However, potential investors should note that the below is a summary of risk factors and shall not be considered as a complete record of all risks, nor are the risks ranked in order of importance. The intention is to describe risks that are linked to Sagax's operations and its ability to fulfill its obligations in accordance with the terms and conditions of the Notes (the "Terms and Conditions").

Before making a decision to invest in the Notes, any potential investor should carefully consider the risk factors outlined below, as well as any other information provided (such as the final Terms and Conditions and any public available financial and other information of Sagax). In addition, an investor must, alone or together with its financial and any other adviser it deems appropriate, engage in an analysis of the global market conditions and general information about the relevant real property markets and real property companies from its own perspective. An investor should have adequate knowledge to evaluate the risk factors as well as sufficient financial strength to assume these risks.

Additional risk factors, other than those outlined below, may affect the Company's ability to pay interest, principal or make any other payments in respect of the Notes and the Company does not claim (explicitly or implicitly) that the description below is exhaustive.

RISKS RELATED TO SAGAX

Rental income and development

Sagax's revenue is affected by the long-term demand for warehouses and industrial premises, the properties' tenancy ratio and the rent levels. The rent level risk is related to the development of current market rents. The average term of Sagax's lease agreements is long, but, Sagax could be adversely affected by a long-term negative development of the relevant market rents.

Credit risk

Sagax's main credit risk is the tenants being unable to fulfill their obligation to pay rent under the lease agreements, which could adversely affect Sagax's liquidity and result.

Operational and maintenance costs

Tenants leasing warehouses and light industrial premises usually have a relatively extensive liability for operations and maintenance. The most important operational costs are electricity and heating costs of the properties. In the event of vacancies, Sagax's result is not only affected by the loss of lease revenue but also by costs for, for example, electricity and heating, which would otherwise be paid for by tenants.

Risks related to transactions

Acquisitions of additional properties are a part of Sagax's ordinary business and such acquisitions inherently involve a degree of risk and uncertainty. A property acquisition entails risks such as future loss of tenants, environmental conditions and technical deficiencies.

When acquiring property companies, risks for taxes and legal disputes are added. Such risks can, if realized, adversely affect Sagax's result.

Fluctuations in property value

Sagax is exposed to changes of the Group's property portfolio's market value. Sagax reports the Group's properties at their fair value pursuant to the Swedish accounting standard IAS 40 Förvaltningsfastigheter, which means that the consolidated booked value of the properties, corresponds to their aggregated estimated market value. This means that a decrease in the market value of the properties will adversely affect Sagax's balance sheet and income statements. In order to prepare the accounts pursuant to generally accepted accounting principles in Sweden, the management of Sagax must make assessments and assumptions that affect the value of the assets and liabilities and income and costs, as well as other information in the financial reports. The actual outcome can deviate from such assessments and assumptions. The valuation of investment properties is heavily affected by assessments and assumptions made by the management.

Holding companies

The Company is a holding company and the Group's operations are mainly run through its subsidiaries. The Company is hence dependent on its subsidiaries to fulfill its obligations under the Notes. The Group intends to provide the Company with liquidity by way of intra-group loans, dividends or other transfers of value in order for the Company to fulfill its obligations under the Notes. However,

if the subsidiaries do not provide liquidity, or due to other circumstances, conditions, laws or regulations are prevented from providing liquidity to the Company, there is a risk that the Company will not fulfill its obligations under the Notes.

Financing

Sagax is financed through equity and interest-bearing debt. Most of the interest-bearing debt is borrowed by the Company's property owning subsidiaries, which means that the financial risks in Sagax are primarily attributable to its subsidiaries. The Group's long-term financing consists of bilateral and syndicated credit facilities and a SEK 250,000,000 bond loan issued in 2010, a SEK 350,000,000 bond loan issued in 2012 and a SEK 500,000,000 bond loan issued in 2013. Swedish and foreign commercial banks are the main counterparties in the first mentioned credit facilities. In some cases there are certain obligations under the credit facilities on maintaining, for example, certain interest cover ratios and certain loan to value ratios. This means that the lenders could be entitled to demand repayment in advance if the relevant Group Companies do not fulfill such obligations. If such demand is made it could adversely affect Sagax's financial position.

Sagax and its subsidiaries are dependent on their ability to refinance existing financings as these fall due and to obtain additional financing at market terms in connection with for example property acquisitions. In case Sagax and its subsidiaries are unable to refinance existing financings or obtain additional financing at market terms, as a result of a deficiency in the capital market or for any other reason, this could adversely affect Sagax's operations, result and financial position.

Liquidity risk

Liquidity risk is defined as the risk of not having access to sufficient liquidity or credit commitments to cover its payment obligations, including payments of interest. A lack of liquidity to cover payments due could adversely affect Sagax's business and financial position. Sagax's working capital was SEK -58,000,000 as of 31 December 2013. Sagax's available capital was SEK 772,000,000 of which SEK 128,000,000 came from bank loans, SEK 494,000,000 came from long-term loan commitments and SEK 150,000,000 came from short-term loan commitments. The utilisation of these credit commitments are not conditioned on Sagax providing any additional security.

Interest rate risk

Sagax's main current cost item is interest costs. Interest rate risk is defined as the risk of an effect on the financing cost of Sagax due to changes in the market interest rate. The interest rate risk is related to the development of current interest rates. As of 31 December 2013 the interest-bearing debt totaled SEK 7,032,000,000. A negative development, from Sagax's perspective, of interest rates would adversely affect Sagax's result and financial position.

Financial derivatives' change of value

Sagax uses financial instruments such as interest rate derivatives, mostly nominal interest rate swaps, to manage interest rate risks related to its high share of loans with short-term interest periods. The interest rate derivatives are currently reported at their fair value in the balance sheet. Change of value is reported in Sagax's income statement. In line with changes in the market interest rates, either a surplus value or a negative value will arise in such interest rate derivatives. Sagax purpose with using the interest rate derivatives is to increase the predictability of its profit from property management and to decrease its financial risk. Decreasing market interest rates will result in decreased market value of Sagax's interest rate derivatives, which could adversely affect the result and financial position of Sagax.

RESULT EFFECTS GIVEN A SHIFT IN THE SWAP RATE



Currency risk

As of 31 December 2013, the Group owned 42 properties in Finland and five properties in Germany, which results in an exposure to the euro currency. The properties are financed by equity and bank loans. The bank loans for the Finnish and German properties are denominated in euro. The interest-bearing debt in euro was equal to SEK 2,145,000,000 as of 31 December 2013. At the same time, the market value of the properties in Finland and Germany was equal to SEK 3,498,000,000. The net exposure as of 31 December 2013, assets minus debts in euro, totaled SEK 1,353,000,000. Sagax's accounting pursuant to IAS 21 results in the majority of exchange rate effects being reported directly against the equity. Only a minor part of the exchange rate effects is reported in the income statement.

The Group also owns a property in Denmark. The market value of the property in Denmark was SEK 20,000,000. The property was not mortgaged as of 31 December 2013.

Organisational risks

Sagax has a relatively small organisation, which leads to a dependence on key persons. Sagax's future development is to a large extent dependent on the experience, knowledge and commitment of management and other key personnel. Sagax could be adversely affected should one or several of such key persons terminate their employment.

Operational risks

Sagax might incur losses within its continuing operations due to insufficient routines, lack of control or abuse.

Environmental risk

Pursuant to current environmental law the liability for pollution and other environmental damages is, as a general rule, on the current and previous operator of a property. Sagax does not run any business that requires permission under the Swedish Environmental Code (Miljöbalken (1998:808)). However, there might be tenants, who are deemed to be operators under the Swedish Environmental Code, whose operations require permission under the Swedish Environmental Code. If no operator is able to carry out or pay for the after-treatment of a property, the person who acquired the property after 1 January 2000 and at the time of the acquisition was aware of the pollution, or ought to have detected it in connection with the acquisition, is liable for the after-treatment. This means that claims for decontamination or after-treatment of any actual or suspected pollution in land, water area or groundwater in certain circumstances may be directed against members of the Group in order to ensure that the property is in such condition as is required by the Swedish Environmental Code. Such claim could adversely affect Sagax's result and financial position.

Sensitivity analysis as of 31 December 2013

Sagax's exposure to material risks in its business is described below. The chart illustrates how improvements and deteriorations of different corporate or global factors affect Sagax's profit from property management and result before taxes.

SENSITIVITY ANALYSIS AT DECEMBER 31, 2013

Amount in SEK M	Change	Effect on profit from property management, annual basis
Economic leasing rate	+/-1%	+/- 11
Rental revenue	+/-1%	+/- 10
Property expenses	+/-1%	-/+ 1
Borrowing costs for current fixed-interest periods and changed interest rates ¹⁾	+/-1% point	-/+ 17
Borrowing costs for change in average interest rate level ²⁾	+/-1% point	-/+ 70
Change in SEK/EUR exchange rate	+/-10%	+/- 23
Changed rent level for contract maturity in 2014	+/-10%	+/- 7
Amount in SEK M	Change	Effect on profit before tax, annual basis
Revaluation of fixed-income derivatives attributable to shift in interest rate curves ³⁾	+/-1% point	+205/-218
Change in SEK/EUR exchange rate ⁴⁾	+/- 10%	+/- 17

1) Taking into account financial derivatives.

2) Not taking into account financial derivatives.

3) Excluding share in profit of associated companies

4) Sagax's net exposure to the SEK/EUR exchange rate comprises assets and liabilities recognized in EUR, in addition to revenue and expenses in EUR.

The stated earnings effects refer to the impact on earnings that arise in conjunction with a change in the SEK/EUR exchange rate.

Taxes and changes in legislation

Changes in legislation related to corporate income tax, property tax and other taxes, for example changes in the possibility for depreciation for tax purposes and interest benefit could adversely affect Sagax's result. Sagax has accumulated tax losses. The Group's loss carry-forward as of the end of 2013 is estimated to amount to a total of SEK 155,500,000. Changes to the ownership of the Company resulting in a change of control of the Company can lead to limitations (in whole or in part) of the possibility to use such carry-forwards. Changes in legislation or case law can affect the possibility to use such carry-forwards. Sagax pays property tax for all properties except five, and has in most lease agreements agreed upon this cost being covered by the tenants. Further, a change in legislation or case law, for example within the lease, acquisition or environmental legislation, could have negative consequences for Sagax.

Other disputes

It cannot be ruled out that Sagax will become involved in future disputes. The results of any pending or future investigation, proceeding, litigation or arbitration brought by private parties, regulatory authorities or governments cannot be predicted. In addition, if an unfavourable decision were to be given against Sagax, significant fines, damages and/or negative publicity could adversely affect Sagax's operations, result and financial position.

Geographical risk

The supply and demand for properties and the return on property investments varies between different geographical markets and may develop differently within different geographical markets. Sagax has a diversified property portfolio, with its properties located in different geographical markets. However, the demand for premises to lease could decline in one or all of such markets, which could adversely affect Sagax's operations, result and financial position.

Competition

Sagax operates in a competitive sector. Sagax's future competitive potential is dependent on, amongst other things, Sagax's ability to predict future changes and its ability to quickly respond to present and future market needs. Consequently, it may become necessary for Sagax to make costly investments, restructurings or price reductions in order to adapt to a new competitive situation. Increased competition could adversely affect Sagax's operations, result and financial position.

RISKS RELATED TO THE NOTES

Bond loans can contain elements resulting in particular risks for potential investors. The interest rate for the Notes is relatively high, which should compensate the higher risk of a Holder, compared to an investment in, for example, government bonds having a lower interest rate.

Credit risk

If Sagax's financial position deteriorates it is likely that the credit risk associated with the Notes will increase since the risk that Sagax cannot fulfill its obligations under the Notes increases. Sagax's financial position is affected by numerous risk factors, some of which have been outlined above. An increased credit risk could result in the market pricing the Notes with a higher risk premium, which would adversely affect the value of the Notes. Another aspect of the credit risk is that a deteriorated financial position could result in a lower credit-worthiness, which could affect Sagax's ability of refinancing when the Notes mature.

Interest rate risk

The value of the Notes is dependent on several factors, one of the most significant over time being the level of the general market interest rates. The Notes have a floating rate structure based on 6 month Euribor, and the interest rate of the Notes will be determined two business days prior to the first day of each Interest Period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. However, an increase of the general interest rate level (including margins) could adversely affect the value of the Notes. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is outside the Company's control.

Holdings' meeting

The Terms and Conditions include certain provisions regarding Holders' meetings, which may be held in order to resolve on matters relating to the Holders' interests. Such provisions allow for designated majorities to bind all Holders, including Holders who have not participated in or voted at the actual meeting or who have voted differently than the required majority, to decisions that have been taken at a duly convened and conducted Holders' meeting.

Holdings' representation

In accordance with the Terms and Conditions, the Agent represents all Holders in all matters relating to the Notes. However, this does not rule out the possibility that the Holders, in certain situations, could bring their own action against Sagax. To enable the Agent to represent the Holders in court, the Holders may have to submit a written power of attorney for legal proceedings. The failure of all investors to submit such a power of attorney could negatively impact the enforcement of the Notes. Under the Terms and Conditions the Agent has the right in some cases to make decisions and take measures that bind all Holders.

Liquidity risk

Sagax will apply for registration of the Notes on the List of Corporate Bonds of the Regulated Market of NASDAQ OMX Stockholm after this Prospectus has been approved by the SFSA. However, it cannot be ascertained that an active market for the Notes will

evolve. Generally there exists a functioning commercial secondary market for bonds. There might not be an existing trading market for more complex bonds when such bonds are registered and a secondary market may not even develop. This can result in Holders not being able to sell their Notes when they wish to or at a yield comparable to similar investments having an existing and functioning secondary market. A lack of liquidity in the market could have an adverse effect on the market value of the Notes.

Clearing and settlement in Euroclear Sweden's account-based system

The Notes will be affiliated to and will continue to be affiliated to Euroclear Sweden's account-based system. Consequently, no physical notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of principal amounts, will be performed within the account-based system. The Holders are therefore dependent on the functionality of the account-based system.

Preferential right

Sagax intends to find financing which is, in Sagax's opinion, suitable and beneficial for the Group. This means that bank loans could be raised and securities issued which are secured by mortgages over properties, normally constituting a claim on Sagax with preferential rights. The Notes represent an unsecured obligation of Sagax. This means that in the event of Sagax's liquidation, company reorganisation or bankruptcy, Holders will receive payment only after any creditor with a claim with preferential right, normally with security over certain assets, have been paid in full. Every potential investor should be aware that by purchasing Notes, it risks losing the entire or parts of its investment in the event of Sagax's liquidation, company reorganisation or bankruptcy.

Changes in legislation

The Terms and Conditions are based on Swedish legislation applicable at the date hereof. There can be no assurance as to the effect of any potential future change in legislation, case law or administrative practice. Changes in legislation, case law or administrative practice related to corporate income tax, property tax and other tax, for example changes to the possibility to make depreciation for tax purposes or in legislation relating to leases or the environment could adversely affect Sagax's operations, result and financial position.

Prepayment risk

Sagax has a right under the Terms and Conditions to redeem all outstanding Notes in advance. If so, a certain additional sum shall be paid. There is a risk that the market value of the Notes is higher than the price that Sagax may be entitled to redeem the Notes for. However, an early redemption can never be made at an amount lower than a nominal amount of 100 per cent.

THE NOTES IN BRIEF

The following summary of the Notes contains basic information about the Notes. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete un-

derstanding of the Notes, including certain definitions of terms used in this summary, see "Terms and Conditions of the Notes."

Issuer:	AB Sagax (publ), corp. reg. no 556520-0028, is a public limited liability company (Sw. publikt aktiebolag) subject to the Swedish Companies Act (aktiebolagslagen (2005:551)), incorporated in Sweden and registered with the Swedish Companies Registration Office (Bolagsverket) on 14 July 1995. The seat of the Board of Directors is in Stockholm. The Issuer is a property company whose business concept is to invest in commercial properties, primarily in the warehouse and light industry segment.
Status:	The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer.
ISIN:	SE0005796398.
The aggregate amount of the Notes:	The aggregate amount of the bond loan will be an amount of up to a maximum of EUR 150,000,000. The Issuer may choose not to issue the full amount of Notes on the Issue Date and may in such case choose to issue remaining amount of Notes at one or more subsequent dates. Notes issued on such subsequent date(s) may be issued at any other price than the Nominal Amount. At the date of this Prospectus, an amount of Notes of EUR 60,000,000 has been issued and is outstanding.
Nominal amount:	The Notes will have a nominal amount of EUR 100,000 or full multiples thereof.
Issue date:	11 March 2014.
Final redemption date:	11 March 2019, or if such date falls on a day which is not a Banking Day, the Final Redemption Date will instead be the next following Banking Day.
Interest rate:	EURIBOR plus 3.20 per cent per annum. Interest accrues during each Interest Period. Payment of interest in respect of the Notes shall be made to the Holders on each Interest Payment Date for the Interest Period ending on such date. Interest shall be calculated on an actual/360-days basis.
Interest payment date:	15 January and 15 July each year, with the first Interest Payment Date falling on 15 July 2014. If an Interest Payment Date falls on a day which is not a Banking Day, the Interest Payment Date will instead be the next following Banking Day unless that day falls in the next calendar month, in which case the Interest Payment Date will be the first preceding day that is a Banking Day (modified following business day convention).
Interest determination date:	The day falling two (2) Banking Days prior to the first day of each Interest Period. The Interest period means the period from (but excluding) (i) the date of the issuance of a Note or (ii) the previous Interest Payment Date (as applicable), up to (and including) (i) the subsequent Interest Payment Date or (ii) the Final Redemption Date (as applicable).
Early redemption by the Holders:	Provided that the Agent has given notice to the Holders that (i) someone is unconditionally obligated to make an offer to the relevant stock market to acquire all of the shares of the Company pursuant to the Swedish Act on Public Acquisition Offerings (2006:451) or (ii) a Listing Failure has occurred, each Holder may individually within 30 Banking Days from being so notified call for an early redemption by the Company of all Notes of that Holder in their entirety. The Company shall redeem the relevant Notes on the last Banking Day which falls in the calendar month immediately following the calendar month in which the relevant notice for an early redemption call was received, provided that the relevant Holder's Notes have been blocked for further transfer not later than on the fifth (5th) Banking Day preceding such date. Each Note shall be redeemed at the Nominal Amount together with accrued interest.

Early redemption by the Issuer:

The Company may redeem all, but not less than all, Notes on any Banking Day falling after the second (2nd) anniversary of the Issue Date by giving the Holders notice not less than 30 days and not more than 60 days prior to the proposed Early Redemption Date. The notice shall be irrevocable and state the Early Redemption Date and the relevant Record Date. Each Note shall be redeemed at an early redemption amount equal to:

- a) 104.00 per cent of the Nominal Amount, if early redemption occurs during the period from the second (2nd) anniversary of the Issue Date up to and including the third (3rd) anniversary of the Issue Date;
- b) 102.50 per cent of the Nominal Amount, if early redemption occurs during the period from the third (3rd) anniversary of the Issue Date up to and including the fourth (4th) anniversary of the Issue Date;
- c) 101.00 per cent of the Nominal Amount, if early redemption occurs during the period from the fourth (4th) anniversary of the Issue Date up to and including the date falling fifty-four (54) months from the Issue Date; and
- d) 100.00 per cent of the Nominal Amount, if early redemption occurs during the period from the date falling fifty-four (54) months from the Issue Date up to the Final Redemption Date.

In addition, the Company shall pay accrued interest.

Certain undertakings

The Terms and Conditions contain a number of special undertakings which restrict the business of the Issuer and other Group Companies, including, inter alia:

- Restrictions on paying dividends or similar distributions to holders of shares;
- Restrictions on making any changes to the nature of the business of the Issuer from that contemplated by its articles of association as per the Issue Date;
- Restrictions on disposal of assets that are material for the general operations of the Issuer (other than at arm's length);
- Restrictions in granting of security for any Market Loan raised by the Issuer or another Group Company, other than any Senior Market Loan;
- Restrictions on issuing any Market Loan, except for any Senior Market Loan, on conditions which would make the Notes subordinated, and restrictions on issuing any Senior Market Loan, with a principal amount exceeding seventy (70) per cent of the market value of the real properties securing such Senior Market Loan;
- Restrictions on the incurrence of certain new Financial Indebtedness;
- Following an admission to trading at the NASDAQ OMX, the Issuer shall take all actions on its part to maintain such admission as long as any Notes are outstanding; and
- The Issuer shall prepare and publish quarterly reports.

Each of these special undertakings is subject to significant exceptions and qualifications. See "Terms and Conditions".

Listing:

An application will be made to list the Notes on NASDAQ OMX.

Agent:

CorpNordic Sweden AB, corp. reg. no. 556625-5476, Box 16285, 103 25 Stockholm.

Governing law:

Swedish law.

Risk factors:

Investing in the Notes involves substantial risks and prospective investors should refer to "Risk Factors" for a discussion of certain factors that they should carefully consider before deciding to invest in the Notes.

BUSINESS DESCRIPTION OF SAGAX

GENERAL CORPORATE AND GROUP INFORMATION

The Issuer's legal and commercial name is AB Sagax (publ) and its corp. reg. no is 556520-0028. The Issuer was incorporated in Sweden and registered with the Swedish Companies Registration Office (Sw. Bolagsverket) on 14 July 1995. The Issuer is a public limited liability company (Sw. publikt aktiebolag) subject to the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)). The seat of the Board of Directors is in Stockholm.

Pursuant to the Issuer's Articles of Association (§3), adopted at Annual General Meeting on 7 May 2013, the object of the Issuer's business shall be to, directly or through subsidiaries, own and manage and trade with real property, and other business incidental thereto.

The registered office is at Engelbrektsplan 1, 114 34 Stockholm, Sweden. The telephone number of the Issuer is +46 (0)8 545 83 540.

BUSINESS CONCEPT

Sagax is a property company whose business concept is to invest in commercial properties, primarily in the warehouse and light industry segment.

COMPANY GOALS

The company's overall goal is to, over the long term, generate the highest possible risk-adjusted return for the Company's shareholders. To reach this goal, Sagax has set the following operational targets:

- Sagax shall have a clear focus on long-term growth of the company's income from property management. Long-term lease agreements and long fixed-interest periods create the conditions for efficient use of the group's equity and ensure a stable return from the property holdings.
- Sagax shall strive to manage the company with high efficiency and low operational risk.
- Sagax shall continue to expand through complementary property acquisitions and investments in existing property holdings.

STRATEGIES

Management strategy

Sagax pursues efficiency and a long-term approach in its management strategy. The management strategy includes actively pursuing long leases. This applies equally to new leases and to the management of existing leases. The focus is to abstain from attempting to maximize rent levels in any given moment in favor of reaching lease agreements of a longer duration with solvent tenants.

The average lease term for the portfolio as a whole was 8.0 (8.4) years at year-end 2013.

Investment strategy

Sagax invests primarily in warehouse and light industrial properties. The objective is to carry out additional property acquisitions and complementary investments in existing properties. Property acquisitions and investments in the existing portfolio aim to increase

cash flow and diversify rental revenue and thereby to reduce the operational and financial risk.

Funding strategy

The funding structure of Sagax has a focus on operating cash flow and the interest coverage ratio. This is expected to create prerequisites for expansion and an attractive return on shareholders' capital.

Sagax has a conservative approach to risk. Accordingly, Sagax pursues long-term fixed interest and maturity structures to secure operating cash flow. The average fixed-interest period of the Group was 3.7 (5.2) years at year-end 2013. The long fixed-interest period reduces interest sensitivity but normally results in a higher average interest rate than a shorter fixed-interest period. The average maturity structure was 3.5 (4.3) years at year-end 2013.

Dividend strategy

Sagax's dividend strategy is to distribute about one third of the annual profit from property management in total dividend payments on common and preference shares. In addition, the Board can propose the distribution of non-recurring profits to shareholders. Financial targets

- Return on equity, measured over a five-year period, must amount to not less than 15% per year.
- Profit from property management per common share must increase by a minimum of 15% per year.
- The long-term target for the interest-coverage ratio is a minimum of 150%.
- The long-term target for the debt ratio is less than 70%.

PROPERTY PORTFOLIO

On December 31, 2013, the property portfolio comprised of 141 properties with a lettable area of 1,336,000 square meters. The average remaining lease term was 8.0 (8.4) years. The focus of the portfolio is on the Stockholm and Helsinki region where 60 per cent of the market value and 61 per cent of the rental value is concentrated. The total rental value and annual contractual rent amounted to SEK 1,051 million and SEK 971 million, respectively, at the end of 2013. This corresponds to an economic leasing rate of 92 per cent.

INVESTMENTS AND DIVESTMENTS

Investments

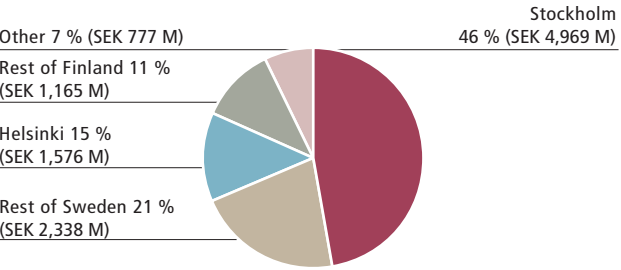
During 2013, the Group invested SEK 1,263 million, of which property acquisitions accounted for SEK 1,122 million. SEK 513 million of the investments were made in the Stockholm area and SEK 507 million in the Helsinki area, corresponding to 81 per cent of the investments carried out 2013.

In 2013, the Group acquired 14 properties with a total lettable area of 188,300 square meters. As at 27 March 2014, the Group has during 2014 acquired five properties with a total lettable area of 92,000 square meters.

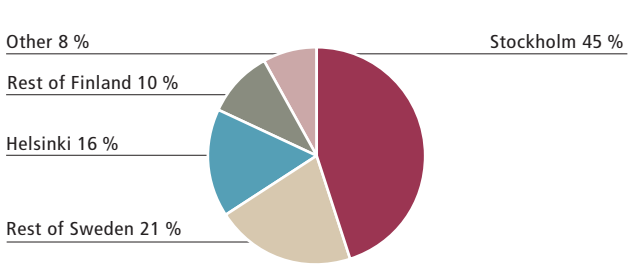
SUMMARY OF PROPERTY PORTFOLIO, JANUARY 1, 2014

Segment	No. of properties	Lettable area, sqm	Vacant area, sqm	Market value				Rental revenue		
				SEK M	SEK per sqm	Rental value, SEK	% of rental value	Economic leasing rate	SEK M	Share
Stockholm	57	504,000	54,000	4,969	9,900	473	45%	89%	423	44%
Rest of Sweden	36	372,000	24,000	2,338	6,300	216	21%	93%	200	20%
Helsinki	29	185,000	10,000	1,576	8,500	170	16%	96%	162	17%
Rest of Finland	13	207,000	–	1,165	5,600	110	10%	100%	110	11%
Other	6	68,000	–	777	11,400	82	8%	92%	76	8%
Total	141	1,336,000	88,000	10,825	8,100	1,051	100%	92%	971	100%

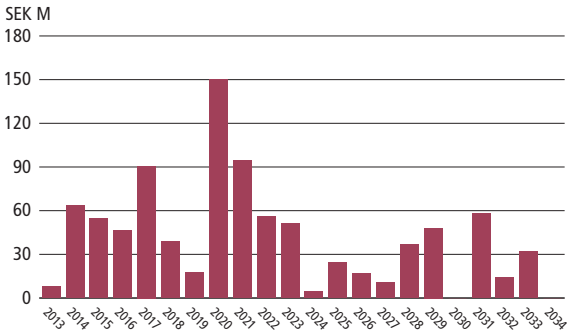
MARKET VALUE OF PROPERTIES



GROUP'S RENTAL VALUE



YEAR OF MATURITY OF ANNUAL RENT



In 2013, Sagax carried out investments of a total of SEK 141 million in the existing property portfolio. SEK 83 million of the investments for the year were carried out against rent supplements, SEK 25 million was invested in conjunction with new leases and SEK 33 million pertained to property maintenance.

Sagax has at the date of this Prospectus SEK [] million of investment undertakings for adjustments in relation with new leases and no other major investments is planned.

LEGAL STRUCTURE

AB Sagax (publ) is the ultimate parent company of the Group. The Issuer's operations mainly consist of owning shares in the operat-

ing subsidiaries, why it is dependent on the subsidiaries' ability to generate profits. At the date of this Prospectus the Group consisted of 99 subsidiaries, of which 34 located in Finland, 1 located in Denmark and the remaining in Sweden. In addition, AB Sagax (publ) owns 50 per cent of the shares and votes of the associated companies Hemsö Intressenter AB and Söderport Holding AB.

The Issuer's shareholding of directly owned subsidiaries as at the date of this Prospectus is outlined in the below table. Except for the holdings in Hemsö Intressenter AB and Söderport Holding AB, all shares in the subsidiaries are, directly or indirectly, to 100 per cent owned by the Issuer.

SHARE CAPITAL AND OWNERS

Sagax has three classes of shares: Class A common shares, Class B common shares, and preference shares. The total share capital amounts to SEK 366,231,166 distributed over 13,416,822 Class A common shares, 145,858,130 Class B common shares and 50,000,000 preference shares. 1,000,000 Class B shares, of the above mentioned outstanding Class B shares, were bought back on 16 December 2013. Following the above, Sagax's holding of treasury shares was 1,000,000 Class B shares. All shares are issued and fully paid for. Each Class A common share entitles the holder to one vote and each Class B common share and preference share entitles to holder to one tenth vote. Each preference share entails a preferential right to SEK 2.00 per preference share in annual dividends, with quarterly disbursement of SEK 0.50 per preference share.

Sagax's shares are listed on the NASDAQ OMX, Mid Cap. As of 31 December 2013, the Issuer had 7,237 shareholders.

As at 31 December 2013, the largest shareholders were:

LARGEST SHAREHOLDERS DECEMBER 31, 2013¹⁾

	No. of shares			Percentage of	
	Class A shares	Class B shares	Preference shares	Share capital	Votes ²⁾
David Mindus and companies	4,870,727	38,253,025	775	20.6%	26.4%
Rutger Arnhult and companies	2,693,819	22,206,260	61,711	11.9%	15.0%
Salén family and companies	2,008,733	17,585,330	78,595	9.4%	11.5%
Third Swedish National Pension Fund	–	11,689,910	–	5.6%	3.6%
Länsförsäkringar Fastighetsfond	–	10,326,927	–	4.9%	3.1%
Banque Carnegie Luxembourg	704,900	891,000	26,666	0.8%	2.4%
Robur Realinvest	250,000	2,500,000	–	1.3%	1.5%
Avanza Pension	36,349	944,395	3,096,870	1.9%	1.3%
Sifonen	167,500	1,669,800	10,033	0.9%	1.0%
Robur Småbolagsfond Sverige	133,731	1,863,275	–	1.0%	1.0%
Länsförsäkringar Småbolagsfond	–	3,003,091	–	1.4%	0.9%
Nordnet Pensionsförsäkring	65,197	642,839	1,602,568	1.1%	0.9%
SEB S.A.	95,949	959,490	716,098	0.8%	0.8%
Erik Selin Fastigheter	205,364	561,351	–	0.4%	0.8%
Gårdarike Invest	126,355	1,303,400	–	0.7%	0.8%
Johan Thorell and companies	101,627	1,016,270	499,999	0.8%	0.8%
Göran E Larsson and companies	102,400	1,024,000	201,335	0.6%	0.7%
Engelbert family and companies	122,500	945,000	–	0.5%	0.7%
Catella Hedgefond	–	–	2,101,360	1.0%	0.6%
Artelis Förvaltning	94,637	946,370	57,559	0.5%	0.6%
Total 20 largest shareholders	11,779,788	118,331,733	8,453,569	66.2%	74.3%
Other shareholders	1,637,034	26,526,397	41,546,431	33.3%	25.7%
Sub-total	13,416,822	144,858,130	50,000,000	99.5%	100.0%
Treasury shares held by AB Sagax	–	1,000,000	–	0.5%	0.0%
Total	13,416,822	145,858,130	50,000,000	100.0%	100.0%
– of which Board and employees	7,279,385	59,838,781	780,748	32.4%	40.5%

1) Ownership structure at December 31, 2013 is based on information from Euroclear Sweden and the Swedish Financial Supervisory Authority's insider register.

2) Voting rights for treasury shares held by AB Sagax have been excluded.

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

The Issuer's Board of Directors and the senior management can be contacted through the Issuer at its head office at Engelbrektsplan 1, 114 34 Stockholm, Sweden. Information regarding the members of the Board of Directors and the senior management is set forth below.

BOARD OF DIRECTORS

BOARD OF DIRECTORS' SHAREHOLDINGS IN SAGAX

Name	Born	Nationality	Position	Holdings in Sagax ¹⁾			Number of Call-options	Forwards
				Series A stock	Series B stock	Preference shares		
Göran E Larsson	1943	Swedish	Chairman	102,400	1,024,000	201,335	–	–
Filip Engelbert	1969	Swedish	Board member	122,500	945,000	–	–	–
David Mindus	1972	Swedish	Board member, Managing Director	4,870,727	38,253,025	775	–	30,000 shares series A and 300,000 shares series B (both sell)
Staffan Salén	1967	Swedish	Board member	2,008,733	17,585 330	78,595	–	10,000 shares series A and 100,000 shares series B (both sell)
Johan Thorell	1970	Swedish	Board member	101,627	1,016,270	499,999	–	–
Ulrika Werdelin	1969	Swedish	Board member	24,661	526,750	–	–	–
Johan Cederlund	1970	Swedish	Board member	–	–	–	–	–

1) As of 30 September 2013

Göran E Larsson

Board member since 2001 and Chairman of the Board since 2004. Member of the remuneration and audit committee.

Education: MSc in Engineering from KTH Royal Institute of Technology. MSc in Business and Economics from the Stockholm School of Economics.

Other relevant board positions: Chairman of the Board at ReadSoft AB, Aqeri Holding AB. Vice Chairman at Avega Group AB. Board member of: Header Compression Sweden Holding AB and Habia Cable AB. Senior Advisor at Evli Bank.

Johan Cederlund

Board member since 2010.

Education: MSc in Business and Economics from the Stockholm School of Economics and Master of Laws from Stockholm University.

Other relevant board positions: Chairman of the industry and trade group, Lotorp and chairman and Board member in companies within the Lotorp group.

Filip Engelbert

Board member since 2007.

Education: Bachelor of Science from Babson College, USA.

Other relevant board positions: Board member at Avito Holding AB (also has other Board positions in the Avito Group) and board member at Matterhorn Advisors AB.

David Mindus

Board member and Managing Director since 2004.

Education: MSc in Business and Economics from Stockholm University.

Other relevant board positions: Hemsö Fastighets AB.

Staffan Salén

Board member since 2004. Member of the remuneration committee

Education: MSc in Business and Economics from Stockholm University.

Other relevant board positions: Chairman of the Board at: eWork Scandinavia AB, Amapola AB and Fredells Trävaru AB. Board member at: Westindia AB, Direktflyg AB, Strand Kapitalförvaltning AB, Landauer Ltd and SNS (Centre for Business and Policy Studies).

Johan Thorell

Board member since 2004. Member of the audit committee.

Education: MSc in Business and Economics from the Stockholm School of Economics.

Other relevant board positions: Board member at: Fastighets AB Bromma Center Södra, Tagehus Holding AB, Hemsö Fastighets AB, Delarka Holding AB, Oscar Properties AB and Cassandra Oil AB.

Ulrika Werdelin

Board member since 2010.

Education: MSc in Business and Economics from the Stockholm School of Economics.

SENIOR MANAGEMENT

BOARD OF DIRECTORS' SHAREHOLDINGS IN SAGAX

Name	Born	Nationality	Position	Holdings in Sagax ¹⁾			Number of Call-options	Forwards
				Series A stock	Series B stock	Preference shares		
David Mindus	1972	Swedish	Board member, Managing Director	4,870,727	38,253,025	775	–	30,000 shares series A and 300,000 shares series B (both sell)
Björn Garat	1975	Swedish	Head of Finance and Deputy Managing Director	20 765	434,097	148	107,800 (series B)	40,000 shares series A and 400,000 shares series B (both buy)
Peter Larsen	1961	Swedish	CFO	9,586	95,860	44	10,300 (series A) and 173,000 (series B)	
Susanne Essehorn	1964	Swedish	Property Manager	–	–	–	10,000 (series A) and 170,000 (series B)	
Jaakko Vehanen	1976	Finnish	Managing Director	–	–	–	8,861 (series A) and 137,510 (series B)	
Johan Hedander	1980	Swedish	Business Developer	100	1,000	–	9,739 (series A) and 158,390 (Series B)	

1) As of 30 September 2013

Susanne Essehorn

Property Manager for Sagax since 2010.

Education: MSc in Business and Economics from Stockholm University.

Professional experience: Senior Asset Manager at GE Capital Real Estate and Property Manager at Fastighets AB Tornet.

Björn Garat

Head of Finance and Deputy Managing Director since 2012.

Education: MSc in International Economics and Business at Linköping University.

Professional experience: Head of Corporate Finance at Remium Nordic AB and financial analyst.

Johan Hedander

Business Developer at Sagax since 2007.

Education: MSc in Engineering from KTH Royal Institute of Technology.

Professional experience: Investment analysis and transactions in the property sector.

Peter Larsen

CFO at Sagax since 2004.

Education: MSc in Business and Economics from Stockholm University.

Professional experience: Managing Director at HSB Sverige AB and Chairman of the Board at: HSB Bank AB, HSB Produktion AB, HSB Fastighets AB, HSB Förvaltning AB and HSB Data AB.

David Mindus

Board member and Managing Director since 2004.

Education: MSc in Business and Economics from Stockholm University.

Professional experience: Analyst and business developer at various property companies and consulting companies.

Jaakko Vehanen

Managing Director at Sagax Finland Oy since 2007.

Education: MSc in Engineering at Helsinki University of Technology.

Professional experience: Responsible for the Finnish operations of Addici Facility Management Oy and Property Manager at Sponda Abp.

CONFLICTS OF INTEREST WITHIN ADMINISTRATIVE, MANAGEMENT AND CONTROL BODIES

There are no conflicts of interest between the duties of the Board members or senior management in respect of the Company and their private interests or other commitments.

The board members Göran E Larsson, Filip Engelbert, Staffan Salén, Johan Thorell, Ulrika Werdelin and Johan Cederlund are independent, in accordance with the Swedish Code of Corporate Governance, in relation to the Company, the senior management and the largest shareholders. Sagax's managing director David Mindus is not independent in relation to the Company, the senior management or the largest shareholders

AUDITORS

At the annual general meeting held on 7 May 2013, Ernst & Young, with authorised auditor Jonas Svensson as the auditor in charge, and authorised auditor Magnus Fredmer were elected as the Company's auditors to serve until the end of the annual general meeting in 2014. Ernst & Young, with authorised auditor Jonas Svensson as the auditor in charge, has been the Company's auditor since 2007. Authorised auditor Magnus Fredmer has been the Company's auditor since 2012. Jonas Svensson and Magnus Fredmer are members of FAR, the professional institute for the accountancy sector in Sweden. The office address of Ernst & Young is: Jakobsbergsgatan 24, Stockholm 103 99, Sweden.

HISTORICAL FINANCIAL INFORMATION

The Group's annual reports for 2011 and 2012 are incorporated into this Prospectus by reference. The documents incorporated by reference are to be read as part of this Prospectus. All such reports are available on the Company's website www.sagax.se and can also be obtained from the Company in hard copy.

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the interpretations provided by the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the EU. Furthermore, the Group also applies the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups. The annual reports of the Group have been audited. Other than the auditing of the Group's annual reports, the Group's accountants have not audited or reviewed any part of this Prospectus. The Group's consolidated income statement, balance sheet, cash flow statement, statement

of changes in equity and audit report for 2012 can be found in its annual report for 2012 on the following pages:

- consolidated income statement, page 92;
- consolidated balance sheet, page 94;
- consolidated cash flow statement, page 96;
- consolidated statement of changes in equity, page 97; and
- the audit report, page 133.

The Group's consolidated income statement, balance sheet, cash flow statement, statement of changes in equity and audit report for 2011 can be found in its annual report for 2011 on the following pages:

- consolidated income statement, page 84;
- consolidated balance sheet, page 86;
- consolidated cash flow statement, page 88;
- consolidated statement of changes in equity, page 89; and
- the audit report, page 124.

ADDRESSES

AB Sagax (publ)
Engelbrektsplan 1
SE-114 34 Stockholm
Tel: +46 8 545 83 540
www.sagax.se

Euroclear Sweden AB
Box 191
SE-101 23 Stockholm
Visiting address: Klarabergsviadukten 63
Tel: +46 8 402 90 00
www.euroclear.com

Nordea Bank AB (publ)
Smålandsgatan 17
SE- 105 71 Stockholm
Tel: +46 8 614 70 00
www.nordea.se

Ernst & Young AB
Box 7850
SE-103 99 Stockholm
Visiting address: Jakobsbergsgatan 24
Tel: +46 8 520 590 00
www.ey.se

CorpNordic Sweden AB
P.O. Box 162 85
SE-103 25 Stockholm
Visiting address: Sergels Torg 12, Stockholm
Tel: +46 8 402 72 00
www.corpnordic.com

Advokatfirman Lindahl KB
Box 1065
SE-101 39 Stockholm
Visiting address: Mäster Samuelsgatan 20
Tel: +46 8 527 70 800
www.lindahl.se

OTHER INFORMATION

ASSURANCE REGARDING THIS PROSPECTUS

The issuance of EUR 60,000,000 of the Notes was authorised by resolutions taken by the Board of Directors of the Issuer on 12th of February 2014, and was subsequently issued by the Issuer on 11 March 2014.

The Issuer is responsible for the content of this Prospectus and has taken all reasonable precautions to ensure that, as far as the Issuer is aware, the information in this Prospectus accords with the facts and contains no omission likely to affect its import. To the extent prescribed by law, the Board of Directors of the Issuer is also responsible for the content of this Prospectus. The Board of Directors has taken all reasonable care to ensure that the information in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Any information in this Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Issuer is aware and can be judged on the basis of other information made public by that third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect.

CLEARING AND SETTLEMENT

The Notes amount in total to a maximum of EUR 150,000,000. The nominal amount of each Note is EUR 100,000 or full multiples thereof. The ISIN for the Notes is SE0005796398. As of the date of this Prospectus, EUR 60,000,000 of the Notes corresponding to 600 Notes has been issued. The Notes have been issued in accordance with Swedish law and are connected to the account-based system of Euroclear. No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear's book-entry system.

LEGAL PROCEEDINGS AND ARBITRATION PROCEEDINGS

Neither the Issuer nor the Group is, or has been over the past twelve months, a party to any legal proceedings or arbitration proceedings that have had or would have a material effect on the Group's financial position or profitability, nor has the Issuer been informed of any claims that could lead to the Issuer or any member of the Group becoming a party to such proceedings.

SIGNIFICANT CHANGE AND TREND INFORMATION

There has been no significant change in the financial or trading position of the Issuer since 31 December 2013 and no material adverse change in the financial position or prospects of Issuer since 31 December 2013.

MATERIAL AGREEMENTS

Neither the Issuer nor the Group has entered into any material agreements not in the ordinary course of its business and which may affect the Issuer's ability to fulfil its obligations under the Notes.

CERTAIN MATERIAL INTERESTS

Nordea has engaged in, and may in future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. In particular, it should be noted that Nordea is the lender under certain credit facilities with certain members of the Group as borrowers. Accordingly, conflicts of interest may exist or may arise as a result of Nordea having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Nordea has acted as arranger in connection with the issue of the Notes, for which Nordea has received remuneration. Nordea will not receive remuneration in connection with the listing of the Notes. The Issuer estimates the total costs for the listing of the Notes to maximum SEK 250,000.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus is, in addition to this document, comprised of the following documents which are incorporated by reference and available in electronic format on the Issuer's webpage at www.sagax.se:

- the Group's consolidated audited annual report for 2011
 - consolidated income statement, page 84;
 - consolidated balance sheet, page 86;
 - consolidated cash flow statement, page 88;
 - consolidated statement of changes in equity, page 89; and
 - the audit report, page 124.
- the Group's consolidated audited annual report for 2012
 - consolidated income statement, page 84;
 - consolidated balance sheet, page 86;
 - consolidated cash flow statement, page 88;
 - consolidated statement of changes in equity, page 89; and
 - the audit report, page 124.
- the Group's consolidated unaudited year-end report for 2013 in full.

Historical information 2011 and 2012, except for financial information of the Group referred to above, is deemed less important for the description and understanding of Sagax and hence, only the relevant information in the Group's consolidated audited annual reports for 2011 and 2012 has been incorporated by reference in the Prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available in electronic form on the Company's website www.sagax.se. Copies of the documents are also available at the Company's head office at Engelbrektsplan 1, 114 34 Stockholm, Sweden, on weekdays during the Company's regular office hours throughout the period of validity of this Prospectus:

- the Company's articles of association; and
- the Group's consolidated audited annual report and audit report for 2011 and 2012.

TERMS AND CONDITIONS

TERMS AND CONDITIONS FOR AB SAGAX'S MAXIMUM EUR 150,000,000 SENIOR UNSECURED FLOATING RATE NOTES 2014/2019, SERIES NO. 4, ISIN SE0005796398

1 DEFINITIONS

For the purpose of these Terms and Conditions the following definitions shall apply:

"Account Operator"	means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act (1998:1479) and through which a Holder has opened a VP Account in respect of the Notes;	"EUR"	means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union;
"Adjusted Total Nominal Amount"	means the Total Nominal Amount less the aggregate of the Nominal Amount of all of the Notes owned by a Group Company, irrespective of whether such person is directly registered as owner of such Notes;	"EURIBOR"	means (a) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or if that page is replaced or the service ceases to be available, such other page or service designated by the Issuing Agent displaying that percentage rate) as of or around 11.00 a.m. (Stockholm time) on the Interest Determination Date for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or (b) if such percentage rate is not available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11 a.m. (Stockholm time) on an Interest Determination Date; or (c) if such percentage rate is not available for the relevant Interest Period and it is not possible to calculate the interpolated screen rate as set out in (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Issuing Agent at its request quoted by at least four leading business banks reasonably selected by the Issuing Agent, for deposits of EUR 10,000,000 for a period of six (6) months (or, in relation to default interest seven (7) days) as of 11.00 a.m. (Stockholm time) on the first Business Day for which EURIBOR is to apply; or (d) if no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Euro offered for the relevant period; and if any such rate is below zero, EURIBOR will be deemed to be zero.
"Agency Agreement"	means the agency agreement entered into on or before the Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and an agent;		
"Agent"	means CorpNordic Sweden AB, corp. reg. no. 556625-5476, Box 16285, 103 25 Stockholm;		
"Banking Day"	means a day which is not a Sunday or other public holiday or which in respect of payment of promissory notes is not equal to a public holiday in Sweden;		
"Company"	AB Sagax (publ), corp. reg. no. 556520-0028, Engelbrektsplan 1, SE-114 34, Stockholm;		
"CSD"	means the Company's central securities depository and registrar in respect of the Notes, from time to time, initially Euroclear Sweden AB, corp. reg. no. 556112-8074, Box 7822, SE-103 97 Stockholm;		
"Early Redemption Date"	means a date when all of the Notes are redeemed prior to the Final Redemption Date pursuant to the provisions in Conditions 9 (Early redemption in the event of change of control etc.), 10 (Early redemption by the Company) and 12 (Acceleration of the Notes);	"Final Redemption Date"	means 11 March 2019, or if such date falls on a day which is not a Banking Day, the Final Redemption Date will instead be the next following Banking Day;
"Equity Ratio"	means the ratio of (i) the equity and mandatory convertible debt or perpetual loans of the Group, divided by (ii) the total assets of the Group, in each case based on the latest audited consolidated accounts of the Group and calculated using GAAP as applied by the Group on the Issue Date;		

“Financial Indebtedness”	means any indebtedness of the Company for or in respect of: (a) moneys borrowed; (b) any amount raised pursuant to the issue of any Market Loans; (c) any amount of any liability in respect of any hire, purchase or leasing which, in accordance with GAAP, would be treated as a finance or capital lease; (d) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (e) any derivate transaction (however when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (f) any counter-indemnity obligation in respect of any guarantee, letters of credit or any other instrument issued by a bank or a financial institution; (g) other transactions, including but not limited to futures, that have the commercial effect of a borrowing; and (h) any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (g) above.	“Issuing Agent”	means Nordea Bank AB (publ) corp. reg. no. 516406-0120, 105 71 Stockholm;
		“Listing Failure”	means the event that the Notes are not admitted for trading at the NASDAQ OMX Stockholm Exchange by the date falling sixty (60) days from the Issue Date;
		“Market Loan”	debt raised by issuance of commercial paper, subordinated debentures, bonds, notes or other securities (including debt raised under MTN- and other debt issuance programmes) which is or can be admitted for trading on a Swedish or foreign regulated market;
		“Nominal Amount”	has the meaning set forth in Condition 2.1;
		“Note”	means a debt instrument of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act (1998:1479) and which has been issued by the Company pursuant to these Terms and Conditions;
		“Qualified Majority”	has the meaning set forth in Condition 13.2 (e);
		“Record Date”	means: (a) the fifth (5th) Banking Day prior to the Redemption Date or the Interest Payment Date (as applicable); or (b) if the standard generally applied in the Swedish bond market is a Banking Day which is closer to the relevant payment date, the Banking Day prior to the Redemption Date or the Interest Payment Date (as applicable) which follows the standard generally applied in the Swedish bond market;
“GAAP”	means IFRS or generally accepted accounting standards and practices in Sweden, as the case may be;		
“Group”	means the Company and each subsidiary of the Company, the assets and liabilities of which is included into the consolidated accounts which the Company pursuant to GAAP;		
“Group Company”	means each member of the Group;		
“Holder”	means a person registered on a VP Account as holder or otherwise is entitled to receive payment in respect of a Bond;		
“IFRS”	means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements;		
“Interest Determination Date”	means the day falling two (2) Banking Days prior to the first day of each Interest Period;		
“Interest Payment Date”	means 15 January and 15 July each year, with the first Interest Payment Date falling on 15 July 2014. If an Interest Payment Date falls on a day which is not a Banking Day, the Interest Payment Date will instead be the next following Banking Day unless that day falls in the next calendar month, in which case the Interest Payment Date will be the first preceding day that is a Banking Day (modified following business day convention);		
“Interest Period”	means the period from (but excluding) (i) the date of the issuance of a Note or (ii) the previous Interest Payment Date (as applicable), up to (and including) (i) the subsequent Interest Payment Date or (ii) the Final Redemption Date (as applicable);		
“Interest Rate”	means EURIBOR plus 3.20 per cent. per annum;		
“Issue Date”	11 March 2014;	“Redemption Date”	means the Final Redemption Date or an Early Redemption Date;
		“Senior Market Loan”	means a Market Loan which is secured by mortgages over real properties owned by members of the Group;
		“Shares”	means common shares (Sw. stamaktier) of the Company;
		“Total Nominal Amount”	means the aggregate of the Nominal Amounts of all of the Notes outstanding at the relevant time; and
		“VP Account”	a securities account (account for shares and other securities (Sw. avstämningskonto)) according to the Swedish Financial Instruments Accounts Act (1998:1479) in which each Holder’s holding of Notes is registered.

2 **THE AMOUNT OF THE NOTES AND UNDERTAKING TO MAKE PAYMENTS**

- 2.1 The aggregate amount of the bond loan will be an amount of up to a maximum of EUR one hundred and fifty million (EUR 150,000,000) and will be represented by Notes, each of a nominal amount of EUR one hundred thousand (100,000) or full multiples thereof ("Nominal Amount").
- 2.2 The Company undertakes to repay the Notes, to pay interest and to otherwise act in accordance with these Terms and Conditions.
- 2.3 The Company may choose not to issue the full amount of Notes on the Issue Date and may in such case choose to issue remaining amount of Notes at one or more subsequent dates. Notes issued on such subsequent date(s) may be issued at any other price than the Nominal Amount.

3 **STATUS**

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Company.

4 **USE OF PROCEEDS**

The proceeds for the issue of the Notes will primarily be used for investments, acquisitions and general corporate purposes.

5 **INTEREST**

- 5.1 The Notes will bear interest at the Interest Rate applied to the Nominal Amount from (but excluding) (i) the Issue Date or (ii), in relation to any Notes issued after the Issue Date, such later date on which the relevant Notes is issued, up to (and including) the Redemption Date. There will be a shorter than usual Interest Period for the Interest Period ending on 15 July 2014 and a shorter than usual Interest Period for (i) the first Interest Period of any Notes issued after the Issue Date and (ii) the Interest Period ending on the Final Redemption Date.
- 5.2 Interest accrues during each Interest Period. Payment of interest in respect of the Notes shall be made to the Holders on each Interest Payment Date for the Interest Period ending on such date. Interest shall be calculated on an actual/360-days basis.
- 5.3 If the Interest Rate for an Interest Period cannot be determined due to an event identified in Condition 19.1 or similar circumstances, the Interest Rate for the preceding Interest Period shall continue to apply. As soon as possible following such event, the Interest Rate shall be determined for the current Interest Period and applied from the second (2nd) Banking Day following such determination for the remainder of the then applicable Interest Period.

6 **NOTES IN BOOK-ENTRY FORM**

- 6.1 The Notes will be registered on behalf of the Holders on a VP Account and no physical notes will be issued. Registration requests relating to the Notes shall be directed to an Account Operator. Those who, according to assignment, pledge, the provisions of the Swedish Children and Parents Code (Sw. Föräldrabalken), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlement to receive payment.
- 6.2 The Company (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. skuldbok) kept by the CSD in respect of the Notes. At the request of the Agent, the Company shall request and provide such information to the Agent.
- 6.3 The Company shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.
- 6.4 For the purpose of, or in connection with, any of the procedures as set out in Condition 13 (The Agent's right to represent the Holders, Holders' meeting etc.) the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.

7 **FINAL REDEMPTION OF THE NOTES AND PAYMENTS**

7.1 **Redemption at maturity**

The Company shall redeem all outstanding Notes at their Nominal Amounts on the Final Redemption Date. Payment of the Nominal Amounts and interest accrued but unpaid up to (and including) the Final Redemption Date will be made to the persons who are Holders on the Record Date.

7.2 **Payments of principal and interest**

If a Holder has with its Account Operator registered that capital and interest shall be deposited in a certain bank account, deposits of principal and interest will be effected by the CSD on the relevant Interest Payment Date or Redemption Date (as applicable). In other cases, payments of principal and interest will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Company or some other obstacle, not be able to effect the payment of the relevant amount, the CSD will pay such amount to the Holders on the Record Date as soon as possible after such obstacle has been removed. If a person to whom payment has been made in accordance with the above was not entitled to receive such payment, the Com-

pany and the CSD shall nevertheless be deemed to have fulfilled their obligations, provided that the CSD did not have knowledge that such payment was made to a person who was not entitled to receive such amount and provided that the CSD has acted with normal care.

8 DEFAULT INTEREST

- 8.1** If the Company fails to pay any amount on the relevant due date, the Company shall pay default interest on such amount at a rate corresponding to EURIBOR plus two (2) percentage units, from (but excluding) the relevant due date up to (and including) the date of actual payment. EURIBOR shall be determined for each weekly period of delay. Default interest shall, however, subject to Condition 8.2, never be less than the Interest Rate plus two (2) percentage units. Accrued default interest shall not be capitalized.
- 8.2** If the delay is due to an existence of an obstacle for the Agent or the CSD, respectively, as set out in Condition 19.1, the default interest shall not exceed the relevant Interest Rate.

9 EARLY REDEMPTION IN THE EVENT OF CHANGE OF CONTROL OR LISTING FAILURE

- 9.1** Provided that the Agent has given notice to the Holders that (i) someone is unconditionally obligated to make an offer to the relevant stock market to acquire all of the shares of the Company pursuant to the Swedish Act on Public Acquisition Offerings (2006:451) or (ii) a Listing Failure has occurred, each Holder may individually within 30 Banking Days from being so notified call for an early redemption by the Company of all Notes of that Holder in their entirety. A call for early redemption shall be made by the Holders in writing in accordance with Condition 17.2.
- 9.2** The Company shall redeem the relevant Notes according to Condition 9.1 on the last Banking Day which falls in the calendar month immediately following the calendar month in which the relevant notice for an early redemption call was received, provided that the relevant Holder's Notes have been blocked for further transfer not later than on the fifth (5th) Banking Day preceding such date. Each Note shall be redeemed at the Nominal Amount together with accrued interest in accordance with Condition 5 (Interest).

10 EARLY REDEMPTION BY THE COMPANY

The Company may redeem all, but not less than all, Notes on any Banking Day falling after the second (2nd) anniversary of the Issue Date by giving the Holders notice in accordance with Condition 17 (Notices) not less than 30 days and not more than 60 days prior to the proposed Early Redemption Date. The notice shall be irrevocable and state the Early Redemption Date and the relevant Record Date. Each Notes shall be redeemed at an early redemption amount equal to:

- (a) 104.00 per cent of the Nominal Amount, if early redemption occurs during the period from the second (2nd) anniversary of the Issue Date up to and including the third (3rd) anniversary of the Issue Date;
- (b) 102.50 per cent of the Nominal Amount, if early redemption occurs during the period from the third (3rd) anniversary of the Issue Date up to and including the fourth (4th) anniversary of the Issue Date;
- (c) 101.00 per cent of the Nominal Amount, if early redemption occurs during the period from the fourth (4th) anniversary of the Issue Date up to and including the date falling fifty-four (54) months from the Issue Date; and
- (d) 100.00 per cent of the Nominal Amount, if early redemption occurs during the period from the date falling fifty-four (54) months from the Issue Date up to the Final Redemption Date.

In addition, the Company shall pay accrued interest in accordance with Condition 5 (Interest).

11 SPECIAL UNDERTAKINGS

- 11.1** So long as any Notes remain outstanding, the Company undertakes:
- (a) (i) not to (A) make any dividend on any Shares, (B) repurchase any Shares, (C) redeem share capital or other restricted equity with repayment to the holders of Shares, (D) other similar distribution to the holders of Shares and (ii) to procure that each Group Company which is not wholly-owned, directly or indirectly, by the Company does not undertake any such actions. Notwithstanding the undertaking in this Condition 11.1(a), the Company may declare and make such distributions provided that the Equity Ratio is at least, and would as a result of the relevant distribution be at least, twenty (20) per cent;
 - (b) (i) to procure that no substantial change is made in the general nature of the business of the Company from that contemplated by its articles of association as per the Issue Date and (ii) not to sell, transfer or otherwise dispose of any assets that are material for the general operations of the Company other than at arm's length terms to persons which are not related to the Company;
 - (c) not to provide or permit to subsist any security or permit someone else to provide or permit to subsist security in the form of a guarantee or otherwise, for any Market Loan raised by the Company or another Group Company, other than any Senior Market Loan;
 - (d) to not issue:
 - (i) any Market Loan on conditions which would make the Notes subordinated to such Market Loan in a bankruptcy or liquidation of the Company, which, for the avoidance of doubt, shall not prevent the issuance of any Senior Market Loan; or

- (ii) any Senior Market Loan, or permit that any other Group Company issues any Senior Market Loan, with a principal amount exceeding seventy (70) per cent of the market value, determined at the time when such Senior Market Loan is issued, of the real properties securing such Senior Market Loan;
- (e) not to incur any new Financial Indebtedness if the Equity Ratio is not at least, and would as a result of the incurred Financial Indebtedness not be at least, fifteen (15) per cent, provided that this shall in no event restrict the Company from incurring:
 - (i) Financial Indebtedness to refinance existing Financial Indebtedness; or
 - (ii) Financial Indebtedness which is incurred for the purpose of the repurchase or the redemption of preference shares (Sw. preferensaktier) and such Financial Indebtedness is expressly subordinated to the Notes;
- (f) following an admission to trading at the NASDAQ OMX Stockholm Exchange, the Company shall take all actions on its part to maintain the admission as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the NASDAQ OMX Stockholm Exchange and the CSD, subsist; and
- (g) to prepare and publish quarterly reports (which reports shall be prepared consistently with the same type of GAAP that has been applied when preparing the Group's latest annual accounts).

11.2 The Agent is entitled to, on behalf of the Holders, waive, partly or in full, the provisions in Condition 11.1 if satisfactory collateral or other security arrangements, in the Agent's absolute discretion, is provided in respect of the Company's proper discharge of its obligations under the Notes.

12 ACCELERATION OF THE NOTES

- 12.1** The Agent is entitled, and shall following a demand in writing from a Holder (or Holders) representing at least fifty (50) per cent. of the Adjusted Total Nominal Amount (such demand may only be validly made by a person who is a Holder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Holders, be made by them jointly), on behalf of the Holders, to declare all but not only some of the Notes due for payment immediately or at such later date as the Agent determines (such later date not being a date falling later than twenty (20) Banking Days from the date on which the Agent made such declaration), if:
- (a) the Company fails to pay an amount on the date it is due in accordance with these Terms and Conditions unless its failure to pay is caused by administrative or

technical error and payment is made within three (3) Business Days of the due date;

- (b) the Company fails to comply with or in any other way acts in violation of these Terms and Conditions, provided that such failure or violation continues unremedied twenty (20) Banking Days after the Agent has urged the Company in writing to remedy such failure or violation;
 - (c) the Company does not pay when due a payment under any Financial Indebtedness and such Financial Indebtedness due to the failure to pay has been accelerated for early redemption, or, if the outstanding payment was the last payment under the relevant Financial Indebtedness such non-payment has been continuing for at least twenty (20) Banking Days, where the aggregate Financial Indebtedness in question amounts to at least SEK 25,000,000 (or the equivalent thereof in other currencies);
 - (d) the Company, or any Group Company guaranteed by the Company, announces that it suspends its payments (Sw. ställer in betalningarna);
 - (e) the Company, or any Group Company guaranteed by the Company, applies for or approves an application for insolvent corporate reconstruction according to the Swedish Act on Insolvent Corporate Reconstruction (1996:764) or other foreign corresponding laws;
 - (f) the Company, or any Group Company guaranteed by the Company, is declared bankrupt;
 - (g) a decision is made to place the Company in liquidation irrespective of reason;
 - (h) in respect of a merger with another company than a Group Company, a decision is made that the Company shall be merged into another company, unless (i) the Equity Ratio is increased as a result of such merger or (ii) the Agent has given its consent in writing prior to the merger (where consent is not to be understood as a waiver of the rights that applicable law at the time assigns the concerned creditors); or
 - (i) in respect of a demerger of the Company (whether the Company as a result thereof is dissolved or not), decision is made that the Company shall demerge, unless the Agent in writing prior to that has given its consent for the demerger (where such consent is not to be understood as a waiver of the rights that applicable law at the time gives the creditors of the Company).
- 12.2** If the Notes are declared due and payable pursuant to Condition 12.1, the Company shall redeem the Notes at a redemption amount equal to the Notes' Nominal Amount plus a surcharge of three (3) per cent. of the Nominal Amount plus the accrued interest, if any, pursuant to Condition 5 (Interest).
- 12.3** Termination for early redemption on the grounds mentioned in Condition 12.1 (b), (c), (h) or (i) and on grounds

mentioned in Condition 12.1 (d)-(f) relating to a Group Company guaranteed by the Company, may only occur if the nature of the particular circumstance is such that it will adversely and materially affect the Holders' interests and that the cause of termination is continuing at the time of the termination.

- 12.4** If the right to termination is based upon a decision of a court of law, a government authority or an annual general meeting, it is not necessary that the decision has acquired legal force or that the period of appeal has expired in order for cause of termination to exist.
- 12.5** The Company is obliged to inform the Agent of any circumstance of the type specified in Condition 12.1 or Condition 9.1 occurring immediately upon gaining knowledge of the relevant circumstance having occurred. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur provided that the Agent does not have knowledge of such circumstance. At the request of the Agent the Company shall within five (5) days provide the Agent with a certificate regarding the circumstances dealt with in Condition 12.1. The Company shall further provide the Agent with such details as the Agent may reasonably request regarding any circumstances referred to in Condition 12.1 and provide at the request of the Agent all documents that may be of significance in the application of this Condition provided that information made public to the shareholders of the Company shall be deemed to have been already delivered to the Agent.
- 12.6** If a right to accelerate the redemption of the Notes according to this Condition 12 (Acceleration of the Notes) exists, the Agent shall consider, within ten (10) Banking Days of the day of gaining knowledge thereof, if the redemption of the Notes shall be so accelerated. If the Agent has decided not to accelerate the redemption of the Notes, the Agent shall, at the earliest possible date, notify the Holders that a circumstance described in Condition 12.1 exists and its decision to not take any action in relation thereto and obtain judgement on the matter from the Holders according to the provisions in Condition 13 (The Agent's right to represent the Holders, Holders' meeting etc.).

13 THE AGENT'S RIGHT TO REPRESENT THE HOLDERS, HOLDERS' MEETING ETC.

13.1 General

- 13.1.1** Even without a separate authorisation from the Holders, the Agent, or a person appointed by the Agent, is entitled to represent the Holders against the Company in accordance with these provisions in every matter concerning the Notes, whether or not in court or before an executive authority. Even though the Agent is entitled to represent the Holders, the Agent is not obliged to take action unless it is explicitly

expressed in these Terms and Conditions and the Holders potential to start actions on behalf of the Holders is set out in these Terms and Conditions. Without prejudice to Holders' rights under Condition 9.1, a Holder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (företagsrekonstruktion) or bankruptcy (konkurs) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Terms and Conditions.

- 13.1.2** Condition 13.1.1 shall not apply if the Agent has been instructed by the Holders in accordance with the Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide immediately upon the Agent's request any such documents, including a written power of attorney, that the Agent deems necessary for the purpose of exercising its rights and/or carry out its duties under the Terms and Conditions), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Terms and Conditions or the Agency Agreement or by any reason described in Condition 13.1.3, such failure must continue for at least forty (40) Business Days after the Agent has notified the Holders that it will cease to perform its obligations by reason of the non-payment of any fee or indemnity due to the Agent under the Terms and Conditions or the Agency Agreement or by any reason described in Condition 13.1.3 before a Holder may take any action referred to in Condition 13.1.1.

- 13.1.3** If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

13.2 Holders' meeting and procedure in writing

- (a) The Agent is entitled, and shall following a demand in writing from a Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Total Nominal Amount (such demand may only be validly made by a person who is a Holder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Holders, be made by them jointly), on behalf of the Holders, call for a Holders' meeting or demand for a procedure in writing among the Holders. Holders representing at least ten (10) per cent of

the Total Nominal Amount may demand from the Agent that such call is made.

- (b) A demand by a Holder (or Holders) in accordance with Condition 13.2 (a) shall be made in writing to the Agent including (i) information regarding the issues that shall be discussed and (ii) documentation which indicates the holding of the relevant Holders. If the Agent establishes that such demand has been received in due order the Agent shall, within twenty (20) Banking Days from receipt of such demand, call to a meeting or demand for a procedure in writing. Such obligation does not exist if, according to the Agent, (i) the proposal must be approved by the Company and the Company informs the Agent that it will not give such approval, (ii) the proposal is not in accordance with applicable laws, rules or regulations or cannot be implemented due to technical restrictions at the CSD or the NASDAQ OMX Stockholm Exchange or (iii) it is clearly unlikely that the meeting will consent to the proposal in view of previous meetings or procedures in writing.
- (c) Notice shall be made to the Holders and the Agent or, as the case may be, the Company in accordance with Condition 17 (Notices) below and shall be made not later than ten (10) Banking Days and not earlier than thirty (30) Banking Days prior to the meeting or the last day for replies. The notice shall include (i) time for the meeting or the last day for replies, (ii) place for the meeting or address for replies, (iii) agenda for the meeting, (iv) information regarding which day a Holder shall be registered as owner or underlying holder, in case of nominee registration and such possibility is provided by the CSD to be entitled to vote, in the register of the CSD and (v) what is otherwise required by a Holder in order to attend the meeting. The Company or, if the Agent is calling, the Agent shall determine the contents in the notice and provide, in writing or electronically, a proxy form for the Holders to participate at the meeting by proxy or, in case of a procedure in writing, a decision form with the relevant alternatives for resolution.
- (d) A resolution is passed through voting at a meeting (or, in case of a procedure in writing, through calculation), at which each Holder included in the definition of Adjusted Total Nominal Amount is entitled to vote. Each Note shall entitle its Holder to one vote per EUR 100,000 of the Nominal Amount held by such Holder. A Holder that holds more than one Note must vote in the same manner for all Notes held. However, a representative who represents different Holders may vote differently for different Holders and an authorised nominee in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) may vote differently for different underlying accountholders. The resolution of the

Holders shall, subject to the requirements for Qualified Majority set out in 13.2 (e) below, be the opinion which represents the majority of the Adjusted Total Nominal Amount for the Notes.

- (e) In respect of the below issues the following qualified majority is required among the votes casted and the answers received in order to deem a resolution passed ("Qualified Majority"):
- two thirds when (1) one of the situations from a special undertaking in accordance with Condition 11 (Special undertakings) is waived, (2) change of Agent upon demand by the Company or the Holders, (3) amendment of a condition in these Terms and Conditions, subject to (ii) below; or
- three quarters when (1) principal amount, interest rate or interest amount which shall be paid by the Company is reduced, (2) amendment of any redemption day for principal or interest amount and (3) amendment of the conditions in this Condition 13.2 (e).
- If the number of votes are equal, the opinion which is most beneficial for the Company, according to the chairman of the meeting (or, in case of a procedure in writing, the Agent) will prevail.
- (f) Quorum exists only if Holders representing at least one fifth of the Adjusted Total Nominal Amount attend the meeting in due order (or, in case of a procedure in writing, provide answers). If quorum is not achieved within fifteen (15) minutes from the fixed time (or, in case of a procedure in writing, through received answers at the end of the time for replies), the meeting shall be adjourned (or, in case of a procedure in writing, the time for replies shall be extended) to the day which falls on the fifth Banking Day thereafter. Notice containing information regarding time and place for a continued meeting (or, in case of a procedure in writing, information regarding extended time for replies) shall promptly be provided to the Holders in accordance with Condition 17 (Notices). At a continued meeting (or, in case of a procedure in writing, at a new calculation) a resolution can be passed through a ordinary resolution (or, if required in accordance with (c) above, through Qualified Majority) by Holders entitled to vote irrespective of the share of Notes represented.
- (g) At the meeting the Company, the Holders and the Agent may attend along with its representatives, counsels and assistants. The meeting can decide that further individuals may attend. The meeting is opened by a present person appointed by the Company (or, if such person does not exist, a present person appointed by the Agent) and the meeting is lead by that person until present and represented Holders have appointed a chairman for the meeting. The chairman shall arrange for minutes

to be kept at the meeting in which Holders entitled to vote shall be listed, which other persons have been attending, what has been discussed, how the voting has turned out and which resolutions that has been passed. The minutes shall be signed by the chairman and by at least one person appointed to verify the minutes. In case of a procedure in writing, the Agent shall provide for the calculation and draw up minutes in respect of the calculation. The Agent may request for complements and clarifications but is not obliged to do so and may disregard from unclear or illegible answers. The Agent shall disregard from answers which do not follow listed alternatives or answers where voting right does not appear in the material provided by the Holder or CSD. The Company may attend the calculation. The minutes shall be completed promptly and be held available for the Holders at the Company and the Agent.

- (h) If the Company and the Agent deem it appropriate, a meeting may be combined with a possibility for Holders to provide answers in accordance with a written resolution form as an alternative to being present or being represented at a meeting.
- (i) A resolution that has been passed at a duly called and held meeting or a procedure in writing is binding on all Holders irrespective of them being present or being represented at the meeting or if they have participated in the procedure in writing and irrespective of how and if they have voted.
- (j) The Company shall bear all cost for the Company and the Agent in connection with a meeting or a procedure in writing irrespective of who has initiated the meeting or the procedure.

13.3 Replacement of Agent

- 13.3.1** Subject to Condition 13.3.6, the Agent may resign by giving notice to the Company and the Holders, in which case the Holders shall appoint a successor Agent at a meeting convened by the retiring Agent or by way of written procedure initiated by the retiring Agent.
- 13.3.2** Subject to Condition 13.3.6, if the Agent is subject to insolvency proceedings, the Agent shall be deemed to resign as Agent and the Company shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 13.3.3** A Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Total Nominal Amount may, by notice to the Company (such notice may only be validly given by a person who is a Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a meeting of Holders is held for the purpose of dismissing the Agent and appointing a new

Agent. The Issuer may, at a meeting of Holders convened by it or by way of written procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.

- 13.3.4** If the Holders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Holders, the Company shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 13.3.5** The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions.
- 13.3.6** Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 13.3.7** Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Company and each of the Holders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 13.3.8** In the event that there is a change of the Agent in accordance with this Condition 13.3 (Replacement of Agent), the Company shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under these Terms and Conditions. Unless the Company and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

13.4 Remuneration for the Agent

The Agent is entitled to receive remuneration from the Company for acting as Agent in accordance with these Terms and Conditions. If the Agent, based on good reasons, believes that the Company is or will become insolvent, the Agent is entitled to reserve reasonable remuneration from Holders for its continued work in accordance with these Terms and Conditions, save that the Agent shall make the arrangements stated in Condition 12.6 without having received remuneration or being indemnified by the Holders. If the Agent notifies the Holders that it will not take

further actions each Holder may independently represent its holding of Notes against the Company without having to observe the provisions in Conditions 12 (Acceleration of the Notes) and 13.1 (General).

13.5 Funds received by the Agent

Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds (Sw. redovisningsmedel) and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds to the relevant person(s) as soon as reasonably practicable after receipt thereof.

14 AMENDMENTS OF THE CONDITIONS

- 14.1** The Agent may, on account of the Holders, agree with the Company to amend these Terms and Conditions if such amendment does not limit the obligation of the Company to pay amounts of principal or interest or in any other way, in the Agents discretion, may adversely affect the interests of the Holders, materially or that the amendment is solely made in purpose to rectify obvious errors and mistakes in these Terms and Conditions. Subject to requisite decision of the Holders in accordance with Condition 13 (The Agent's right to represent the Holders, Holders' meeting etc.), the Agent may also agree with the Company regarding other amendments.
- 14.2** Amendments of these Terms and Conditions shall be notified without delay by the Company in accordance with Condition 17 (Notices), setting out the date from which the amendments will be effective.

15 TIME LIMITATIONS

- 15.1** The right to receive payment of the Nominal Amount shall be time limited and become void ten (10) years from the relevant Redemption Date. The right to receive payment of interest shall be time limited and become void three (3) years from the relevant due date for payment. The Company is entitled to any funds set aside for payments in respect of which the Holders right to receive payment has been time limited and has become void.
- 15.2** If such term of limitation periods are duly interrupted, in accordance with the Swedish Act on Statutory Limitations (1981:130), a new limitation period of ten (10) years with respect to the Nominal Amount, and of three (3) years with respect to interest payments will commence, in both cases calculated from the date of interruption of the limitation period as such date is determined pursuant with the provisions of the Swedish Act on Statutory Limitations.

16 ALLOCATION OF PAYMENTS

16.1 Payments prior to an acceleration

If both the Nominal Amount and interest are due for payment and if the available funds are insufficient to discharge

all the amounts due and payable, the available funds shall first be applied towards payment of interest and secondly towards payment of the Nominal Amount.

16.2 Payments after an acceleration

- 16.2.1** All payments by the Issuer relating to the Notes following an acceleration of the Notes in accordance with Condition 12 (Acceleration of the Notes) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) first, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent (other than any indemnity given for liability against the Holders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes or the protection of the Holders' rights as may have been incurred by the Agent and (iii) any costs and expenses incurred by the Agent in relation to a Holders' Meeting that have not been reimbursed by the Issuer in accordance with paragraph (j) of Condition 13.2 (Holders' meeting and procedure in writing);
 - (b) secondly, in or towards payment pro rata of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
 - (c) thirdly, in or towards payment pro rata of any unpaid principal under the Notes; and
 - (d) fourthly, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Terms and Conditions.
- 16.2.2** If the Issuer or the Agent shall make any payment under this Condition 16.2 (Payments after an acceleration), the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Condition 7.2 (Payments of principal and interest) shall apply.

17 NOTICES

- 17.1** Notices from the Company or the Agent shall be given to the Holders at their addresses as registered with the CSD. In addition to this, notice may be given by advertisement in a nationwide Swedish newspaper (any of Dagens Industri, Dagens Nyheter or Svenska Dagbladet) by pressrelease, or at the Company's or Agent's website with the notice in its entirety or with reference to where the notice in its entirety is available.
- 17.2** Notices from the Holders to the Company shall be given to the Company with a copy to the Agent at their registered addresses.

18 NOMINEE REGISTRATION

In respect of Notes registered with authorised nominees in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) the authorised nominee shall be deemed to be the Holder for the purpose of applying these Terms and Conditions, subject to (i) that for the purposes of Condition 9.1, the Holder shall be deemed to be each underlying holder which the authorised nominee represents and (ii) the provisions regarding voting rights of the Holders in Condition 13.2 (Holders' meeting and procedure in writing). Authorised nominees may vote on behalf of underlying holders without special authorisation. For the avoidance of doubt, notices to be sent to Holders under these Terms and Conditions may be sent to the authorised nominees.

19 LIMITATION OF LIABILITY ETC.

- 19.1** The Agent, the Issuing Agent and the CSD shall have no liability for damage caused by Swedish or foreign enactment, action taken by a Swedish or foreign authority, war, strike, blockade, boycott, lockout or other similar circumstance. This limitation of liability in the case of a strike, blockade, boycott or lockout also applies if the Agent, the Issuing Agent or the CSD would itself initiate or become subject to such conflict.
- 19.2** The Agent shall have no liability for damage caused by the Agent acting as a representative for the Holders, aligned with the decisions made in accordance with Condition 13

(The Agent's right to represent the Holders, Holders' meeting etc.). This shall also apply to the Agent or an affiliate of the Agent acting in another manner in relation to the Company within the scope of other dealings with the Company.

- 19.3** Damage caused in any other event will not be indemnified by the Agent, the Issuing Agent or the CSD unless the damage is caused by negligence. In no event will indemnification be made for indirect damage.
- 19.4** Should the Agent, the Issuing Agent or the CSD be prevented from performing their obligations due to the circumstances mentioned in Condition 19.1 above, performance may be postponed until fulfilment is no longer prevented by such events.
- 19.5** The provisions in this Condition 19 (Limitation of liability etc.) apply unless they are inconsistent with the provisions of the Swedish Financial Instruments Accounts Act (1998:1479) which provisions shall take precedence.

20 GOVERNING LAW AND JURISDICTION

- 20.1** These Terms and Conditions shall be governed by and construed in accordance with the laws of the Kingdom of Sweden.
- 20.2** Any dispute or claim arising in relation to these Terms and Conditions shall be determined by Swedish courts, with the District Court of Stockholm (Sw. Stockholms tingsrätt) to be the court of first instance.

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