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**INVESTOR REPORT GREEN BONDS 2018**

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**KUNGSLEDEN**

## INVESTOR REPORT GREEN BONDS

Kungsleden's vision is to create attractive and sustainable work places that enrich people's working day. Kungsleden supports the UN's Global Compact, reporting sustainability efforts annually in accordance with GRI and GRESB standards. In 2018, Kungsleden issued green bonds totalling SEK 2.7 billion. Kungsleden was also awarded the "World in Property Award 2018" prize for sustainability work and for the third year in a row Kungsleden was awarded the Green Star Award from GRESB.



## LARGEST IN SWEDEN

Green bonds are issued in accordance with the terms and conditions of Kungsleden's green framework. Funds from green bonds are used to finance sustainable assets and investments that lead to less environmental impact. Throughout the year, Kungsleden issued a total of SEK 2.7 billion in green bonds, of which SEK 2.5 billion was issued in the largest green property issue ever made in Swedish Krona at the time of issue.

Kungsleden's green framework, Second Opinion from Cicero and the investor report are available on our website at: <https://www.kungsleden.se/investerare/financing/capital-market-products>



## GREEN BANK LOAN

During the fourth quarter of the year, it was agreed to raise a green bank loan of SEK 0.9 billion, which was secured through a direct mortgage on the LEED Gold-certified property Färöarna 3.

The long term ambition is for all green assets to be green financed. The share of green financing represents 21% of the total loan portfolio at the end of 2018.

## ALLOCATING GREEN FUNDS

The proceeds from Kungsleden's green bonds issued up to December 31st 2018 will be used for the following environmental projects:

- Financing of certified properties
- Renewable energy

The bonds are listed on Nasdaq Stockholm Green Bond List, a market segment for green bonds which places special demands on bonds in order to be listed.

Real estate/ project	New or refinancing	Class	Purchase price or valuation, SEK m	Allocation of cash from green bonds, SEK m
Malmö, Tyfonen 1	New acquisition	LEED Platinum	995	995
Göteborg, Kallebäck 2:7	New acquisition	LEED Gold	269	269
Göteborg, Kallebäck 2:11 <sup>1</sup>	New acquisition	LEED Gold	634	634
Kista, Keflavik 1	Refinancing	LEED Gold	815	800
Installation of solar panels on the property Östersund Karlslund 5:2	New project		2	2
<b>Summa</b>			<b>2715</b>	<b>2700</b>

1. Kallebäck 2:11 took office in January 2019.



# DESCRIPTION OF THE PROJECTS

## TYFONEN 1

In 2018, Kungsleden further strengthened its already high-quality property portfolio in Malmö with the concept property STUDIO (Tyfonen 1). STUDIO was built to accommodate meetings with flexible and creative environments. There are workplaces surrounding a vibrant meeting point that's open 24 hours a day. The building offers both modern offices and a hotel as well as public social spaces, such as restaurants, cafes and a sky bar. At the Swedish Green Building Council Awards 2018, the STUDIO won the "LEED Building of the Year" award. The building is LEED platinum certified with 78% of the available points within the energy category. The building was completed in 2017 and is 14 storeys high with about 18,250 m<sup>2</sup> of leasable area. It is fully leased with tenants including Story Hotel, EY, co-working companies United Spaces and Altitude Meetings. The acquisition price was SEK 1 billion. Read more at: [studiomalmo.com](http://studiomalmo.com)

## KALLEBÄCK 2:7 AND 2:11

In the beginning of 2018, Kungsleden's goal was to create a centrally located office cluster in Gothenburg. Two newly built LEED Gold-certified office properties (Kallebäck 2:7 and Kallebäck 2:11) and a parking garage (Kallebäck 2:9) were acquired in the Täands-tickan district for approximately SEK 1 billion. The building has received 73% of the available points in the energy category. Södra Centrum has an excellent location between Korsvägen and Mölndal C, with direct connections to the E6. The area also has excellent accessibility by public transport such as tram and bus. The new properties leasable area is just under 30,000 Sq meters, of which approximately 18,000 m<sup>2</sup> of office space. Two of the properties were acquired in 2018 and the third at the beginning of 2019. The office properties are fully leased to The Swedish Social Insurance Agency (Försäkringskassan), ÅF, Capgemini,

Handelsbanken and BeSiDa. The total annual rental value for all three properties amounts to just over SEK 56 million. The acquisition price was SEK 1 billion, of which just over 900 million was for Kallebäck 2:7 and 2:11.

## KEFLAVIK 1

The property Keflavik 1 is LEED gold certified according to LEED EBOM (Existing Building Operation and Maintenance). Keflavik 1 received 91% of the available points in the energy category. The property accommodates a number of different activities and businesses from offices to preschool, restaurant and adult education facilities. The property is centrally located in Kista. From the property to the underground takes 2-3 minutes to walk. Several bus lines run through the area, including an easy accessible bus to the Helenelund Pendent train station. The building was originally built in 1993. A nice and well-kept office property with a fine outdoor environment. The property is about 25,000 m<sup>2</sup>

## SOLAR CELLS

734 solar panels that will produce over 160,000 kWh per year. Kungsleden installed the panels on the Karlslund 5: 2 property in Östersund. The property has a large flat roof that's perfectly suited for solar cell installations. The facility became the largest of its kind in Jämtland and is considerably larger than Kungsleden's former solar cell facilities. There are 734 solar cells, expected to produce 163773 kWh per year and have a total area of 1200 m<sup>2</sup>. The solar facility was commissioned during the summer of 2018.

## ATTACHEMENT

Attachement 1: Energy and environmental report

**KUNGSLEDEN** is a long-term property owner that provides attractive, sustainable and functional premises that enrich people's working day. We create value by owning, managing and developing offices and other commercial properties in Stockholm and Sweden's other growth regions.