

Q4:2017

“The new Kungsleden delivers strong result for 2017”

BILJANA PEHRSSON, CEO

KUNGSLEDEN

KUNGSLEDEN

YEAR-END REPORT 2017

1 JANUARY - 31 DECEMBER

Kungsleden is a long-term property owner that creates value through long-term ownership, active management and development of offices and other commercial properties in Stockholm and Sweden's other growth regions. 82 per cent of the total property value is now located in its priority markets of Stockholm, Gothenburg, Malmö and Västerås. We will provide attractive and functional premises in the right locations and at the right price.

YEAR-END REPORT JANUARY-DECEMBER 2017 (JAN-DEC 2016)

PROPERTY VALUE, SEK M	TOTAL REVENUE, SEK M	PROFIT FROM PROPERTY MANAGEMENT, SEK M	LEASABLE AREA, 000 SQ.M	NUMBER OF PROPERTIES
30,974	2,323	985	2,159	222
(29,533)	(2,430)	(990)	(2,580)	(269)

FULL YEAR IN BRIEF

- Profit from property management was SEK 985 (990) million. Despite the loss of operating net from vacated properties of SEK 112 million, profit from property management was virtually unchanged year on year, thanks to improvements in the like-for-like property portfolio, as well as additional operating net from accessed properties and improved financial net.
- New leasing was SEK 201 (216) million and net leasing was SEK 69 (99) million.
- Unrealised changes in value in the property portfolio amounted to SEK 1,417 (1,659) million, mainly attributable to an improved operating net.
- Kungsleden vacated properties with a value of SEK 1,692 million.
- Net profit for the period increased to SEK 1,906 (1,869) million, equivalent to SEK 9.03 (10.01) per share.

IMPORTANT EVENTS DURING AND AFTER THE FOURTH QUARTER

- The Stockholm City West cluster expanded with 11,200 square metres through the acquisition of the properties Gladan 5, 6 and 7.
- Kungsleden created a new, modern office cluster in Gothenburg by acquiring parts of the Tändstickan urban block, with area of approximately 30,000 square metres.
- During the period, the property Stenvreten 4:1 in Enköping was sold to the current tenant, and after the end of the period, the property Rausgård 22 in Helsingborg was divested.
- The Board of Directors intends to propose a dividend of SEK 2.20 (2.00) per share with quarterly disbursement of the dividend.

KEY FIGURES	2017 Jan-Dec	2016 Jan-Dec
PROPERTY RELATED		
Direct yield, investment properties, % ¹	5.3	5.7
Economic occupancy rate, investment properties, %	91.8	91.9
Surplus ratio, investment properties, % ²	67.3	67.2
FINANCIAL		
Return on equity, % ¹	15.1	18.0
Interest coverage ratio, multiple	3.3	3.0
LTV (loan-to-value) ratio, % ¹	47.9	55.7
DATA PER SHARE		
Net profit for the period, SEK per share ^{1,3}	9.03	10.01
EPRA EPS (profit from property management after tax), SEK per share ^{1,3}	4.45	5.05
EPRA NAV (long-term net asset value), SEK per share ¹	71.87	69.32
EPRA NNNNAV (current net asset value), SEK per share ¹	70.63	65.73
Equity, SEK per share ¹	64.98	61.12

1. Comparative figures restated for changed accounting policy related to obtained deductions for deferred tax upon acquisitions. See page 24 for more information.

2. The definition of surplus ratio has changed. See page 26 for current definitions.

3. Restated with an adjustment factor of 2.55 per cent for the bonus issue element of the new share issue carried out in the first quarter of 2017.

NEW KUNGSLEDEN STARTING TO DELIVER

We completed Kungsleden's transformation in 2017, and its positive effects are already visible in our earnings. Profit from property management of SEK 985 million for 2017 is on a par with the previous year, despite our property portfolio being significantly smaller in the year due to sales of non-strategic properties for SEK 2 billion. Improved earnings in the existing portfolio, contributions from strategic property acquisitions and lower finance costs are strong contributors.

HIGH-QUALITY PROPERTIES IN GROWTH MARKETS ARE LIFTING OUR EARNINGS

The commercial rental market remains very good. The demand for offices is strong, especially in Stockholm, and there is good tenant mobility. Kungsleden now owns the right kind of properties in the right locations, enabling us to exploit opportunities on the market. New leasing totaled SEK 201 million for the year.

All new lease agreements have been signed with higher rent per square metre than previously. We conducted several rent renegotiations, and achieved good outcomes with retained positive customer relations. Renegotiations resulted in an average rent increase of 13 per cent.

Overall, Kungsleden's rental revenue in its like-for-like portfolio increased by 2.4 per cent in 2017. An improved operating net also played a key role in the development of property values, which increased by SEK 1.4 billion in the year. The average yield in valuation of our properties was 5.8 per cent at year-end, a decrease of 0.3 percentage points in the year.

CONTINUED OPTIMISATION OF OUR PROPERTY PORTFOLIO

Even if we have made the major moves in our property portfolio, there is always room for optimisation. We are now executing selective property acquisitions that advance our position on existing markets, especially our clusters. In the fourth quarter, we acquired three office properties on Warfvinges väg, Gladan 5, 6 and 7, expanding our Stockholm City West cluster by 11,200 square metres to 46,400 square metres of office premises. Our aim is to develop these properties and create new, modern office space in western Kungsholmen, where demand is very positive.

We took another major step in February 2018 when we purchased two office buildings and car parking facility in the expansive Southern Center of Gothenburg. With our existing office properties, we are now creating an attractive and modern office cluster – Gothenburg South Center, totaling 50,000 square metres.

These transactions further increase our presence in Sweden's two strongest office markets – Stockholm and Gothenburg. We think these markets have very positive growth potential in the short and long-term. 71 per cent of Kungsleden's current property portfolio consists of offices, and more than 82 per cent of the portfolio value is located in our four priority markets of Stockholm, Gothenburg, Malmö and Västerås.



The major divestments of non-strategic properties are complete, but we are continuing to utilise the good market to selectively sell properties where we see limited potential.

VALUE-CREATING PROPERTY INVESTMENTS

Kungsleden's new portfolio provides good opportunities for profitable investment through tenant improvements and property modernisation. We invested a total of SEK 925 million in our property portfolio in 2017.

Development projects in the implementation phase (aggregated amount of SEK 1,133 million) are on schedule and on budget. Three of these projects will be complete this spring – Tegnér in Växjö, Laven in Umeå, and Enen in Södertälje. One new project is entering the implementation phase – the Swedish Prison and Probation Service in Östersund. Kungsleden's objective is for investments of this kind to generate a minimum return, measured as IRR (internal rate of return), of 9 per cent.

Additionally, new projects will progressively enter the investment programme.

OUR FOCUS NOW AND ONWARDS

The cyclical upturn in the Swedish economy and property market has been long-lasting, but at some point, it will turn. Kungsleden is well prepared for leaner times, due to factors including a strong financial position, visible in a loan-to-value ratio significantly below 50 per cent.

However, I see no signs of the demand for commercial premises fading at present. We have a strong pipeline of new leasing and renegotiations. In tandem with utilising favorable market conditions, we will be focusing more on our customers and staff. Obviously, the real estate business is about the quality and location of properties, but now more than ever, it is a people business. We are a team with a culture that reflects our core values—being professional, and showing consideration for our customers, partners and each other. And, not least, by enjoying what we do.

Our sights are now set on growing our earnings year by year, by increasing the rental revenue and operating net in our existing property portfolio and executing our ambitious investment programme. We intend to increase profit from property management by more than 20 per cent to at least SEK 1.2 billion by 2020.

Stockholm, Sweden, 15 February 2018
Biljana Pehrsson, CEO

STATEMENT OF COMPREHENSIVE INCOME

SEK m	12 months		Quarter	
	2017 Jan-Dec	2016 Jan-Dec	2017 Oct-Dec	2016 Oct-Dec
2 Revenue				
Rental revenue	2,319	2,422	567	598
Other revenue	4	7	0	4
Total revenue	2,323	2,430	567	602
3 Property costs				
Operations	-445	-458	-110	-118
Maintenance	-76	-109	-19	-25
Property tax and site leasehold fees	-146	-147	-37	-37
Property administration	-118	-113	-35	-32
Total property costs	-785	-827	-200	-212
OPERATING NET	1,538	1,602	367	390
4 Selling and administration costs	-120	-112	-31	-31
5 Net financial items				
Financial income	1	1	0	0
Financial costs	-398	-467	-85	-114
Other financial expenses	-36	-34	-8	-10
Total net financial items	-433	-500	-93	-123
1 PROFIT FROM PROPERTY MANAGEMENT	985	990	243	235
Changes in value				
Profit (loss) from divestments	-6	32	7	3
6 Unrealised changes in value, properties¹	1,417	1,659	367	475
7 Unrealised changes in value, financial instruments	85	-321	5	196
Total changes in value	1,496	1,370	379	674
PROFIT BEFORE TAX	2,481	2,360	622	910
8 Tax				
Current tax	0	0	0	1
Deferred tax ¹	-575	-491	-129	-211
Total tax	-575	-492	-129	-211
PROFIT FOR THE PERIOD	1,906	1,869	493	699
Other comprehensive income				
Translation gains/losses for the period on consolidation of foreign operations	1	1	1	0
COMPREHENSIVE INCOME FOR THE PERIOD	1,907	1,869	494	698
PROFIT PER SHARE²	9.03	10.01	2.21	3.74

1. Comparative figures restated for changed policy for recognising deductions received for deferred tax on acquisitions. See page 24 for more information.

2. Restated with an adjustment factor of 2.55% for the bonus issue component of the new share issue executed in the first quarter of 2017.

PERFORMANCE ANALYSIS, JANUARY-DECEMBER 2017

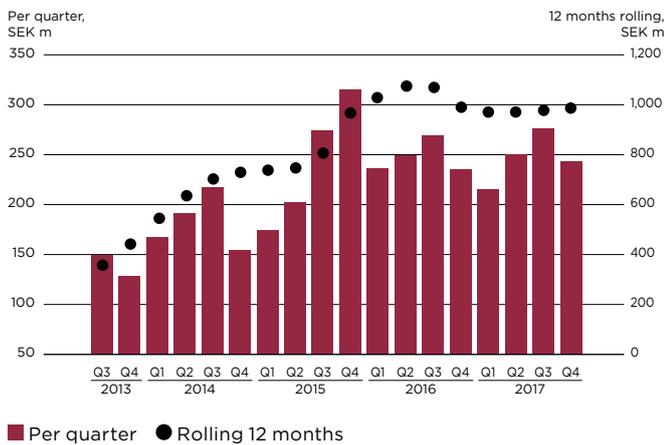
The following profit and cash flow items are for the period January to December 2017. Comparative figures stated in brackets are for the corresponding period in the previous year.

1 PROFIT FROM PROPERTY MANAGEMENT AND SURPLUS RATIO

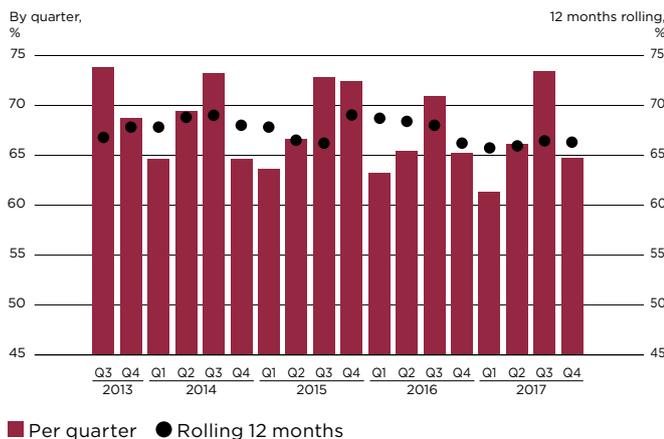
In 2017, profit from property management was SEK 985 (990) million. The profit decrease resulting from the divestment of non-strategic properties was almost fully compensated by supplementary acquisitions, rent increases in like-for-like portfolio and improved financial net.

The surplus ratio for investment properties was 67.3 per cent (67.2). An improved operating net, through increased revenue and lower costs in like-for-like portfolio, coupled with a high surplus ratio for acquired properties, had a positive impact.

PROFIT FROM PROPERTY MANAGEMENT PER QUARTER AND 12 MONTHS ROLLING



SURPLUS RATIO PER QUARTER AND 12 MONTHS ROLLING



2 REVENUE

Total revenue amounted to SEK 2,323 (2,430) million. The decrease year on year was mainly due to a net effect between lost revenue from divested properties of SEK 152 million and additional revenue from accessed properties of SEK 41 million.

In like-for-like holdings of investment properties, revenue rose by SEK 19 million year on year. The increase is due to new leases, renegotiations and additional electricity billing charges totaling SEK 50 million, which simultaneously, was offset by a loss of rental guarantees amounting to SEK 31 million. Excluding rental guarantees, revenue in like-for-like holdings increased by 2.4 per cent.

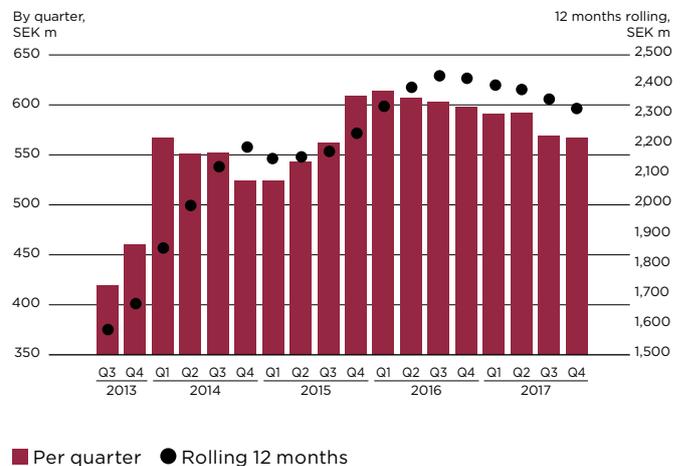
Vacation of development properties reduced revenue for this property category by SEK 10 million. Other revenue decreased by SEK 3 million, explained by more non-recurring items in 2016.

DEVELOPMENT OF RENTAL REVENUE SEK m	2017 Jan-Dec	2016 Jan-Dec
Like-for-like holdings (investment properties)	2,117	2,098
Acquired properties	48	7
Development properties	85	95
Divested properties	70	222
Rental revenue	2,319	2,422

Rental revenue per square metre continued to increase during the fourth quarter, and amounted to SEK 1,153 on a 12-month rolling basis, compared to SEK 1,070 for 2016. The increase is partly the result of successful leasing efforts, and partly the effect of a higher share of office holdings in metropolitan areas.

RENTAL REVENUE, INVESTMENT PROPERTIES SEK per sq.m	2017 Jan-Dec			Jan-Dec	
	Office	Industrial/warehouse	Retail	2017 Total	2016 Total
Rental revenue	1,531	725	1,073	1,153	1,070

RENTAL REVENUE PER QUARTER AND 12 MONTHS ROLLING



STATEMENT OF COMPREHENSIVE INCOME

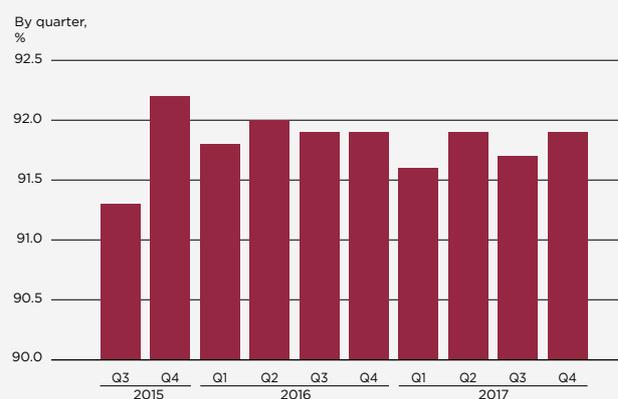
NET LEASING PER QUARTER



Leasing

Net leasing amounted to SEK 69 (99) million for the full year, of which SEK 59 (72) million in clusters. New leasing amounted to SEK 201 (216) million, of which SEK 137 (150) million in clusters. During the fourth quarter, new leasing amounted to SEK 48 million and terminations to SEK 40 million, which amounts to a net leasing of SEK 8 million.

ECONOMIC OCCUPANCY RATE, INVESTMENT PROPERTIES PER QUARTER



For investment properties, net leasing was SEK 6 million and for development properties, SEK 2 million.

Occupancy rate

The economic occupancy rate for investment properties was basically unchanged at 91.8 per cent (91.9).

3 PROPERTY COSTS

Total property costs decreased to SEK 785 (827) million. Divested properties meant costs were reduced by SEK 40 million, while accessed properties caused a SEK 9 million cost increase. In like-for-like holdings of investment properties, costs decreased by SEK 3 million, due to lower expenses, mainly for ongoing maintenance. Vacation of development properties reduced property costs by SEK 8 million.

The cost of property administration increased by SEK 6 million, the main explanation being non-recurring items that reduced the previous year's expenses.

DEVELOPMENT OF PROPERTY COSTS SEK m	2017 Jan-Dec	2016 Jan-Dec
Like-for-like holdings (investment properties)	-702	-705
Acquired properties	-12	-3
Development properties	-51	-59
Divested properties	-20	-60
Property costs	-785	-827

On annual basis, property costs increased somewhat to SEK 331 per square metre, compared to SEK 311 for 2016, mainly because of acquisitions and divestments altering property portfolio structure.

PROPERTY COSTS, INVESTMENT PROPERTIES, SEK per sq.m	2017 Jan-Dec			Jan-Dec	
	Office	Industrial/warehouse	Retail	2017 Total	2016 Total
Operations	-236	-122	-185	-186	-171
Maintenance	-40	-22	-30	-33	-41
Site leasehold and property tax	-97	-18	-60	-62	-56
Direct property costs	-373	-163	-275	-281	-268
Property administration	-65	-28	-53	-50	-43
Total	-438	-191	-328	-331	-311

4 SELLING AND ADMINISTRATION COSTS

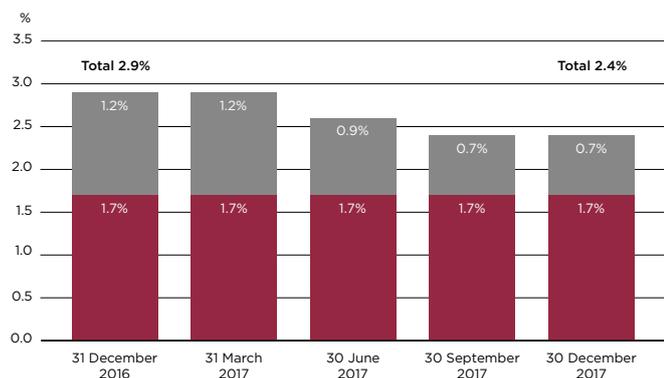
Selling and administration costs amounted to SEK 120 (112) million. The increase is mainly due to costs of SEK 10 related to the implementation of outsourcing of financial administration as of year-end 2017 which was charged to the third quarter. Excluding this item, selling and administration costs amounted to SEK 110 (112) million.

5 NET FINANCIAL ITEMS

Net financial items amounted to SEK -433 (-500) million. Running interest rate expenses on loans decreased by SEK 27 million mainly due to average loan volumes being down by SEK 1.4 billion in 2017. In addition, interest hedging costs have decreased after the close-out of long-term interest rate swaps during the year. This contributed to the continued decrease of the average interest rate, which is now at 2.4 per cent (2.9).

STATEMENT OF COMPREHENSIVE INCOME

AVERAGE INTEREST RATE



- Difference in three month interest rate and fixed rate on interest-rate derivatives.
- Interest margin, arrangement fees and credit facility cost.

Sensitivity analysis

With the existing funding portfolio, net financial items has only a marginal negative impact over the next 12 months if the Stibor 3-month rate increases by 100 basis points. The effect is an estimated 1-2 per cent of current profit from property management. This is because the net interest costs on interest rate swaps improves if 3-month Stibor increases from the current negative level to zero, while at the same time, the interest rate cost on loans would only be marginally affected as most of the loans have a floor for Stibor at zero.

6 UNREALISED CHANGES IN PROPERTY VALUES

The value of property holdings has increased by SEK 1,417 (1,659) million, which corresponds to 4.8 per cent since the start of the year. SEK 1,114 million of the value increase is attributable to an improved operating net, while SEK 643 million is due to a decrease in the average required yield to 5.8 per cent—compared to 6.1 per cent at the beginning of the year. Approximately half of the downturn is due to changes in property portfolio structure, resulting mainly from divestments.

UNREALISED CHANGES IN VALUE Jan-Dec 2017, SEK m	Investment properties	Development properties	Total
Change in required return	609	34	643
Change in operating net	1,057	57	1,114
Changed assumptions of investments and other value-impacting factors	-531	174	-357
Acquisitions	17	-	17
Total	1,152	265	1,417

The item “changed assumptions of investments and other value-impacting factors” relates mainly to new long-term investments. These investments contribute to changing future operating net and create a net positive value change effect. The “acquisitions” item consists of deductions for deferred tax received on properties acquired in the year.

7 UNREALISED CHANGES IN VALUE OF FINANCIAL INSTRUMENTS

The unrealised changes in value on financial instruments (interest rate swaps) amounted to SEK 85 (-321) million for the year. Changes in value are explained by running interest payments on swaps of SEK 149 million and a decrease in long-term market rates with an effect of SEK -64 million.

On 31 December 2017, the negative market value of financial instruments was SEK -171 million, compared to SEK -653 million at the beginning of the year. Apart from changes in value, the decrease in this deficit is due to interest-rate swaps being closed out through a one-off payment of the current negative market value of SEK 220 million during the second quarter, SEK 168 million in the third quarter and SEK 9 million in the fourth quarter.

8 TAX

Total tax expenses amounted to SEK -575 (-492) million. The tax expense was affected by SEK -42 million related to the sale of properties, where the tax expense and deduction for deferred tax exceeded the amount provisioned for deferred tax. This was partially offset by a positive SEK 9 million effect from deductible issue expenses that were not charged to profit before tax. Otherwise, the tax expense was basically 22 per cent of profit before tax.

SEGMENT REPORTING

PROPERTY MANAGEMENT UNIT	Stockholm		Gothenburg/Malmö		Mälardalen		Unallocated		Total	
	2017 Jan-Dec	2016' Jan-Dec	2017 Jan-Dec	2016' Jan-Dec	2017 Jan-Dec	2016' Jan-Dec	2017 Jan-Dec	2016' Jan-Dec	2017 Jan-Dec	2016 Jan-Dec
SEK m										
Revenue	926	985	672	701	726	744			2,323	2,430
Property costs	-285	-309	-219	-239	-282	-279			-785	-827
Operating net	641	676	453	461	444	465			1,538	1,602
Selling and administration costs							-120	-112	-120	-112
Net financial items							-433	-500	-433	-500
Profit from property management	641	676	453	461	444	465	-553	-612	985	990
Changes in the value of assets										
Profit (loss) from divestments							-6	32	-6	32
Unrealised changes in value on properties ²	1,043	1,068	232	302	142	289			1,417	1,659
Unrealised changes in value on financial instruments							85	-321	85	-321
Profit before tax	1,684	1,744	685	764	586	753	-475	-901	2,481	2,360
Tax ²							-575	-492	-575	-492
Net profit for the period	1,684	1,744	685	764	586	753	-1,049	-1,393	1,906	1,869

1. Properties changed property management unit compared to 2016. Comparative figures have been restated accordingly.

2. Comparative figures restated for changed accounting policy related to obtained deductions for deferred tax upon acquisitions. See page 24 for more information.

STATEMENT OF CASH FLOWS—SUMMARY

SEK m	12 months		Quarter	
	2017 Jan-Dec	2016 Jan-Dec	2017 Oct-Dec	2016 Oct-Dec
OPERATING ACTIVITIES				
Profit from property management	985	990	243	235
Adjustments for non-cash items	1	17	-4	17
Tax paid	0	0	0	0
Cash flow before changes in working capital	986	1,007	239	252
Changes in working capital	-131	4	67	-38
Cash flow after changes in working capital	855	1,011	306	214
INVESTING ACTIVITIES				
Investments in existing properties	-925	-609	-381	-252
Acquisition of properties	-790	-230	-	-66
Divestment of properties	1,709	776	60	245
Other tangible/intangible non-current assets	0	-10	0	-4
Financial assets, net	-397	-13	-9	-13
Cash flow from investing activities	-403	-86	-330	-90
FINANCING ACTIVITIES				
New share issue	1,599	-	-	-
Dividend	-437	-364	-	-
Repayment of loans	-4,302	-3,753	-2,332	-149
New loans	2,944	2,808	2,428	41
Cash flow from financing activities	-196	-1,309	96	-108
CASH FLOW FOR THE PERIOD	256	-384	72	16
Cash and cash equivalents at the beginning of the period	57	441	241	41
Exchange rate differences on cash equivalents	0	0	0	0
Cash and cash equivalents at the end of the period	313	57	313	57

CASH FLOW AND LTV (LOAN-TO-VALUE) RATIO

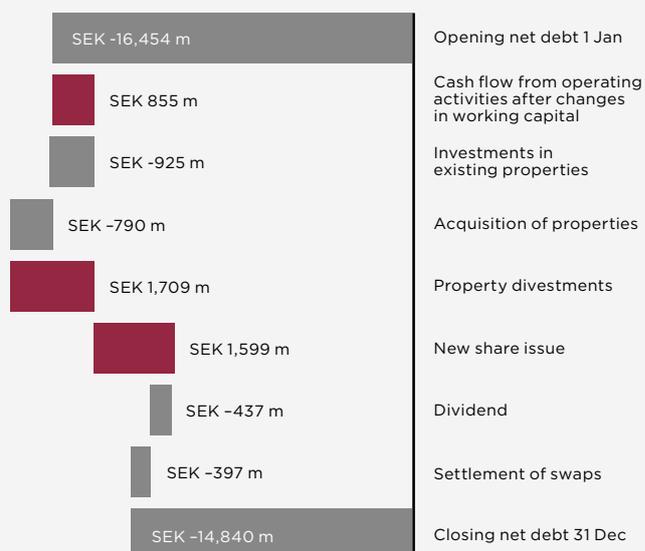
During the fourth quarter, cash flow after changes in working capital amounted to SEK 306 million.

For the full year, operations generated a cash flow after changes in working capital of SEK 855 million. Kungsliden paid a purchase consideration of SEK 790 million when accessing Emporia Office in Hyllie and Godsvagnen 9 in Hammarby Sjöstad. Additionally, SEK 925 million was invested in existing properties and projects in the period.

The share dividend of SEK 437 million for 2016 was disbursed in May. Interest rate swaps were closed out through payments totaling SEK 397 million in May, September and October. Apart from proceeds from the new share issue of SEK 1,599 million, property divestments generated SEK 1,709 million. Accordingly, cash flow before changes in interest-bearing liabilities resulted in a reduction in net debt of SEK 1,614 million for the full year. On a net basis, SEK 1,358 million was used for the repayment of interest-bearing loans.

At the end of the fourth quarter, cash and cash equivalents amounted to SEK 313 (57) million and total liquid funds available were SEK 1,458 (1,049) million including granted and available credit facilities after deduction of backup for issued commercial paper. At the end of the period, the loan-to-value ratio was 47.9 per cent, compared to 55.6 per cent at year-end.

CHANGE IN NET DEBT, JANUARY-DECEMBER





HYLLIE

FEASIBILITY STUDY FOR LAND ALLOCATION COMPLETE

Hyllie is an expansive district in Malmö, under development with the vision of becoming the city's most climate-friendly quarters—a centre for innovation and sustainability in the Öresund region. Kungsleden's land allocation is strategically located along Hyllie Boulevard, some six minutes' walk from the station, bringing Lund and Copenhagen within commuting distance by rail. There is a car park south of the estate to

accommodate travellers arriving by car, while extensive infrastructure is being planned for cyclists.

The feasibility study for Kungsleden's land allocation was completed in the fourth quarter. Project planning, conceptual work and pre-leasing commence in the first quarter 2018, and construction start is scheduled for early 2019.



STATEMENT OF FINANCIAL POSITION—SUMMARY

SEK m	31 Dec 2017	31 Dec 2016
ASSETS		
Non-current assets		
Intangible assets	9	11
Properties ¹	30,974	29,533
Equipment	7	9
Other long-term receivables	12	12
Total non-current assets	31,002	29,566
Current assets		
Current receivables	231	231
Cash and bank balances	313	57
Total current assets	544	288
TOTAL ASSETS	31,546	29,854
EQUITY AND LIABILITIES		
Equity¹	14,192	11,123
Non-current liabilities		
Liabilities to credit institutions	10,150	13,702
Other interest-bearing liabilities	3,096	1,230
Derivatives	171	653
Deferred tax liability ¹	1,333	841
Provisions	12	12
Total non-current liabilities	14,762	16,438
Current liabilities		
Liabilities to credit institutions	927	26
Other interest-bearing liabilities	980	1,553
Other liabilities	684	714
Total current liabilities	2,591	2,293
TOTAL EQUITY AND LIABILITIES	31,546	29,854

STATEMENT OF CHANGES IN EQUITY—SUMMARY

SEK m	31 Dec 2017	31 Dec 2016
At the beginning of the period	11,123	9,333
Change of accounting policy ¹	-	284
Adjusted opening balance	11,123	9,617
Dividend	-437	-364
New share issue ²	1,599	-
Comprehensive income for the period	1,907	1,869
Total equity	14,192	11,123

1. Comparative figures restated for changed accounting policy related to obtained deductions for deferred tax upon acquisitions. See page 24 for more information.

2. The new share issue completed during the year, increased equity by SEK 1,599 million after share issue expenses of SEK 39 million.

PROPERTY PORTFOLIO

Kungsliden's property portfolio, which includes investment and development properties, consisted of 222 properties at year-end. The property value amounted to SEK 30,794 million and rental value to SEK 2,567 million. 82 per cent of the portfolio is situated in four priority growth markets.

THE PROPERTY MARKET

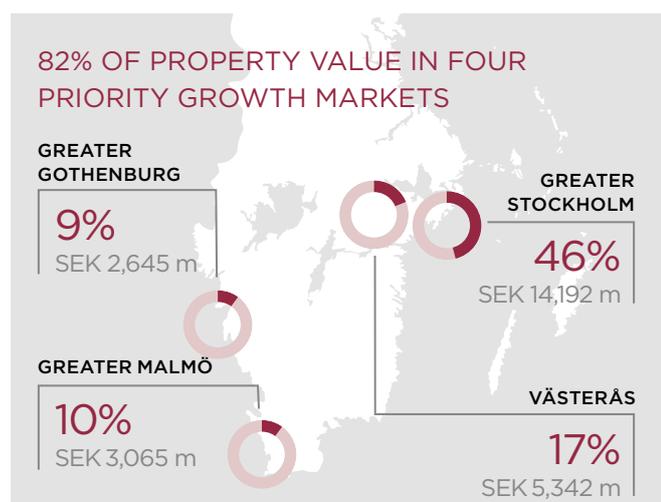
Conditions on the commercial property market remained very positive in 2017 with rising rent levels, higher property values and interest costs remaining low. This benefited all of Kungsliden's priority growth markets, but Greater Stockholm particularly, where the demand for offices is brisk. In combination with low vacancies and limited new production, this resulted in rent levels continuing to rise.

A clear slowdown on the housing market occurred in the fourth quarter, which is likely to slow new production of housing in the coming years. This resulted in reduced demand for acquiring residential development rights on the market.

PROPERTY PORTFOLIO - TOTAL HOLDINGS

PROPERTY HOLDINGS SEK m	31 Dec 2017		Jan-Dec 2017		
	Number of properties	Leasable area, 000 sq.m	Book value	Rental value	Economic occupancy rate, %
Investment properties	205	2,023	28,922	2,434	91.8
Development properties	17	136	2,052	133	64.2
Total property holdings	222	2,159	30,974	2,567	90.4

In the year, Kungsliden continued to concentrate its property portfolio by selling non-strategic properties and making complementary acquisitions within clusters. 82 per cent of the total property portfolio is now located in our four priority growth markets.



Acquisitions and divestments

In the fourth quarter 2017, Kungsliden enhanced its office portfolio through strategic acquisitions of three office properties: Gladan 5, Gladan 6 and Gladan 7 in western Kungsholmen in

Stockholm. This increased office areas in the Stockholm City West cluster by 11,200 square metres, to a total of 46,000 square metres. These properties were accessed in February 2018.

Kungsliden also signed an agreement on the sale of the property Stenvreten 4:1 in Enköping in the period. This transaction is conditional on government approval, and vacation is scheduled during the third quarter 2018. This sale means Kungsliden is exiting Enköping.

After the end of the period, Kungsliden acquired two newly built office properties and one property with a car park in Gothenburg, Kallebäck 2:7, 2:11 and 2:9. The property Rausgård 22 in Helsingborg was divested in February 2018.

Accessed and vacated properties

No properties were vacated or accessed in the fourth quarter.

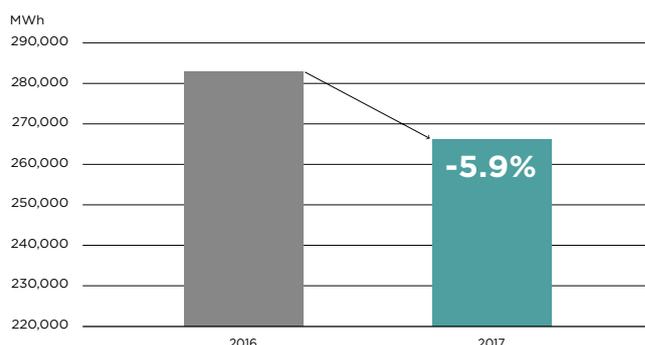
PROPERTY PORTFOLIO DEVELOPMENT, 2017 JAN-DEC, SEK m	Investment properties	Development properties ¹	Total
Properties at the beginning of the period	27,699	1,470	29,169
Change of accounting policy ²	374	-10	364
Acquisitions, access gained	790	-	790
Investments	598	328	925
Divested and vacated	-1,692	-	-1,692
Unrealised changes in value	1,152	265	1,417
Properties at end of period	28,922	2,052	30,974

- Properties reclassified, so there has been restatement from previously published Interim Reports in 2017.
- Comparative figures restated for changed accounting policy related to obtained deductions for deferred tax upon acquisitions. See page 24 for more information.

Energy use

Kungsliden's target is to reduce energy use by 3 per cent per year. Full-year energy use in like-for-like holdings decreased by 5.9 per cent year on year, corresponding to a cost saving of SEK 13 million. The savings are largely due to investments in energy efficiency projects, such as more efficient ventilation, computerised control and optimisation equipment, but also by making adjustments to existing equipment.

CLIMATE-ADJUSTED ENERGY USE



INVESTMENT PROPERTIES

2017 generally featured rising rent levels and increasing property values. In the year, Kungsleden worked actively to increase rental revenue by new leasing and renegotiating existing lease agreements. This improved the operating net of its existing property portfolio.

As of 31 December, Kungsleden owned 205 investment properties with a book value of SEK 28,922 million. Sales of non-strategic properties and complementary acquisitions in the year increased geographical concentration and the share of offices. Of total property values, 72 per cent were Offices, 18 per cent were Industrial/warehouse, 6 per cent were Retail and 4 per cent were in the Other category. 68 per cent of property values are located in 11 clusters, a 5 per cent increase year on year. By concentrating properties in clusters, we can improve our customer relations, make a better contribution to the development of the whole area, and achieve greater management efficiency.

After vacating properties divested up to and including December 2017, Kungsleden owns investment properties in the priority markets of Greater Stockholm, Greater Gothenburg, Greater Malmö and Västerås, as well as 19 other municipalities.

RENTAL VALUE JAN-DEC 2017, INVESTMENT PROPERTIES BY CATEGORY



- Office 64%
- Industrial/warehouse 26%
- Retail 7%
- Other 3%

RENTAL VALUE JAN-DEC 2017, INVESTMENT PROPERTIES BY PROPERTY MANAGEMENT UNIT



- Stockholm 40%
- Gothenburg/Malmö 29%
- Mälardalen 31%

PROPERTY VALUE INVESTMENT PROPERTIES BY CATEGORY AS OF 31 DEC 2017



- Office 72%
- Industrial/warehouse 18%
- Retail 6%
- Other 4%

PROPERTY VALUE INVESTMENT PROPERTIES AND CLUSTER OTHER AS OF 31 DEC 2017



- Share in clusters 68%
- Share outside clusters 32%

RENTAL VALUE AND LEASING

Rental value for the year amounted to SEK 2,434 million, with offices accounting for nearly two-thirds of this total. During the year, Kungsleden signed 204 leases on a total of some 110,000 square metres. New leases usually have higher rent per square metre than previously due to a strong rental market and Kungsleden actively making value-added tenant improvements. Demand is especially high in our clusters.

Newly signed lease agreements include 1,400 square metres with Sandvik Coromant in the flagship property Kista One in the Kista City cluster and 2,600 square metres with the Correctional Care Center in the property Karlslund 5:2 in Östersund.

60 of these new lease agreements are so called Green Leases. Green Leases include an agreement between the tenant and landlord regarding joint measures to maintain or improve the environmental performance of premises.

68% OF INVESTMENT PROPERTY VALUE IN 11 CLUSTERS

GOthenburg/Malmö PROPERTY MANAGEMENT UNIT SEK 3,012 m

- Högsbo, SEK 1,131 m
- Hyllie/Svågertorp, SEK 1,238 m
- Fosie, SEK 643 m

39% of investment property value in clusters

86% of investment property value in clusters

STOCKHOLM PROPERTY MANAGEMENT UNIT SEK 12,314 m

- Kista City, SEK 4,036 m
- Stockholm City East, SEK 3,207 m
- Danderyd Offices, SEK 2,651 m
- Stockholm City West, SEK 1,056 m
- Östersund, SEK 1,002 m
- Västberga Industrial Area, SEK 362 m

65% of investment property value in clusters

MÄLARDALEN PROPERTY MANAGEMENT UNIT SEK 4,458 m

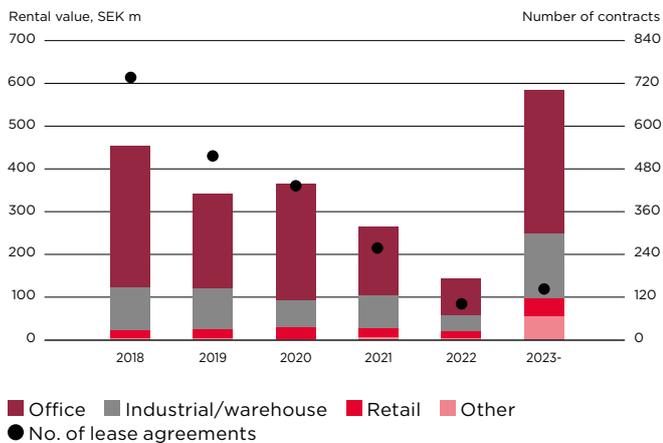
- Västerås City, 2,906 SEK m
- Finnslätten Industrial Area, SEK 1,553 m

LEASE AGREEMENT MATURITY STRUCTURE

Kungsliden strives to achieve a diversified lease agreement maturity structure. At present, 15-20 per cent of the contract portfolio matures each year and can be renegotiated. As of 31 December, the average maturity of the remaining lease agreements was 3.9 years (4.0).

Kungsliden's contract portfolio also includes a broad spectrum of tenants, sizes of customers and sectors, reducing the risk of rental losses and vacancies.

LEASE AGREEMENT MATURITY STRUCTURE INVESTMENT PROPERTIES¹



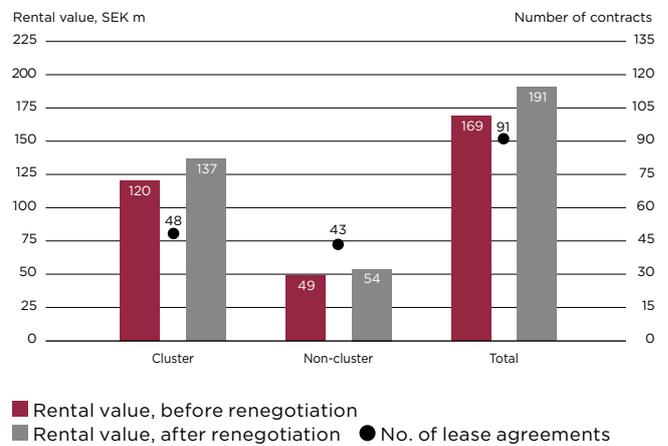
1. Excluding housing, car parks and garages.

RENEGOTIATION—RENTAL VALUES BEFORE AND AFTER

The lease agreements renegotiated in the year led to an average increase of rental value of 13 per cent. In total, rental value in renegotiated contracts increased from SEK 169 million to SEK 191 million.

Kungsliden completed a trendsetting renegotiation process with the Swedish Social Insurance Administration in Östersund. This lease relationship was extended with a new six-year lease agreement on 15,300 square metres in the property Karlslund 5:2. Kungsliden is converting these premises into an activity-based office space for the Administration, increasing rent by SEK 300 per square metre.

RENEGOTIATION OF RENTAL VALUE, JAN - DEC 2017, BEFORE AND AFTER RENEGOTIATION



Office property Stettin, Gärdet/Frihamnen.

INVESTMENTS AND DEVELOPMENT PROPERTIES

Investment is an important element of Kungsliden's business concept of improving and developing commercial premises, and is intended to make a gradually increasing contribution to the company's earnings and profitability. Investments are conducted on a project basis, and are designed to create value and address specific return requirements.

Generally, the purpose of these investments is to increase future rental revenue through new leasing (reduced vacancy), higher average rents or addition of leasable area.

DEVELOPMENT PROPERTIES AND TOTAL INVESTMENTS

At year-end 2017, Kungsliden was developing some 30 properties. Kungsliden invested a total of SEK 925 million in the year, of which over SEK 800 million were development projects, tenant improvements and other value-creating investments. In 2017–2019, Kungsliden intends to invest SEK 2.8 billion in this type of value-creating project.

DEVELOPMENT PROJECTS IN THE IMPLEMENTATION PHASE

As of 31 December, 8 development projects were in the implementation phase (category 1). They have a total investment volume of SEK 1,133 million, of which SEK 478 million was accrued and SEK 312 million was invested in 2017. When fully let, these development projects will increase the company's rental revenue by SEK 126 million on a full-year basis. At year-end, the occupancy rate for projects in the implementation phase was just over 90 per cent. Some new leasing also occurred after the year-end, and Kungsliden judges the demand for the remaining unleased premises as positive.

DEVELOPMENT PROJECTS WITH CONDITIONAL INVESTMENT DECISIONS

Conditional investment decisions had been taken on three development projects where leasing and project planning (category 2) was ongoing at year-end. The property Skiftinge 1:3 was removed from this category in the fourth quarter after a decision to divest it.

COMMERCIAL DEVELOPMENT RIGHTS

Kungsliden is conducting several zoning planning processes to create new commercial development rights in its existing portfolio.

Future potential commercial building permits (preferably offices) are estimated at 170,000 square metres.

RESIDENTIAL DEVELOPMENT RIGHTS

The focus of Kungsliden's strategy for residential development rights is to identify opportunities, initiate zoning plans and then divest development rights.

In total, Kungsliden has divested some 180,000 square metres of its identified residential development potential in the past two years. Pricing has varied between SEK 2,500 and 10,000 per square metre gross leasable area. Conditional additional purchase considerations for the executed divestments are expected to result in incremental earnings not yet recognised as profit of approximately SEK 320 million, as zoning plans approach completion between 2018 and 2020.

We currently expect the slowdown on the housing market to reduce demand for residential development rights.

The estimated remaining potential for residential development rights is approximately 270,000 square meters.

INVESTMENT PROGRAMME

SEK m	2014	2015	2016	2017	PLAN	
					2018	2019
Development projects	-	14	141	312	600	500
Tenant improvements and other value-creating investments	261	337	341	499	500	400
Maintenance investments	73	99	127	114	200	100
Total investments	334	450	609	925	1,300	1,000

DEVELOPMENT PROJECTS

(The numbers refer to the properties presented in image and text on the following pages)

Categories 1 and 2 in the table are Kungsleden's ongoing development projects, as well as planned and decided new construction projects.

CATEGORY 1—FINAL INVESTMENT DECISIONS MADE/IMPLEMENTATION STAGE						Investments				
Property	Category	Municipality	Completion	Leasable area, sq.m	Occupancy rate, %	Rental value fully leased, SEK m ¹	Investment amount, SEK m	Capitalised total, SEK m	of which 2017, SEK m	Plan 2018–2019, SEK m
1 Enen 10	Office	Södertälje	2018 Q2	6,000	77	14	145	143	48	2
1 Blästern 14 (phase 1)	Hotel	Stockholm	2018 Q4	11,400	100	39	325	149	111	176
	(phase 2) Office	Stockholm	2021	5,300	n/a	16	98	2	2	5
Holar 1	Hotel	Stockholm	2018 Q3	6,000	100	13	128	59	48	69
2 Tegnér 15	Retail	Växjö	2018 Q2	16,500	95	18	135	75	63	60
3 part of Karlslund 5:2	Social services property (new construction)	Östersund	2019	3,000	100	10	120	4	4	116
4 part of Laven 6	Retail (new construction)	Umeå	2018 Q2	3,100	100	4	33	19	18	14
5 part of Gallerian 1 (4 properties)	Retail	Eskilstuna	2019	6,000	60	12	149	27	18	122
Sub-total				57,300		126	1,133	478	312	564

CATEGORY 2—CONDITIONAL INVESTMENT DECISION MADE/LEASING AND PROJECT PLANNING						Investment amount, SEK m		Plan 2018–2019, SEK m
Property	Category	Municipality	Completion	Leasable area, sq.m				
part of Verkstaden 7	Office (new construction)	Västerås	2019/2020	13,400		375		325
6 Land allocation Hyllie part of Mimer 5—B:26	Office (new construction)	Malmö	2020	8,400		285		100
	Office	Västerås	2018/2019	4,600		82		82
Sub-total				26,400		742		507
Total, category 1 and 2				83,700		1,875		1,071

Categories 3 and 4 include projects in the feasibility study and pre-letting stages, and a selection of ongoing initiatives for the creation of building rights.

CATEGORY 3—FEASIBILITY STUDY AND LEASING				
Property	Category	Municipality	Completion	Leasable area, sq.m
7 part of Terminalen 2	Office/ Retail (new construction)	Sollentuna	2020	15,000
part of Oxelbergen 1:2	Office	Norrköping	2019/2020	6,000
Julius 1	Office	Malmö	2019	3,000
Högsbo 14:3	Office	Gothenburg	2018/2019	3,500
Total				27,500

Category 4—CREATION OF BUILDING RIGHTS				
Property	Category	Municipality	Project area, sq.m BTA	Status
Veddesta 2:65 and 2:73	Residential/Office	Järfälla	40,000–50,000	Zoning plan in progress
Verkstaden 7	Residential/Office/Retail	Västerås	50,000–70,000	Zoning plan in progress
Mandelblomman 3	Residential	Stockholm	10,000	Feasibility study in progress
Högsbo 14:3 and 14:7	Residential/Office	Gothenburg	20,000–25,000	Feasibility study in progress
Västerås 5:9	Office	Västerås	15,000–20,000	Feasibility study in progress
part of Isolatorn 3	Housing	Västerås	40,000	Zoning plan commencing
Brännaren 3	Garage/Office/Residential	Malmö	20,000	Zoning plan in progress
Domptören 4	Office	Stockholm	7,000	Feasibility study in progress
part of Terminalen 2	Office/Retail	Sollentuna	15,000	Zoning plan in progress
Järnbrott 168:1	Office/School/Residential	Gothenburg	n/a	Zoning plan in progress

1. Including indexed rent based on sales.



6

Concept for creative forces in Västerås City

B26 is part of the Mimer district in Kungsleden's Västerås City cluster. This building will undergo a major transformation. A new office concept has been developed, based on the idea of gathering companies and people with a shared interest in creativity and business under one roof. A building permit was previously granted for an extension of another two office floors and a roof terrace. The project involves a total of 4,600 square metres of leasable area. The leasing process got underway in the fourth quarter 2017 with a presentation of the new office and meetings concept for invited stakeholders, the local business community, neighbors and the media. This initiative gained a positive reception, and market interest is significant.



3

KARLSLUND

Swedish Prison and Probation Service gets the go-ahead in Östersund

An agreement on new custodial and probation premises has been signed with the Correctional Care Center in Östersund (part of Karlslund 5:2). The project obtained the necessary central government approval in the fourth quarter for new construction of about 3,000 square meters. Project planning of the building permit and system documentation is ongoing, and scheduled construction start is in May 2018.

Design hotel, meeting place and offices in Stockholm city center

A hotel and contemporary office premises totaling 16,000 square metres are under construction in the Blästern 14 property on Gävlegatan in central Stockholm. Hotel operator Nobis has signed a 20-year lease and is creating a designer hotel with generous restaurant, bar and lounge areas, including a courtyard and roof terrace, in partnership with Kungsleden. The hotel and offices are scheduled for completion in the fourth quarter 2018. The conceptual process for the office accommodation, phase 2 began in the fourth quarter 2017, and the hotel project's construction and tendering process continued.



1

BLÄSTERN



A new lease of life in Växjö City

The property Tegnér 15 on Storgatan in central Växjö is a mixed usage property including office and residential premises, as well as the well-known Tegnégallerian mall. The mall has undergone a major transformation recently, which is now in its final phase. This has involved the creation of a new commercial concept for the retail space, which includes bringing the district a new lease of life by removing parts of the inner walkway and adding more store entrances to the street.

There was a phase opening and H&M on 29 November 2017, which attracted major interest. Rituals then signed a five-year lease on 220 square metres, and now only 90 square metres remains unlet.



Concept and zoning plan work in Sollentuna

A feasibility study for part of the property Terminalen 2 alongside the E4 motorway is ongoing in Sollentuna. The feasibility study is for the new production of office/retail premises. Conceptual work is being conducted in tandem with the zoning plan process.

Trampolining center in Umeå

Kungsleden is constructing a new building at its property Laven 6 in Umeå to create a trampolining facility for the Jump trampolining center. Work is proceeding as planned, with tenant relocation scheduled for 28 March 2018.

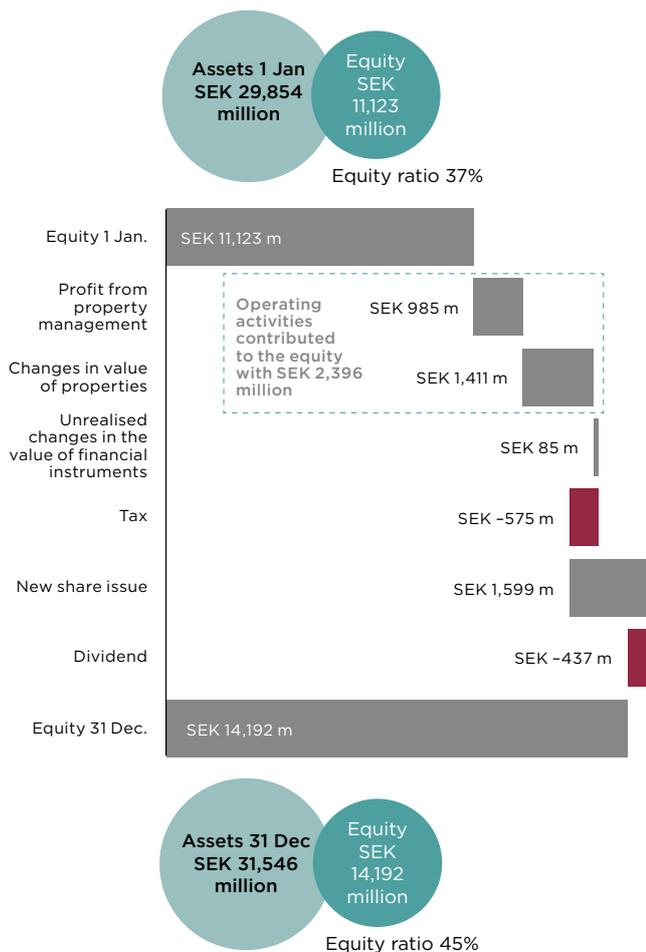


Contemporary shopping in central Eskilstuna

A development project is underway in the Gallerian mall at Fristadstorget in Eskilstuna. This development (which includes four individual properties) consists of a ground floor with retail premises, an upper level with office space and gym, as well as a basement level with accommodation including a car park and ten-pin bowling lanes. The current development project includes the retail premises on the ground floor and is intended to create a more contemporary and attractive retail environment for local residents. The leasing process intensified in the fourth quarter 2017, and production for Hemköp, Systembolaget and neighbouring premises continued.

FINANCING

A stronger financial position and higher credit rating from Moody's in the year enabled Kungsliden to increase its borrowings on the capital markets through the issuance of unsecured bonds. In this way, Kungsliden is diversifying its financing and reducing its dependence on traditional bank borrowings against real estate security.



MATURITY STRUCTURE, CREDIT AND INTEREST RATE DERIVATIVES

31 Dec. 2017, SEK m	Utilised credits	Unutilised credits	Total	Interest rate derivatives	Ave. int. derivatives, %
2018	1,907	250	2,157		
2019	3,429		3,429	1,000	0.5
2020	4,411	1,875 ¹	6,286	2,770	0.6
2021	1,842		1,842	1,450	0.8
2022				3,000	1.0
2026	630		630		
2027	1,594		1,594		
2036	1,340		1,340		
Total	15,153	2,125	17,279	8,220	

1. of which SEK 980 m is backup for issued commercial paper.

INTEREST-BEARING LIABILITIES

Kungsliden's interest-bearing liabilities decreased by SEK 1,358 million in 2017, to SEK 15,153 (16,511) million at year-end. This decrease in liabilities is mainly due to amortisation of bank loans linked to the sale of non-strategic properties.

RATING

In the third quarter, Kungsliden received a Ba1 credit rating with Positive Outlook from the rating agency Moody's. This rating may be upgraded to Investment Grade, providing Kungsliden's loan-to-value ratio, for the long term, does not exceed 50 per cent and that the portion of secured borrowings is reduced.

FUNDING ACTIVITIES

With this rating and a newly established MTN program for bond issues, Kungsliden has progressively increased its funding on the capital markets. In the fourth quarter, Kungsliden issued SEK 1,350 million of four-year bonds. At the beginning of 2018, Kungsliden issued two new bonds of a total SEK 1,150 million and maturities of 3 and 1.5 years respectively, and credit spreads of 1.8 and 1.2 per cent respectively. The proceeds from these issues will primarily be used to repay a portion of the short-term secured bank loan, with the aim of releasing real estate security, and thus reduce the share of secured borrowings.

As of the publication date of this Year-end Report, Kungsliden had issued senior unsecured bonds with a total nominal amount of SEK 2.5 billion within its MTN program. A SEK 600 m outstanding bond that is not part of the MTN program was previously issued.

In the fourth quarter, Kungsliden re-financed SEK 1,078 million of bank borrowings by arranging a secured loan from Nykredit of Denmark, with Kungsliden securing a credit facility with a ten-year term. This was a contributor to the average remaining debt maturity of its aggregate interest-bearing liabilities extending to 4.7 (4.2) years as of year-end.

MATURITY STRUCTURE

With the aim of improving ongoing net interest income/expense, Kungsliden closed out interest rate swaps on two occasions previously in the year: a nominal value of SEK 900 million at the beginning of May, and nominal value of SEK 650 million at the end of September. These swaps had accrued a high fixed coupon, which reduced net financial costs. A further nominal value of SEK 350 million of swaps were closed out in the fourth quarter, with the aim of restoring the debt maturity profile after arranging a four-year, fixed-rate bond.

The average fixed interest rate term as of year-end was 2.4 (3.4) years. The share of loans with maturities longer than 12 months was approximately 61 per cent at year-end. With the current interest hedges, net financial costs is affected only marginally given a momentary increase in short interest rates.

EARNINGS CAPACITY

With an increasing share of well-located offices on growth markets, as well as active new lettings and renegotiation efforts, Kungsleden has been able to progressively increase the earnings capacity of its investment properties.

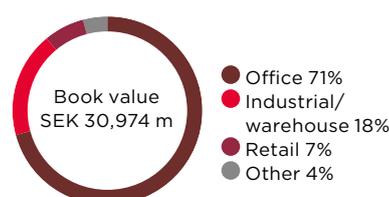
The tables below show the properties held at year-end, along with key figures based on financial performance over the past twelve months. The figures do not include any future events such as lettings and investments. The tables are intended to offer a view of the current property portfolio's underlying earnings capacity, but is not a forecast.

After the divestment of non-strategic properties in 2016 and 2017, the property portfolio is of a higher quality, which is shown in higher rental revenue per square metre and higher value per square metre.

Three of the four properties that have been divested but not vacated (Aspgården in Umeå and Brännaren in Malmö that

were divested in the second quarter 2017, and Rausgård in Helsingborg that was divested in January 2018) are scheduled for vacation in the first half-year. Stenvreten in Enköping, divested in the fourth quarter 2017, is scheduled for vacation in the third quarter 2018. Five of the six properties that have been acquired but not accessed (Gladan 5, 6 and 7 on Kungsholmen in Stockholm, acquired in December 2017, and two of the properties in Gothenburg acquired in February 2018) are scheduled for access in the first quarter 2018. One of the properties acquired in Gothenburg will be accessed when construction is complete, scheduled for the first quarter 2019.

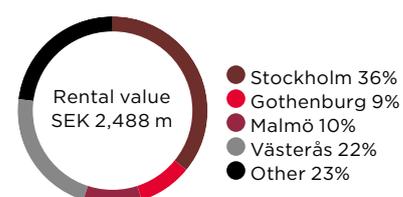
BOOK VALUE
BY PROPERTY CATEGORY



RENTAL VALUE - EARNINGS CAPACITY
BY PROPERTY CATEGORY



RENTAL VALUE - EARNINGS CAPACITY
BY URBAN CONCENTRATION



EARNINGS CAPACITY BY PROPERTY CATEGORY	Office	Industrial/ warehouse	Retail	Other	Total investment properties	Development properties	Total properties	of which sold not vacated	Purchased ¹ not accessed
Leasable area, 000 sq.m	1,091	714	151	68	2,023	136	2,159	126	29
Rental value, SEK m	1,544	558	164	90	2,356	132	2,488	83	83
Rental revenue, SEK m	1,405	531	151	81	2,168	85	2,253	81	81
Operating net, SEK m	925	375	98	51	1,451	35	1,486	73	69
Book value, SEK m	20,788	5,230	1,806	1,098	28,922	2,052	30,974	1,006	1,534
Economic occupancy rate, %	91.0	95.2	91.7	90.2	92.0	64.2			98.0
Surplus ratio, %	65.9	70.6	65.4	63.6	66.9				85.0
Direct yield, %	4.5	7.2	5.5	4.7	5.0			7.2	4.5
Rental revenue, SEK per sq.m	1,532	813	1,150	1,460	1,234		1,237		2,752

1. Not included in total.

EARNINGS CAPACITY INVESTMENT PROPERTIES BY URBAN CONCENTRATION	Greater Stockholm	Greater Gothenburg	Greater Malmö	Västerås	Regional cities and other	Total investment properties
Leasable area, 000 sq.m	499	248	220	505	550	2,023
Rental value, SEK m	847	223	237	543	506	2,356
Rental revenue, SEK m	766	208	221	516	457	2,168
Operating net, SEK m	528	141	149	321	312	1,451
Book value, SEK m	13,026	2,598	3,010	5,252	5,036	28,922
Economic occupancy rate, %	90.3	92.9	93.5	94.9	90.5	92.0
Surplus ratio, %	69.0	67.7	67.4	62.2	68.2	66.9
Direct yield, %	4.1	5.4	5.0	6.1	6.2	5.0
Rental revenue, SEK per sq.m	1,775	955	1,169	1,149	973	1,234

KEY FIGURES

	12 months		Quarter	
	2017 Jan-Dec	2016 Jan-Dec	2017 Oct-Dec	2016 Oct-Dec
Property related				
Direct yield, % ¹	5.1	5.6	4.8	5.3
Economic occupancy rate, %	90.4	90.6	90.5	90.4
Surplus ratio, % ²	66.3	66.2	64.7	65.2
Outcome investment properties				
Direct yield, investment properties, %¹	5.3	5.7	5.0	5.5
Economic occupancy rate, investment properties, %	91.8	91.9	91.9	91.9
Surplus ratio, investment properties, %²	67.3	67.2	65.5	66.4
Rental revenue, investment properties, SEK/sq.m³	1,153	1,070		
Property costs investment properties, SEK/sq.m³	331	311		
Financial				
Return on total assets, % ¹	4.6	5.2	4.4	4.9
Return on equity, % ¹	15.1	18.0	14.1	25.9
Interest coverage ratio	3.3	3.0	3.6	2.9
Equity ratio, % ¹	45.0	37.3		
Debt/equity ratio ¹	1.1	1.5		
LTV (loan-to-value) ratio, % ¹	47.9	55.7		
Per share information				
Dividend, SEK ⁴	2.00	2.00		
Total return on share, %	8.8	-1.2		
Yield on shares, %	3.4	3.5		
Profit from property management, SEK ⁵	4.66	5.31	1.11	1.27
Net profit for the period, SEK ^{1,5}	9.03	10.01	2.21	3.75
EPRA EPS (profit from property management after tax), SEK ^{1,5}	4.45	5.05	1.14	1.21
EPRA NAV (long-term net asset value), SEK ¹	71.87	69.32		
EPRA NNNAV (current net asset value), SEK ¹	70.63	65.73		
Equity, SEK ¹	64.98	6.12		
Cash flow before changes in working capital, SEK ⁵	4.67	5.40	1.09	1.40
Outstanding shares at the end of the period	218,403,302	182,002,752	218,403,302	182,002,752
Average number of shares ⁵	211,171,694	186,644,063	218,403,302	186,644,063

1. Comparative figures restated for changed accounting policy related to obtained deductions for deferred tax upon acquisitions. See page 24 for more information.

2. The definition of surplus ratio has changed. Comparative figures have been restated. See page 26 for current definitions.

3. Comparative figures restated for the period of these properties were classified as investment properties.

4. Dividend paid in the period.

5. Restated with an adjustment factor of 2.55 per cent for the bonus issue element of the new share issue carried out during the first quarter of 2017.

KEY FIGURES PER PROPERTY MANAGEMENT UNIT	Stockholm			Gothenburg/Malmö			Mälardalen			Total properties
	Investment properties	Development properties	Total Stockholm	Investment properties	Development properties	Total Gothenburg/Malmö	Investment properties	Development properties	Total Mälardalen	
No. of properties	55	7	62	101	4	105	49	6	55	222
Leasable area, 000 sq.m	630	60	690	685	27	711	709	50	758	2,159
Rental value, SEK m	977	60	1,038	700	29	729	757	44	800	2,567
Rental revenue, SEK m	886	37	924	649	21	670	699	27	726	2,319
Operating net, SEK m	620	22	641	445	7	453	438	6	444	1,538
Book value, SEK m	14,315	1,375	15,690	7,764	348	8,111	6,843	329	7,172	30,974
Economic occupancy rate, %	90.7	61.6	89.0	92.7	73.3	91.9	92.3	61.8	90.7	90.4
Surplus ratio, %	69.4	58.0	69.4	68.6	35.1	67.5	62.7	23.3	61.2	66.3
Direct yield, %	4.6	2.1	4.3	5.7	3.2	5.6	6.3	2.0	6.1	5.1
New leasing, SEK m	110	7	117	51	3	55	24	4	29	201
Net leasing, SEK m	69	1	71	-9	3	-6	2	2	4	69
Investments, SEK m	277	223	501	173	69	242	147	36	183	925
Unrealised changes in value - properties, SEK m	811	232	1,043	231	2	232	104	38	141	1,417

QUARTERLY SUMMARY

INCOME STATEMENTS IN SUMMARY

SEK m	2017				2016			
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Revenue	567	574	591	591	602	606	609	614
Operating net	367	418	391	362	390	428	397	388
Selling and administration costs	-31	-36	-29	-24	-31	-29	-27	-25
Net financial items	-93	-107	-111	-122	-123	-130	-121	-126
Profit from property management	243	276	250	216	235	269	250	236
Profit (loss) from divestment	7	-12	-1	0	3	2	29	-2
Unrealised changes in property value ¹	367	386	288	377	475	271	388	526
Unrealised changes in value of financial instruments	5	15	28	37	196	-32	-183	-302
Profit before tax	622	664	565	630	910	510	483	458
Tax ¹	-129	-183	-125	-138	-211	-110	-98	-73
Net profit for the period	493	481	440	492	699	400	385	385

FINANCIAL POSITION IN SUMMARY

SEK m	2017				2016			
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
ASSETS								
Intangible assets	9	10	11	11	11	8	8	7
Properties ¹	30,974	30,227	30,592	29,835	29,533	29,003	28,634	28,149
Equipment	7	8	8	9	9	10	10	10
Other long-term receivables	12	12	12	12	12	4	5	5
Total non-current assets	31,002	30,257	30,623	29,867	29,566	29,025	28,656	28,171
Current receivables	231	247	286	301	231	209	239	260
Derivatives	-	-	-	-	-	-	-	5
Cash and bank balances	313	241	452	1,975	57	41	1,007	822
Total current assets	544	488	738	2,275	288	250	1,246	1,087
TOTAL ASSETS	31,546	30,745	31,360	32,142	29,854	29,275	29,902	29,258
EQUITY AND LIABILITIES								
Equity¹	14,192	13,699	13,218	13,214	11,123	10,425	10,024	10,003
Interest-bearing liabilities								
Liabilities to credit institutions	11,078	12,431	13,198	13,224	13,728	13,936	15,992	16,194
Bond loans (not guaranteed)	1,950	600	600	975	975	975	1,675	1,075
Other borrowing	2,126	2,026	2,025	2,275	1,808	1,708	-	-
Total interest-bearing liabilities	15,153	15,057	15,823	16,474	16,511	16,619	17,667	17,269
Non interest-bearing liabilities								
Provisions	12	12	12	12	12	5	5	5
Deferred tax liability ¹	1,333	1,180	1,079	955	841	633	525	437
Derivatives	171	185	367	615	653	864	833	654
Other non interest-bearing liabilities	684	612	861	872	714	729	849	889
Total non interest-bearing liabilities	2,199	1,989	2,319	2,454	2,220	2,231	2,211	1,986
TOTAL EQUITY AND LIABILITIES	31,546	30,745	31,360	32,142	29,854	29,275	29,902	29,258

1. Comparative figures restated for changed accounting policy related to obtained deductions for deferred tax upon acquisitions. See page 24 for more information.

PARENT COMPANY INCOME STATEMENT – IN SUMMARY

SEK m	12 months		Quarter	
	2017 Jan-Dec	2016 Jan-Dec	2017 Oct-Dec	2016 Oct-Dec
Intra-group revenue	3	34	3	0
Administration costs	-37	-42	-11	-9
Operating profit (loss)	-34	-8	-8	-9
Profit (loss) from financial items ¹	594	274	-25	781
Profit before tax	560	266	-33	772
Tax on net profit (loss) for the period	-214	82	-219	-56
Net profit (loss) for the period	346	348	-252	716

1. Jan-Dec 2016 has been adjusted for the intra-group dividend of SEK 76 m.

PARENT COMPANY BALANCE SHEET – IN SUMMARY

SEK m	31 Dec. 2017	31 Dec. 2016
Assets		
Participations in group companies	3,998	4,538
Receivables from group companies ¹	14,433	12,508
Other receivables	248	459
Cash and cash equivalents	291	38
Total assets	18,970	17,543
Equity and liabilities		
Equity ¹	8,328	6,822
Long-term liabilities	2,123	1,255
Liabilities to group companies	7,520	7,902
Other liabilities	999	1,564
Total equity and liabilities	18,970	17,543

1. Jan-Dec 2016 has been adjusted for the intra-group dividend of SEK 76 m.

COMMENTS ON THE INCOME STATEMENT AND BALANCE SHEET

The parent company's net profit for the period amounted to SEK 346 (348) million. This figure relates mainly to intra-group interest of SEK 652 (157) million and dividends received from subsidiaries of SEK 499 (2,245) million, Group contributions received of SEK 487 (84) million, a loss from the liquidation of subsidiaries of SEK -497 (-5) million, as well as impairment and reversal of participations of SEK -452 (-1,641) million. Unrealised changes in value on financial instruments amounted to SEK 85 (-273) million in the year. As of 31 December 2017, the negative market value was SEK -171 million, compared to SEK -652 million at the beginning of the year. Interest rate swaps were closed out in the quarter through a one-off payment of their current market value deficit of SEK 9 million. Current interest payments on swaps amount to SEK 149 million of the

unrealised changes in value since year-end, which was offset by decreasing longer-term market interest rates, exerting a SEK -64 million value effect.

At the end of the period, assets mainly consisted of participations in Group companies of SEK 3,998 (4,538) million and receivables from Group companies of SEK 14,433 (12,508) million. Financing was obtained in the form of equity of SEK 8,328 (6,822) million, liabilities to Group companies of SEK 7,520 (7,902) million, and external liabilities of SEK 3,122 (2,819) million, which included issued commercial paper, bond issues and the negative market value of interest rate swaps. The equity ratio at the end of the period was 44 (39) per cent. The increase of equity, and consequently the equity ratio, is due to a completed new share issue.

OTHER INFORMATION

ORGANISATION AND EMPLOYEES

The average number of employees was 109 (107) for the year.

RISKS AND UNCERTAINTIES

Kungsleden's operations, results of operations and financial position are affected by a number of risk factors. These relate mainly to properties, tax and financing. No material changes to risks and uncertainty factors occurred in 2017.

More information on Kungsleden's risks and risk management is on pages 42–43 and 65 of the Annual Report for 2016.

RESTRUCTURING RESERVE

During 2017, Kungsleden entered an agreement on the outsourcing of financial administration services, which became effective at year-end 2017. Implementation generated non-recurring costs of SEK 11 million, which were charged to profits for the third quarter, of which SEK 4 million was provisioned at year-end.

NEW AND AMENDED STANDARDS AND INTERPRETATION STATEMENTS EFFECTIVE 1 JANUARY 2018

The International Accounting Standards Board (IASB) has issued new standards that came into effect on 1 January 2018; IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. At the end of 2016, Kungsleden conducted its initial assessment that neither the Group's results of operations nor financial position would be materially affected by these new standards. A detailed assessment was subsequently conducted and Kungsleden did not find any reason to revise its initial assessment. Regarding revenue recognition, the majority of Kungsleden's revenues consists of rental revenue from lease agreements. Lease agreements lie outside IFRS 15's area of application. An analysis of supplementary billing and other revenues revealed that the majority of these revenues are considered as integrated into the concession tenants receive, and accordingly, will continue to be recognised jointly with rental revenue.

VALUATION OF PROPERTY PORTFOLIO

Kungsleden internally appraises and values its entire property holdings quarterly, with classification at level 3 according to IFRS 13. The valuations are based on an analysis of cash flows involving an assessment of future earnings capacity and the market's required yield for each property. The internal valuations serve as the basis of reported book values. To quality-as-

sure and verify internal valuations, external valuations are also conducted on approximately 25 per cent of properties each quarter. This means that each property in the portfolio is valued externally within each twelve-month period.

VALUATION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities such as accounts receivable, loan receivables, liabilities to credit institutions and other liabilities are recognised at amortised cost less deductions for potential impairment. For derivatives, where Kungsleden holds a number of interest rate swaps, market valuations are conducted each quarter with classification in level 2 pursuant to IFRS 13.

ALTERNATIVE PERFORMANCE MEASURES

Kungsleden applies European Securities and Markets Authority (ESMA) guidelines on alternative performance measures.

According to these guidelines, an alternative performance measure is a financial metric of historical or future earnings performance, financial position, financial results or cash flows, which is not defined or stated in applicable rules for financial reporting (IFRS and the Swedish Annual Accounts Act).

Kungsleden reports EPRA EPS, EPRA NAV and EPRA NNNNAV in accordance with European Public Real Estate Association (EPRA) definitions.

INFORMATION BASED ON FORECASTS

Some of the items in this Year-end Report are forecasts and actual outcomes may differ significantly. In addition to the factors that have been expressly commented on, other factors may also have a material impact on actual outcomes, such as economic growth, interest rates, financing terms, yield requirements on property assets and political decisions.

EVENTS AFTER THE END OF THE PERIOD

After the end of the reporting period, Kungsleden acquired the properties Kallebäck 2:7, 2:9 and 2:11 in the district Tändstikkan of Gothenburg. The property Rausgård 22 in Helsingborg was divested after the end of the period.

ACCOUNTING POLICIES

The Group's Year-end Report is prepared in accordance with IAS 34 Interim Financial Reporting, and for the parent company in accordance with Chapter 9 of the Swedish Annual Accounts Act. Relevant provisions of the Swedish Annual Accounts Act and the Swedish Securities Markets Act have been applied. The same accounting policies and calculation methods have been applied for the Group and parent company as in the most recent Annual Report, apart from the following amendment.

DEDUCTIONS RECEIVED FOR DEFERRED TAX ON ACQUISITIONS OF REAL ESTATE AS ASSET ACQUISITIONS

Effective 2017, Kungsleden's reports obtained deductions for deferred tax on asset acquisitions as unrealised changes in value on property in the quarter when the acquisition is recognised. This revised policy is being applied retroactively, which resulted in restatement of the affected income items in the Income Statement and Statement of Financial Position for individual quarters and the full year 2016, as well as for the first three quarters of 2017.

Consequently, reported property value increased by SEK 364 million. Simultaneously, equity increased in the form of SEK 284 million of retained earnings and SEK 80 million of deferred tax liability. In the reported comparative figures for 2016, property values were restated from SEK 29,169 million to 29,533 million, equity increased from SEK 10,839 million to SEK 11,123 million and the deferred tax liability increased from SEK 761 million to SEK 841 million. Reported profits for the period January–December 2016 were not affected.

Apart from the financial statements and their associated notes, disclosures pursuant to IAS 34.16A have been made in other sections of this Year-end Report. Preparation of this Year-end Report requires management to make judgements and estimates, and to make assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may differ from these estimates and judgements. The critical estimates made and sources of uncertainty in estimates are the same as in the most recent annual accounts.

STOCKHOLM, 15 FEBRUARY 2018

Göran Larsson
Chairman of the Board

Charlotte Axelsson
Board member

Ingalill Berglund
Board member

Joachim Gahm
Board member

Liselotte Hjorth
Board member

Kia Orback Pettersson
Board member

Charlotta Wikström
Board member

Biljana Pehrsson
Chief Executive Officer

This information is mandatory for Kungsleden AB to publish pursuant to the EU Market Abuse Regulation. This information was submitted for publication through the agency of the following contacts at 7:00 a.m. CET on 15 February 2018.

*Biljana Pehrsson, CEO of Kungsleden, tel: +46 (0)8 503 05204
Anders Kvist, Deputy CEO & CFO of Kungsleden, tel: +46 (0)8 503 05211*

This Report has not been subject to review by the company's auditors. This document is a translation of a Swedish language original Report. In case of any discrepancy between the two versions, the original shall take precedence.

KUNGSLEDEN'S SHARE

Kungsliden's share is listed on Nasdaq Stockholm Large Cap list. The market capitalisation at the end of the fourth quarter was just over SEK 13 billion.

The price paid for the Kungsliden share at the beginning of the year was SEK 56.52, and SEK 59.50 at the end of the fourth quarter. The low for the year was on 14 March at SEK 49.04. The high was on 30 October at SEK 60.50.

SHARE CAPITAL AND TURNOVER

Kungsliden conducted a new share issue with preferential rights for existing shareholders in the first half-year. As a result of this new share issue, Kungsliden's share capital increased by a total of SEK 1,599 million after deduction of share issue expenses of SEK 39 million. Share capital increased by SEK 15,166,895.83 to SEK 91,001,375.83. The number of ordinary shares increased by 36,400,550 to 218,403,302 through the new share issue.

251.8 million (16.7) million Kungsliden shares were traded in the year, with a total value of SEK 13.6 (9.6) billion. Nasdaq Stockholm represented 52 (51) per cent of all trading in the

Kungsliden share, while other market places such as BATS, LSE and Boat accounted for the remainder.

SHARE DIVIDEND

The company's dividend policy, effective 2015 onwards, stipulates that the dividend should progress consistently with profit from property management. In 2017, profit from property management decreased only marginally despite a significant loss in earnings from the divestment of non-strategic properties. This, in combination with improved prospects for the profit from property management from 2018 and onwards, lies behind that the Board of Directors proposes an increase of dividend to SEK 2.20 per share for 2017, compared to the SEK 2.00 per share distributed for the previous year.

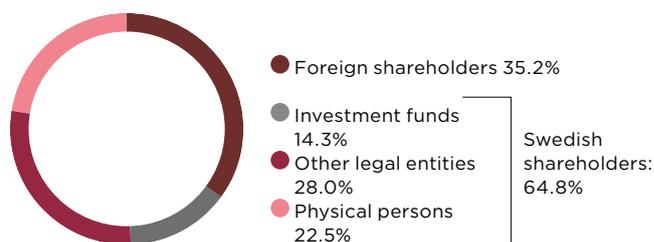
Source: share and trading data: SIX Trust and Fidessa respectively.

KEY FIGURES PER SHARE

Per share information	2017 Jan-Dec	2016 Jan-Dec
Dividend, SEK ¹	2.00	2.00
Total return on share, %	8.8	-1.2
Dividend yield on shares, %	3.4	3.5
Profit from property management, SEK ²	4.66	5.31
Net profit for the period, SEK ^{2, 3}	9.03	10.01
EPRA EPS (profit from property management after tax), SEK ^{2, 3}	4.45	5.05
	31 Dec. 2017	31 Dec. 2016
EPRA NAV (long-term net asset value), SEK ³	71.87	69.32
EPRA NNAV (aktuellt net asset value), SEK ³	70.63	65.73
Equity, SEK ³	64.98	61.12
Share price ²	59.50	56.52

1. Dividend paid in the period.
2. Restated with an adjustment factor of 2.55 per cent for the bonus issue element of the new share issue carried out in the first quarter of 2017.
3. Comparative figures restated for changed accounting policy related to obtained deductions for deferred tax upon acquisitions. See page 24 for more information.

OWNERSHIP STRUCTURE AS OF 31 DECEMBER 2017



Source: Monitor from Modular Finance AB. Composite and processed data from sources including Euroclear, Morningstar and Finansinspektionen.

TOTAL SHARE RETURN 2013-2017, SEK



■ Kungsliden (incl. dividend) ■ OMX Stockholm GI
 ■ OMX Stockholm Real Estate GI
 Source: Modular Finance

SHAREHOLDERS AS OF 31 DECEMBER 2017

Name	No. of shares	Share of capital, %
Gösta Welandson	32,542,023	14.9%
Länsförsäkringar Fonder	8,779,525	4.0%
Handelsbanken Fonder	7,435,068	3.4%
Olle Florén	6,600,797	3.0%
BNP Paribas Investment Partners	6,037,735	2.8%
Vanguard	5,739,268	2.6%
BlackRock	5,587,617	2.6%
Second AP fund	5,503,966	2.5%
Norges Bank	4,667,547	2.1%
TR Property Investment Trust	4,230,553	1.9%
Total, 10 largest shareholders	87,124,099	39.9%
Foreign shareholders, other	50,670,924	23.2%
Swedish shareholders, other	80,608,279	36.9%
Total	218,403,302	100.0%

Source: Modular Finance

DEFINITIONS

Property related key figures

Direct yield

The measurement is used to highlight the yield for the operating net in relation to the value of the properties.

Outcome

Operating net in relation to average book value of properties. At interim reporting, returns are converted to a full-year basis. Average book value of properties is calculated as the sum of the opening and closing balances divided by two.

Outcome per property management unit, urban concentration, category, cluster and investment- and development properties.
The value for the interim period is calculated as an average of the direct yield for the quarters included

Earnings capacity

Operating net in relation to the book value of the properties at the year end.

Operating and maintenance cost, SEK per sq.m

Operating and maintenance cost in relation to the average leasable area.

Operating net

Total revenues less property costs.

Economic vacancy rate

Estimated market rent for vacant areas in relation to rental value.

Economic occupancy rate

The measurement is intended to facilitate assessment of rental revenue in relation to the total value of the possible vacant area. Rental revenue is calculated in relation to rental value.

Property costs, SEK per sq.m

Property costs in relation to the average of the leasable area.

Profit from property management

Profit from property management is a specific performance measurement which is used in the property sector to facilitate comparability in the industry. Calculated as the sum of the operating net, selling and administration costs and net financial items.

Average remaining contract length maturity

Remaining contract value divided by annual rent.

Rental revenue

Charged rents, rent surcharges and rental guarantees less rent discounts.

Rental value

Rental revenue plus estimated market rent for vacant units.

Revenue

Rental revenue and other income.

Contracted annual rent

Rent (exclusive of heating) plus a fixed additional amount.

Average rent, SEK per sq.m

Rental revenues in relation to the average leasable area.

Leasable area

Leased area and leasable vacant area.

Surplus ratio

Operating net in relation to rental revenues (previously total revenues)

Other revenue

Revenues which have no direct link to lease agreements.

Financial key figures

Return on equity

Net profit for the period after tax in relation to average equity. At interim reporting, returns are converted to a full year basis. Average equity is calculated as the sum of the opening and closing balances divided by two.

Return on total assets

Operating net, profit from property divestment, selling and administration costs in relation to average assets. At interim reporting, returns are converted to a full year basis. Average assets are calculated as the sum of the opening and closing balances divided by two.

LTV (loan-to-value) ratio

Interest-bearing liabilities less cash and bank, and in relation to the book value of the properties.

Interest coverage ratio

Profit from property management excluding financial expenses, in relation to financial expenses.

Debt/equity ratio

Interest-bearing liabilities in relation to equity.

Equity ratio

Equity including minority interests in relation to total assets.

Share-related key figures

Dividend yield on shares

Adopted/proposed dividend/redemption in relation to the share price at the year end.

Total return on shares

The sum of the share price change during the period and during the dividend paid/redemption period in relation to the share price at the beginning of the period.

Adopted/proposed dividend per share

The Board of Directors' proposed dividend or by the AGM-adopted dividend per share.

Equity per share

Equity in relation to the number of shares at the year end.

EPRA EPS (profit from property management after tax) per share

Profit from property management with a deduction for taxable profit in relation to the average number of shares during the period.

EPRA NAV (long-term net asset value) per share

Reported equity including recognised liability/asset for interest rate derivatives and deferred tax in relation to the number of shares at the year end.

EPRA NNAV (current net asset value) per share

Reported equity adjusted for the estimated fair value of deferred tax, instead of registered in relation to the number of shares at the year end. The history for the years 2012-2015 is calculated on the basis of the actual change of loss carry-forwards and temporary differences for divested properties during the period up to 2016.

Profit from property management, per share

Profit from property management for the period in relation to the average number of shares during the period.

Average number of shares

Number of outstanding shares weighted over the period.

Cash flow before changes in working capital per share

Cash flow before changes in working capital in relation to the average number of shares.

Net profit for the period, per share

Net profit for the period in relation to the average number of shares during the period.

Glossary

Property costs

The costs for electricity, heating, water, property management, cleaning, property administration, insurance and maintenance less charged additional amount for operation and maintenance.

Investment properties

The total property holding excluding development properties.

Category

The properties' primary use by area. The type of area that accounts for the largest share of the total area determines how the property is defined. A property with 51 per cent office space is therefore regarded as an office property. Categories are defined as Offices, Industrial/warehouse, Retail and Other.

Clusters

Kungsliden defines clusters as a gathered property holding in a location with good accessibility, in a market with good growth and development potential. The optimal cluster has a good mix of offices, retail and residential and an attractive service offering.

Contract value

Rent according to the lease agreements plus indexation and rent surcharges expressed as an annual value.

Development properties

Properties with areas of vacant possession which are planned to be vacated, short-term leased or demolished in order to allow for development.

Average interest rate

The average interest rate is calculated by setting the interest costs from loans and interest rate swaps, the initial direct costs and the costs associated with unutilised credit lines in relation to the outstanding loan volume as per the closing day.

Unrealised changes in value

The difference between the book value and accumulated acquisition value of the properties at the year end, less the difference between the book value and accumulated acquisition value for properties at the beginning of the year.

Maintenance

Measures to maintain the property and its technical systems. Current and planned actions involving exchanges or renovation of building parts or technical systems. Tenant improvements are also included here.

ESMA guidelines

See additional information on page 24.

KUNGSLEDEN ENRICHES PEOPLE'S WORKING DAY

Kungsleden is a long-term property owner that provides attractive 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 markets. A large share of our properties are situated in attractively located clusters where we participate actively in the development of the whole area. Kungsleden's objective is to deliver an attractive total return on our properties, and to shareholders. Kungsleden is listed on Nasdaq Stockholm Large Cap.

VISION

We create attractive and sustainable places that enrich people's working day.

BUSINESS PROPOSITION

We shall own long-term, actively manage, refine and develop commercial properties in growth regions in Sweden and deliver attractive total returns.

OUR MISSION

We shall own properties in a selected location – a cluster – which gives us the ability to adapt and sharpen our offer based on the needs of tenants and to actively participate in the development of the whole area.

CLIENT PROPOSITION

We shall provide attractive and functional premises in the right locations and at the right price. We shall always deliver that something extra.

CORE VALUES

- Professionalism
- Consideration
- Joy



KUNGSLEDEN 2020

1. Continued growth with quality – properties which either retain or increase in value through business cycles.
2. Concentrate the property portfolio to 20 growth cities in Sweden's main markets.
3. At least 50 per cent of property value in Stockholm (acc. Statistics Sweden definition).
4. At least 70 per cent of property value in the office sector.
5. Continued focus on larger and more efficient property management units through existing and larger clusters and some new. In the long term, a total of 15-20 clusters.
6. Achieve quality and value with ongoing property management, and through property development.
7. A total return at least equal to or greater than the MSCI Sector Index.
8. To be one of the most successful and profitable listed property companies with a high-quality property portfolio.
9. Profit from property management of SEK 1,200 million by 2020, based on currently known conditions.

Local presence is important to Kungsleden. This allows us to make property management more efficient and meet customer needs in the best possible way. Accordingly, we have nine offices nationwide – in DANDERYD, ESKILSTUNA, GOTHENBURG, KISTA, MALMÖ, NORRKÖPING, STOCKHOLM (head office), VÄSTERÅS and ÖSTERSUND.

kungsleden.se/en

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Calendar

Interim Report
Jan-Mar 2018
26 April 2018

Interim Report
Jan-Jun 2018
11 July 2018

Interim Report
Jan-Sep 2018
24 October 2018

The Annual Report for 2017 will be published on the company's website (in PDF form) on **27 March 2018**

The Annual General Meeting 2018 will be held on **26 April 2018** at the company's premises

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KUNGSLEDEN