

PRESS RELEASE**2017 09 25****Kungsleden has received a rating of "Ba1" with a "Positive Outlook" from Moody's and establishes an MTN program with a frame of SEK 5 billion**

Kungsleden AB (publ.) ("Kungsleden") has received its first ever rating by the rating agency Moody's. The rating resulted in "Ba1" grade with "Positive Outlook". The statement from Moody's claims that the rating may be upgraded to an Investment Grade rating provided that the loan-to-value ratio in the long term do not exceed 50 per cent and that the portion of secured borrowing is reduced.

Since 2013 Kungsleden has gradually worked to reduce the financial risk in order to create stable conditions for successfully implementing a new business strategy that includes the acquisition of strategic properties and value-added investments in the existing property portfolio. As part of this work, the Board decided in June to adjust the financial target for the loan-to-value ratio to a benchmark of 50 per cent. At present the loan-to-value ratio is around 50 per cent.

The improved financial position and the new rating will allow Kungsleden to increase the share of capital market financing through the issuance of bonds without having to provide security. Strategically, Kungsleden would like to grow its market borrowing in order to further diversify the funding, increase the share of loans without collateral and extend the average credit term.

In line with its funding strategy Kungsleden has established an MTN program. The program will facilitate Kungsleden's access to the capital market by reducing the lead time between a decision and the issue of notes and by simplifying the administration of the borrowing.

"Today Kungsleden has a strong financial position, which is confirmed by the credit rating from Moody's. With rating and MTN program in place, we will increase the share of unsecured borrowing through the capital market. The goal is of course to obtain an Investment Grade rating, something that would give us an even larger base of credit investors and improved access to the capital market," says CEO Biljana Pehrsson.

The base prospectus for the MTN programme will be held available on the website www.kungsleden.se

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Detta pressmeddelande finns tillgängligt på svenska på www.kungsleden.se/pressmeddelanden

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Kungsleden is a long term property-owner that provides attractive, functional premises that enrich people's working days. We create value by owning, managing and developing offices and other commercial properties in Stockholm and Sweden's other growth regions. A large portion of our properties belong to attractively located clusters where we also engage in the development of the whole area. Kungsleden's goal is to deliver an attractive total return on our properties and for our shareholders. Kungsleden is listed on NASDAQ Nordic Large Cap.