

PRESS RELEASE

26 04 2019

Interim Report First Quarter 2019 – A strong start to 2019

- Profit from property management increased by 17 per cent to SEK 267 million (229). The increase was due to a higher operating net in like-for-like portfolio terms, and improved net financial items.
- New leasing amounted to SEK 46 million (49) and net leasing for the period was SEK 2 million (19).
- Changes in value on properties amounted to SEK 489 million (585). The value increase is a result of a higher operating net and reduced required valuation yield.
- Property value at the end of the period was SEK 35,418 million.
- Net profit after tax for the period was SEK 526 million (637), or SEK 2.41 per share (2.91).
- Current NAV increased to SEK 82.64 per share (74.09).

Important events during and after the quarter

- Kungsleden accessed the final part of the Tändstickan district of Gothenburg in January.
- The Eskilstuna property portfolio was vacated in January, which means Kungsleden fully exiting this municipality.
- Moody's confirmed its positive outlook for Kungsleden for upgrading to investment grade.
- A revolving credit facility of a total of SEK 2 billion was renegotiated in advance on favourable financing terms, with a new maturity of February 2023.
- Kungsleden executed bond issues during the quarter and after its end, which refinances outstanding bonds that mature in July. As a result, Kungsleden has no bond or loan maturities in 2019 or 2020.

“Demand still high”

“Demand for office premises remained favourable early in the year in Stockholm, Gothenburg, Malmö and Västerås – where 87 per cent of our portfolio is located. In Västerås, where Kungsleden is the largest commercial property owner with 575,000 sq.m of commercial space, we are noting very robust demand driven by business expansion and brisk activity in the region. The urbanisation process is continuing, and combined with business expansion, it is a major driver on our priority markets”, Biljana Pehrsson comments.

“Our market, office properties in Sweden’s metropolitan areas, is showing no signs of a slowdown. Growth forecasts for Sweden and globally have been generally notched down, with Swedish GDP anticipated at around 1.5 per cent in 2019. Continued growth combined with urbanisation, with businesses and people migrating to metropolitan areas, mean we think that Kungsleden will continue to see good demand for premises, not least offices. Apart from attractive offices, we also have several new, value-creating projects in our pipeline.” concludes Biljana Pehrsson.

Key figures	2019 Jan–Mar	2018 Jan–Mar
Property yield, investment properties, %	4.7	4.7
Occupancy rate, investment properties, %	92.8	91.9
Surplus ratio, investment properties, %	66.8	61.6
Book value properties, SEK million	35,418	32,620
Return on equity, %	13.1	17.5
LTV (loan-to value) ratio, %	46.6	48.0
Interest coverage ratio, times	4.3	3.3
Net profit, SEK per share	2.41	2.91
EPRA NNAV (current net asset value), SEK per share	82.64	74.09
Share of certified properties, %	17	9

Attached: First quarter report 2019

For more information, please contact:

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

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Presentation of the first quarter

Kungsleden presents the first quarter report for investors, asset managers, financial analysts and the press today at 08:30 am (CET).

Presentation of the first quarter report will be held in English via telephone conference:
<http://www.financialhearings.com/event/11749>

Telephone to the conference:

- SE: +46 850 558 356
- UK: +44 333 300 92 69

For those who cannot participate on site the presentation can be viewed live on Kungsleden's website: <https://www.kungsleden.se/investerare/rapporter-och-presentationer/>

The report is also available on: <https://www.kungsleden.se/investerare/rapporter-och-presentationer/>

Calendar 2019

26 April	AGM 2019 in Stockholm
10 July	Interim report, Q2 2019
23 October	Interim report, Q3 2019

Kungsleden is a long term property-owner, and our vision is to create attractive and sustainable places 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.