

PRESS RELEASE**23 10 2019**

Interim Report Third Quarter 2019

– Positive net leasing

- Profit from property management increased by 8 per cent to SEK 889 million (821). The increase was due to higher rental revenue and operating net in like-for-like portfolio terms, with 5 and 6 per cent respectively, and improved net financial items.
- New leasing amounted to SEK 142 million (167), and net leasing for the period was SEK 21 million (27).
- Changes in value on properties amounted to SEK 1,260 million (1,291). The value increase is mainly a result of a higher operating net and slightly reduced required valuation yield.
- Property value at the end of the period was SEK 36,833 million (SEK 34,697 million at the beginning of the year).
- Net profit after tax for the period was SEK 1,475 million (1,662), or SEK 6.75 per share (7.61).
- Current NAV increased to SEK 85.67 per share (77.05).

Important events during and after the quarter

- Occupancy rate of 54 per cent was achieved in Kungsleden's new development project in Malmö – Eden by Kungsleden. This project has 8,000 sq.m. of offices, with tenants scheduled to move in during spring 2021.
- Several lease contracts were signed at Finnslätten in Västerås, on a total of approximately 5,300 sq.m. Tenants signing include battery manufacturer Northvolt and biotechnology company Scandinavian Gene Synthesis (SGS DNA).
- Kungsleden refinanced loans with a total of SEK 1.7 billion in the third quarter by arranging a 10-year mortgage loan. After re-financing, Kungsleden has no bank loans maturing prior to 2023.

CEO statement

“Kungsleden has worked consistently to improve the quality of its property portfolio by divesting properties outside its priority markets. While in the short term, this does mean a lower operating net and profit from property management, as in the third quarter, we are convinced that our commitment to modern, high-quality properties helps reduce risk, and promote long-term rental growth, as well as value growth potential.

All our main markets – Stockholm, Gothenburg, Malmö and Västerås, where close to 90 per cent of our property portfolio is located – have well-diversified economies with continued population growth. These metropolitan regions also generate over 62 per cent of Sweden's GDP. In my view, they're strong enough growth engines and will fare better than many other locations in a poorer economic cycle. A recent report from Oxford Economics forecasts GDP growth in the Stockholm region - where we have nearly 50 per cent of our portfolio - at about 2 per cent in 2019, and down only marginally in 2020. This is a significantly higher growth than leading forecasters anticipate for the country as a whole. Against the above background, we do not anticipate any slowdown in demand for commercial premises on our main markets.

Leasing activity was also high in the quarter, with a lot of new lease contracts being signed, equivalent to rent volume of SEK 49 million (37). Total leasing for the first nine months of the year is SEK 142 million (167). We also still have a strong new leasing pipeline, including great interest in Finnslätten in Västerås, a location offering genuine potential. We're collaborating with ABB, the City of Västerås and other major companies here to create an attractive place with a broad offering of services capable of bringing in more innovative businesses, talented people, plus research and development.

2019 looks like being a good year for Kungsleden. We continue to deliver our vision – developing attractive and sustainable places where people are inspired. We do it by putting our customers and their experience at the centre of everything we do. Always. Our commitment to our customers ensures we're well positioned to not only address, but also get ahead of, the rapidly changing world of work and the evolving commercial property market", CEO Biljana Pehrsson comments.

Read the complete CEO statement in the Interim Report.

Attachment: Interim Report Q3 2019

For more information, please contact:

Biljana Pehrsson, CEO Kungsleden | +46 8-503 052 04 | biljana.pehrsson@kungsleden.se
Magnus Jacobson, CFO Kungsleden | +46 8-503 052 62 | magnus.jacobson@kungsleden.se

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

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Presentation of interim report

Kungsleden presents the interim report by telephone conference and audio link on 23 October 2019 at 08.45.

The presentation will be held in English and is available on:

<https://www.kungsleden.se/interim-presentation>

Phone number to the conference:

SE: +46 8 505 58 351

UK: +44 333 009 264

US: +1 83 35 8384

After the presentation a recorded version of the webcast together with the presentation and the interim report will be available at: <https://www.kungsleden.se/en/investors/reports-and-presentations/>

Financial calendar

12 February 2020 – Year-End report 2019

23 April 2020 – Interim report Q1 2020

Kungsleden is a long-term property owner that creates value through active management, development and strategic acquisitions and optimisation of its property portfolio. Our vision is to create attractive and sustainable places that inspire people. Almost 90 per cent of our properties are concentrated in four selected growth markets – Stockholm, Gothenburg, Malmö and Västerås. The majority are offices, gathered in attractive clusters. Kungsleden has been awarded the Green Star by GRESB and is ranked as the fifth best real estate company in Europe in terms of sustainability.

Kungsleden's long-term goal is to become Sweden's most profitable and successful real estate company, by having the market's most satisfied customers and dedicated employees. Kungsleden (KLED) is listed on the Nasdaq Stockholm Large Cap. Read more at www.kungsleden.se.