

PRESS RELEASE**10 07 2019**

Interim Report Second Quarter 2019

– Increase of profit from property management by 15 per cent

- Profit from property management increased by 15 per cent to SEK 579 million (505). The increase was due to higher operating net in like-for-like portfolio terms, and improved net financial items.
- New leasing amounted to SEK 93 million (130) and net leasing for the period was SEK 10 million (39).
- Changes in value on properties amounted to SEK 844 million (989). The value increase is mainly a result of a higher operating net and somewhat reduced required valuation yield.
- Property value at the end of the period was SEK 36,131 million (SEK 34,697 million at the beginning of the period).
- Net profit after tax for the period was SEK 954 million (1,165), or SEK 4.37 per share (5.33).
- Current NAV increased to SEK 82.79 per share (74.37).

Important events during and after the quarter

- Moody's raised its credit rating on Kungsleden to Investment Grade with stable outlook. The upgrade increases the opportunity to achieve even better financing terms.
- Phase 1 of the ongoing project in Blästern 14, Stockholm City West was completed, when the Blique by Nobis designer hotel opened at the end of April.
- In the second quarter, Kungsleden issued SEK 500 million of green bonds and accordingly, had total green bonds of SEK 3.6 billion by the end of the quarter.
- Consistent with its customer proposition, Kungsleden has decided to create its own facility management organisation to enable even better customer service.

“Good leasing market and outlook”

“The demand for office premises remains positive, especially in our priority growth markets of Stockholm, Gothenburg, Malmö and Västerås - where 87 per cent of our portfolio is located.

We maintained high leasing activity in the quarter, with many new lease contract signings, corresponding to rental volume of SEK 93 million (130), and net leasing of SEK 10 million (39). Our leasing pipeline remains strong.

We renegotiated 59 contracts worth SEK 144 million and achieved an average rent increase of 7 per cent. Coupled with the new lease contract signings, renegotiations resulted in the average rent of our portfolio rising by 11 per cent to SEK 1,394 per sq.m. in a year's time. This also meant that the vacancy rate excluding projects decreased to 6.6 per cent, against 7.6 per cent a year ago.

Kungsleden is passing milestone after milestone and has now established status as a stable and long-term property owner on the Swedish real estate market. We still see

positive demand on our markets, while we're well prepared for weaker economic conditions," CEO Biljana Pehrsson comments.

Read the complete CEO comment in the Interim Report.

Attachment: Interim Report Q2 2019

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

This information is mandatory for Kungsleden AB to publish pursuant to the Swedish Securities Markets Act. This information was submitted, through the agency of the above contact persons, for publication at 7:00 a.m. CET on 10 July 2019.

Presentation of interim report

Kungsleden presents the interim report on our capital markets day in Båstad on 10 July 2019 at 08.00 and by telephone conference and audio link on 10 July 2019 at 11.00.

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

<https://www.kungsleden.se/en/investors/calendar/2019/kungsleden-presents-its-second-quarter-2019/>

Phone number to the conference:

SE: +46 8 505 583 51

UK: +44 333 300 92 67

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

The report is also available at: <https://www.kungsleden.se/en/investors/reports-and-presentations/>

Financial calendar 2019

23 October 2019 – Interim report Q3 2019

12 February 2020 – Year-End report 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.