

Kungsleden refinances bank loans and extends the average debt maturity at a lower funding cost

Kungsleden AB (publ.) ("Kungsleden") has refinanced bank loans of SEK 2.8 billion by entering into bilateral credit agreements through wholly owned subsidiaries at a total credit commitment of SEK 3.3 billion.

One of the credit agreements with a total commitment of SEK 1 924 million has been signed with Swedbank and has a maturity of 6 years. Of the total commitment SEK 250 million refers to a tranche that will be used for planned project investments. The other credit agreement with a total commitment of SEK 1 406 million has been signed with SEB and has a maturity of 5 years. The refinancing will contribute to a positive net proceed of SEK 283 million after deduction of arrangement fees. Both loans are collateralised with mortgage deeds in real property.

In connection with the refinancing a restructuring of collateral has been carried out which means that fewer properties have been pledged under the new credit agreements. This because the loan-to-value ratio for the pledged properties has been increased compared to the existing credit that has been repaid. The share of unencumbered assets in relation to total assets has therefore increased and amounts to 30 percent after refinancing.

By the refinancing Kungsleden extends the average debt maturity on its borrowings which is estimated at 5.1 years at the end of the second quarter. At the same time the funding cost is reduced.

"The refinancing decreases the concentration of debt maturities and extends the average debt maturity while the funding cost is reduced. The new credits will also contribute to increase the share of unencumbered assets which means that we come one step closer to the ambition of achieving an Investment Grade status," says Biljana Pehrsson CEO at Kungsleden.

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For more information, please contact:

Biljana Pehrsson, CEO of Kungsleden | 46 (0) 503 052 04 |
biljana.pehrsson@kungsleden.se
Anders Kvist, Deputy CEO and CFO of Kungsleden | 46 (0) 503 052 11 |
anders.kvist@kungsleden.se

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Kungsleden is a long term property-owner that provides attractive and sustainable 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 Stockholm Large Cap.