

KUNGSLEDEN

SUPPLEMENT TO THE PROSPECTUS REGARDING THE INVITATION TO SUBSCRIBE FOR SHARES IN KUNGSLEDEN AKTIEBOLAG 2017

DISTRIBUTION OF THIS SUPPLEMENT AND THE SUBSCRIPTION OF NEW ORDINARY SHARES ARE SUBJECT TO RESTRICTIONS IN CERTAIN JURISDICTIONS, PLEASE SEE *IMPORTANT INFORMATION* IN THE PROSPECTUS.

Joint Global Coordinators and Joint Bookrunners

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CONTENTS

Supplement to the prospectus	3
Supplement to the summary	4
Supplement to selected financial information	5
Supplement to legal considerations and supplementary information	6



SUPPLEMENT TO THE PROSPECTUS

This document (the “**Supplement**”) has been prepared by Kungsleden Aktiebolag, Reg. No. 556545-1217, (“**Kungsleden**” or the “**Company**”) and constitutes a supplement to the prospectus regarding the invitation to subscribe for shares in Kungsleden, which was approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*, the “**SFSA**”) on 8 March 2017 (SFSA Reg. No. 17-2335) (the “**Prospectus**”). The Supplement forms part of, and must be read together with, the Prospectus. The definitions in the Prospectus apply to the Supplement also.

The Supplement has been prepared by reason of the Company’s annual report for the financial year 2016, which was published on 28 March 2017. The annual report is incorporated in the Prospectus by reference.

The Supplement has been prepared pursuant to Chapter 2, Section 34 of the Swedish Financial Instruments Trading Act (Sw. *lagen (1991:980) om handel med finansiella instrument*, the “**Trading Act**”) and was approved and registered by the SFSA on 28 March 2017 (SFSA Reg. No. 17-4352).

The Prospectus and this Supplement are available on the Company’s website, (www.kungsleden.se).

For detailed terms and conditions as well as other information regarding the rights issue, please refer to the Prospectus.



SUPPLEMENT TO THE SUMMARY

The information in this Supplement causes the preamble in item B.7 in the section *Summary* on p. 5 in the Prospectus to be replaced as below.

B.7	<i>Selected historical financial information</i>	<p>The following financial reports in brief (as well as key figures calculated in accordance with IFRS) relating to full years have been derived from Kungsleden's annual reports for the financial years 2013–2016, which have been prepared in accordance with IFRS, as adopted by the EU and audited by the Company's auditor.</p> <p>The Prospectus also contains certain non-IFRS financial measures. These financial measures have not been reviewed or audited by the Company's auditor. Kungsleden believes that, to a large extent, these key figures are used by certain investors, securities analysts and other interested parties as supplementary measures of earnings trend and financial condition.</p>
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SUPPLEMENT TO SELECTED FINANCIAL INFORMATION

The annual report for the financial year 2016 causes the preamble in the section *Selected financial information* on p. 49 in the Prospectus to be replaced as below.

The following financial reports in brief (as well as key figures calculated in accordance with International Financial Reporting Standards (“IFRS”)) relating to full years have been derived from Kungsleden’s annual reports for the financial years 2013–2016, which have been prepared in accordance with IFRS, as adopted by the EU, and audited by the Company’s auditor. For further information on how reporting has taken place, reference is made to “Note 1 – Group Accounting Principles“ on p. 62 and onwards in Kungsleden’s annual report for 2016.

In addition, the Prospectus contains certain key figures that have not been defined in accordance with IFRS. These financial key figures have been neither reviewed nor audited by the Company’s auditor. Kungsleden believes that, to a large extent, these key figures are used by certain investors, securities analysts and other interested parties as supplementary measures of earnings trend and financial condition. Kungsleden’s key figures that have not been defined in accordance with IFRS are not necessarily comparable with similar measures presented by other companies and, as analysis tools, are subject to certain restrictions. Accordingly, they should not be considered separately from, or as a substitute for, Kungsleden’s financial information prepared in accordance with IFRS.

The information below should be read together with Kungsleden’s financial reports for the financial years 2013–2016, which are incorporated in this Prospectus by reference (see “Incorporation by reference, etc.” in the section “Legal considerations and supplementary information”). All reports are available on Kungsleden’s website, (www.kungsleden.se).

Other than as stated above and in the section “Earnings capacity”, no information in this Prospectus has been reviewed or audited by the Company’s auditor.



SUPPLEMENT TO LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

The annual report for the financial year 2016 causes *Incorporation by reference, etc.* in the section *Legal considerations and supplementary information* on p. 77–78 in the Prospectus to be replaced as below.

Incorporation by reference, etc.

Kungsliden's financial statements for the financial years 2013–2016 are incorporated by reference and are hence part of this Prospectus and should be read as a part thereof. These financial statements can be found in Kungsliden's annual reports for the financial years 2016, 2015, 2014 and 2013, where reference is made as follows:

- Annual report 2016:¹⁾ management report (p. 1–3 and 12–43), income statement (p. 56), statement of comprehensive income (p. 56), statement of financial position (p. 58), statement of changes in equity (p. 60), statement of cash flow (p. 60), notes (p. 62–75) and auditors' report (p. 84–86).
- Annual report 2015:²⁾ management report (p. 16–55), income statement (p. 58), statement of comprehensive income (p. 58), statement of financial position (p. 60), statement of changes in equity (p. 62), statement of cash flow (p. 62), notes (p. 64–76) and auditors' report (p. 85).
- Annual report 2014:³⁾ management report (p. 14–39), income statement (p. 42), statement of comprehensive income (p. 42), statement of financial position (p. 44), statement of changes in equity (p. 46), statement of cash flow (p. 46), notes (p. 48–60) and auditors' report (p. 69).
- Annual report 2013:⁴⁾ management report (p. 5–39), income statement (p. 42), statement of comprehensive income (p. 42), statement of financial position (p. 44), statement of changes in equity (p. 46), statement of cash flow (p. 46), notes (p. 48–62) and auditors' report (p. 70).

Non-incorporated parts of the financial information are either covered elsewhere in the Prospectus or not relevant for the investor. The group's annual reports for the financial years 2013–2015 have been reviewed by the Company's previous auditor and for 2016 by the Company's current auditor.

The annual report for the financial year 2016 causes *Documents available* in the section *Legal considerations and supplementary information* on p. 78 in the Prospectus to be replaced as below.

Documents available

The following documents (except for subsidiaries' annual reports) are available in electronic form on Kungsliden's website, (www.kungsliden.se). Copies of the documents are also available at Kungsliden's head office, Warfväges väg 31 in Stockholm, during the term of the Prospectus (regular office hours on weekdays).

- Kungsliden's Articles of Association.
- Kungsliden's and its subsidiaries' annual reports for the financial years 2013–2016 (including audit reports).

1) <http://www.kungsliden.se/contentassets/5068ca475f0349939180c1742e4adac0/kungsliden-annual-and-sustainability-report-2016>

2) <http://www.kungsliden.se/contentassets/a7559ac0749e4098b95d77b52561d5ad/annual-report-2015>

3) <http://www.kungsliden.se/contentassets/b0842f5cec26408f82bdf73f2f4da18/annual-report-2014>

4) <http://www.kungsliden.se/contentassets/7bcaf8c1d55e43e2b61e6e75c865dbd1/annual-report-2013>