

# Vasakronan

## PRESS RELEASE

Stockholm, 28 April 2021

Vasakronan's Interim Report January – March 2021

## Higher operating surplus and strong renegotiation results

- **Rental revenue** increased 3% to a total of SEK 1,818 million (1,764). For comparable property holdings, rental revenue was unchanged. Rent relief provided during the quarter due to Covid-19 and provisions for doubtful receivables had a negative impact of SEK 9 million on revenue.
- **New lettings** corresponding to 18,000 square metres (49,000) and an annual rent of SEK 78 million (278) were contracted and net lettings amounted to negative SEK 154 million (positive: 143).
- **The price change after renegotiations** amounted to 15.8% compared with 10.0% for the same quarter last year.
- **The occupancy rate** was 91.5% (94.2) at the end of the period. Of total vacancies of 8.5%, 1.8 percentage points (1.4) were attributable to ongoing projects and development properties.
- **Operating surplus** increased 4%, totalling SEK 1,333 million (1,287). For comparable property holdings, the operating surplus was unchanged.
- **Profit before value changes and tax** increased to SEK 1,011 million (936)
- **The change in the property value** amounted to SEK 1,638 million (decrease: 1,786), corresponding to a 1.0% (decrease: 1.1) increase in value. The change in value can be explained by lower yield requirements.
- **The portfolio value** at the end of the period amounted to SEK 164,819 million (155,454).
- **The value change in derivatives** amounted to SEK 266 million (666), which was mainly due to the increase in long-term market interest rates.
- **Profit after tax** amounted to SEK 2,313 million (loss: 151).

Renegotiations were also completed in the quarter corresponding to 97,000 square metres (93,000) and an annual rent of SEK 344 million (225), of which offices accounted for SEK 326 million. This resulted in an average price change of 15.8%. Offices accounted for the majority of the volume and noted a price change of 19.5%.

“We delivered stable earnings for the quarter. Revenue is rising, primarily due to tenants starting to occupy our projects. Following a period of limited new store openings, we are noting a slightly more positive outlook with rising interest for prime store locations,” says Johanna Skogestig, CEO of Vasakronan. As regards office space, many companies are currently rethinking the wisest strategy for designing an office to support and inspire a business. Well-designed offices in prime locations are in demand. There is a willingness to pay for the right offices. This is reflected in the leases renegotiated and signed during the quarter.

Of all the contracts up for renegotiation, nearly 69% (71) of the tenants decided to remain a tenant of Vasakronan in the existing or new premises within the property portfolio. These include JM, which has

Vasakronan is Sweden's largest property company with a portfolio valued at around SEK 165 billion. The portfolio is focused on centrally located office and retail properties in the growth regions of Stockholm, Uppsala, Gothenburg and Malmö. In terms of city retail, Vasakronan is the largest in all regions. The property portfolio comprises 170 properties with a total area of about 2.3 million square metres. The company is owned in equal shares by the First, Second, Third and Fourth Swedish national pension funds. Read more at [www.vasakronan.se](http://www.vasakronan.se)

# Vasakronan

chosen to extend its lease of 11,000 square metres at Rosenborg in Frösunda in Stockholm for a period of three years. H&M has also extended its lease at Klara Zenit in Stockholm. The leases is for four years and encompasses 4,600 square metres of office space.

**For further information, please contact:**

Johanna Skogestig

CEO of Vasakronan

Tel: +46 (0)73 068 75 17

E-mail: [johanna.skogestig@vasakronan.se](mailto:johanna.skogestig@vasakronan.se)

Christer Nerlich

Chief Financial Officer

Tel: +46 (0)70 968 15 40

E-mail: [christer.nerlich@vasakronan.se](mailto:christer.nerlich@vasakronan.se)

Vasakronan is Sweden's largest property company with a portfolio valued at around SEK 165 billion. The portfolio is focused on centrally located office and retail properties in the growth regions of Stockholm, Uppsala, Gothenburg and Malmö. In terms of city retail, Vasakronan is the largest in all regions. The property portfolio comprises 170 properties with a total area of about 2.3 million square metres. The company is owned in equal shares by the First, Second, Third and Fourth Swedish national pension funds. Read more at [www.vasakronan.se](http://www.vasakronan.se)