

## Eastnine interim report January–September 2024

Profit from property management rose by 21 per cent during the quarter and the period and is at new record levels. Net letting is positive and the occupancy rate higher than the immediate preceding quarter. The property Nowy Rynek E which was acquired in June contributes to earnings during the whole of the third quarter.

### January–September 2024

- Rental income increased by 7 per cent and amounted to EUR 29,110k (27,200).
- Net operating income increased by 6 per cent to EUR 26,983k (25,411), corresponding to a surplus ratio of 93 per cent (93).
- Profit from property management increased by 21 per cent to EUR 16,038k (13,215), corresponding to EUR 0.18 per share (0.15). The increase is mainly explained by interest income and the acquisition of Nowy Rynek E in June.
- Unrealised value changes amounted to EUR -6,430k (-37,143). Of these changes, EUR -2,273k (-34,706) is attributable to real estate and EUR -4,157k (-2,437) to derivatives. Realised value changes amounted to EUR 43k (-49,870).
- Profit/loss for the period amounted to EUR 6,148k (-72,220), corresponding to EUR 0.07 per share before and after dilution (-0.81).
- Net letting amounted to EUR 398k (-604). The economic occupancy rate was 94.4 per cent (93.1).
- The property value was EUR 654m (574) at the end of the period.

### Key events during the third quarter

- No major events took place during the quarter.

### Key events after end of the period

- Eastnine obtained five stars in GRESB's annual comparison of sustainability work in real estate companies.
- IBM has signed a 5-year lease for about 1,500 sq.m. in the property 3Bures-3 in Vilnius. Moving-in is expected in April 2025.
- The municipality of Vilnius has signed a 10-year lease for about 1,900 sq.m. in the property 3Bures-1,2 in Vilnius. Moving-in is expected in March 2025.

## CEO comment

### Profit at record level

Eastnine is reporting a quarter with positive net letting and a rising occupancy rate compared with previous quarter. Profit from property management has again reached a record level, the most important reason being property acquisition in June. A record result has also been achieved in the period, to which contributes also substantial interest income after sale of MFG in August last year. Our closest focus is on acquisitions in Warsaw.

#### Record for profit from property management

Eastnine is reporting yet another strong quarter. The occupancy rate is increasing compared with previous quarter to 94.4 per cent and is on a rising trend. Our rental income as well as profit from property management have reached new top levels during both the quarter and the period. Rental income has increased by 7 per cent during the period and by as much as 18 per cent during the third quarter. Profit from property management for both the quarter and the period has increased by 21 per cent and totals EUR 16,038k for the period. Interest income after sale of MFG is still the largest reason for the increase during the period although in the third quarter it was mainly the acquisition of Nowy Rynek E in June that contributed to the earnings development.

#### Interest rates turns down

In October, the European Central Bank (ECB) reduced the key policy rate for the third time this year. The trend towards higher interest rates has come to a halt and at the end of September, Eastnine's average interest level was somewhat lower than in the previous two quarters. Eastnine's loan-to-value ratio amounted to 35 per cent and shall over time be around 50 per cent with a ceiling of 60 per cent. The interest coverage ratio has been stable in recent quarters, although it has risen slightly compared with the same period previous year.

#### Minor value increase during the quarter

Value changes in the property portfolio during the third quarter are positive at EUR 1.2m, but in all weakly negative since the turn of the year. The weighted yield requirement in the valuations, which has risen since the beginning of 2023, remained at the same level, 6.7 per cent, in the third quarter as in the previous quarter. The total value of the property portfolio amounts to EUR 654m, corresponding to SEK 7.4 billion.

#### Top 20 per cent in GRESB benchmark

Eastnine's ambition is to be a leader in sustainability in our regions. The fact that Eastnine is ranked among the 20 per cent best property companies in the world in the real estate industry's well known GRESB comparison is a special honour. Eastnine works in a dedicated way to maintain a high performance in the properties and to offer inspiring and pleasant workplaces which our tenants want to continue working in. At the same time, ongoing optimisation work is taking place towards the goal of climate-neutral operations. This includes increased digital control and measurement of the whole property portfolio.

#### Focus on Warsaw

In May 2022, Eastnine's first investment in Poland took place and in June this year, the second property in the city of Poznan was acquired, which, despite not being a capital city, is about the same size as the capital cities in the Baltics. Poland has a strong GDP growth and Warsaw is considered to be the European city which will have the highest GDP development in the next few years. Warsaw's office market is robust with rising rent levels and high demand for properties in attractive locations. New office projects are leased to tenants who move from less attractive buildings in worse locations, but also to new undertakings that become established in Poland. In Warsaw, transaction activity is still relatively low, partly due to the German investors who previously dominated the market focusing on their home market. Taken as a whole, this gives us good prerequisites to be able to make profitable property acquisitions in Poland's capital.

#### Kestutis Sasnauskas, CEO



## Report presentation

The interim report is presented on Thursday 24 October 2024 at 15.00 CET. [Click here to see the webcast.](#)

## Eastnine AB (publ)

### For more information contact:

Kestutis Sasnauskas, CEO, +46 8 505 97 700

Britt-Marie Nyman, CFO and Deputy CEO, +46 70 224 29 35

Visit [www.eastnine.com](http://www.eastnine.com)

This information is information that Eastnine AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 14.00 CET on 24 October 2024.