

Eastnine acquires Warsaw Unit in the largest office transaction in Europe this year

Eastnine has acquired 46-storey office tower Warsaw Unit for EUR 280m from Ghelamco. The acquisition establishes Eastnine in Warsaw and is marking the largest step to date on Eastnine's journey building a leading office property company in the fastest growing part of Europe. The acquisition, which is the largest office transaction in Europe this year, increases profit from property management per share by 18 per cent.



Warsaw Unit is a landmark office building located on rondo Daszynskiego in the very heart of the rapidly developing city centre of Warsaw. The property measures 202 meter above ground and comprises 59,800 sq.m. of leasable area and 400 parking spaces, spread over 46 floors above ground and three below. Completed by Belgian developer Ghelamco in 2021, the building is of the highest technical quality and certified on highest levels including with BREEAM Outstanding and WELL Core v2 Platinum. The property is fully occupied with more than 20 tenants, including the headquarters of Polish insurance company Warta, and offices of Amazon, Stryker, Moderna, CBRE, and Panattoni, the largest logistics real estate developer in Europe. Annual rents amount to EUR 18.0m, with an average remaining lease term of 5.1 years.

The transaction, completed today, was made through a company acquisition of the Polish company “Apollo Invest” sp. z o.o. The purchase price was based on an underlying property value of EUR 280m, with no deduction for deferred tax. The acquisition was financed with existing cash, a secured five-year green bank loan of EUR 168m from German and Vienna-based lenders Helaba and Erste Group in equal parts, and a separately communicated new issue of 8,760,684 new shares in Eastnine at long-term Net Asset Value (NAV) per share to the seller, Warsaw Unit NV, a subsidiary of the Ghelamco Group.

“I can hardly imagine a better way for us to enter the Warsaw market than by acquiring a top property in the best location that Warsaw Unit represents. We are very grateful to Ghelamco, who not only developed this fantastic landmark changing Warsaw’s skyline, but also joined us as a shareholder. The acquisition of Warsaw Unit is a very important milestone on our growth journey not only by entering the capital city of Europe’s fastest growing economy, but also significantly boosting our earnings.”, says Eastnine’s CEO Kestutis Sasnauskas. “Following the acquisition, Poland is our largest market standing for more than 50 per cent of our property portfolio.”

“Warsaw UNIT sets the highest standards in the Polish and European office market. It is an office icon of the capital, which in terms of the quality of the working environment and sustainable solutions not only matches the best Western European developments, but in many respects surpasses them. We are very pleased that this was appreciated by our partners at Eastnine, for whom these aspects are very important when building an office portfolio. We congratulate them on their choice and are confident that Warsaw UNIT is in the right hands, ensuring that it will remain among the best and most prestigious office addresses in Warsaw,” says Jarosław Zagórski, Managing Director, Ghelamco Poland.

As a result of the acquisition, Eastnine’s profit from property management per share increases by 18 per cent to EUR 0.32, while long-term NAV per share is unchanged at EUR 4.68. The loan-to-value ratio rises to 50 percent, including a EUR 10m unsecured three-year loan from Estonian LHV Pension funds that Eastnine has raised.

Largest tenants¹	Annual rent, EURk	Share of contracted annual rent, %
Warta	6,482	11
Allegro	5,879	10
Danske Bank	5,115	8
Telia	3,132	5
Vinted	1,978	3
McKinsey	1,914	3
Swedbank	1,691	3
CBRE	1,498	2
Rockwool	1,475	2
Moderna	1,391	2
Total	30,556	50

¹ Reported information as of September 30, 2024 adjusted with Warsaw Unit

Key financial implications from acquisition

The table below shows Eastnine's Earning capacity as of September 30, 2024, including Warsaw Unit. The Earning capacity is a theoretical assessment and provides a snapshot of which result Eastnine can generate under given conditions for the next twelve months.

Current Earning capacity, EURk	30 Sep 2024 incl. Warsaw Unit ¹	30 Sep 2024	Change, %
Rental value	63,551	45,580	+39
Less vacancy values	-2,557	-2,557	0
Sum rental income	60,994	43,023	+42
Property expenses	-3,074	-2,874	+7
Net operating income	57,920	40,149	+44
Central administration expenses	-4,155	-4,155	0
Interest income	419	2,673	-84
Interest expenses	-23,211	-14,719	+58
Other financial income and expenses	-39	-39	0
Profit from property management	30,934	23,909	+29
Profit from property management per share, EUR	0.32	0.27	+18
Key figures	30 Sep 2024 incl. Warsaw Unit ¹	30 Sep 2024	Change
Leasable area, sq.m. thousand	271	212	+60
Investment properties, EURk	934,124	654,124	+280,000
Interest bearing liabilities, EURk	497,595	319,595	+178,000
Cash and cash equivalents, EURk	32,015	90,454	-58,439
Economic occupancy rate, %	96.0	94.4	+1.6 %-units
WAULT, yrs	4.3	3.9	+0.4
Loan-to-value ratio, %	50	35	+15 %-units
Average interest rate, %	4.7	4.6	+0.1 %-units
Number of shares outstanding	98,241,728	89,481,044	+8,760,684
Number of shares outstanding, adj. for repurchased shares	97,739,604	88,978,920	+8,760,684
Long-term net asset value per share, EUR	4.68	4.68	+/-0.00

¹ Including new loan from LHV.



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