

Eastnine Year-end report 2024

Profit from property management for the quarter and the full year achieved record levels; the increase per share was 32 and 24 per cent respectively. The higher profits were mainly attributable to two major property acquisitions in Poland, which will have full impact on earnings in 2025. Net lettings were positive, and the occupancy rate rose to 96 per cent.

January–December 2024

- Rental income increased by 15 per cent, totalling EUR 41,523k (36,166k).
- Net operating income rose by 15 per cent to EUR 38,553k (33,631k), corresponding to a surplus ratio of 92.8 per cent (93.0).
- Profit from property management increased by 25 per cent to EUR 22,193k (17,698k), corresponding EUR 0.25 per share (0.20). The increase was mainly attributable to the acquisition of the properties Nowy Rynek E in June and Warsaw Unit in late-November, as well as interest income.
- Unrealised changes in value totalled EUR -9,693k (-42,452k), of which EUR -4,260k (-34,685k) was attributable to properties and EUR -5,433k (-7,767k) to derivatives. Realised changes in value totalled EUR 93k (-49,870k).
- Net profit/loss for the year totalled EUR 5,908k (-72,048k), corresponding to EUR 0.07 per share before and after dilution (-0,81).
- Net lettings amounted to EUR 581k (-270k). The economic occupancy rate was 96.1 per cent (93.1).
- Property value increased by 63 per cent to EUR 935m (574m).

Key events during the fourth quarter

- Eastnine acquired the office property Warsaw Unit in Warsaw, comprising approximately 60,000 sq.m. for EUR 280m. In conjunction with the acquisition, an offset issue of 8,760,684 new shares in Eastnine was implemented, on par with the long-term net asset value.
- Eastnine obtained five stars in the GRESB's annual comparison of sustainability efforts by real estate companies.
- Vilnius municipality signed a 10-year lease agreement for approximately 1,900 sq.m. in the 3Bures-1,2 property in Vilnius, and IBM signed a five-year lease agreement for approximately 1,500 sq.m. in the 3Bures-3 property. Occupancy is scheduled for March and April 2025, respectively.

Key events after end of the year

- The Board proposes an increase in dividend to SEK 1.20 per share (1.16) to be distributed through quarterly instalments of SEK 0.30 per share. The dividend corresponds to 50 per cent of profit from property management, less current tax.
- Eastnine sees a continuous increase in profit per share from property management and has identified many interesting investment opportunities. The Board has therefore decided to change the policy regarding dividends, as of the financial year 2025. Eastnine has the ambition to annually increase dividend per share. The dividend shall amount to at least one third of profit from property management, less current tax.
- Louise Richnau has been proposed as the new Chairperson of the Board of Eastnine AB. The current Chairperson of the Board Liselotte Hjorth has declined re-election.

CEO comment

Acquisitions result in a sharp increase in profit per share from property management

The year 2024 marks an important milestone for Eastnine. We have invested the capital from the divestment of MFG in two major acquisitions in Poland, thereby exchanging solid interest income for even higher property yields. As a result, Eastnine's profit per share from property management increases sharply. The future looks bright. The acquisitions will deliver full earnings impact in 2025 and in our markets demand for premium office spaces is on the rise.

Poland – our largest market

During the fourth quarter, we conducted one of the most pivotal transactions in the Company's history. The acquisition of the Warsaw Unit in Warsaw for EUR 280m not only signified our entry into the capital of Poland, it was also our single largest acquisition ever and Europe's largest office-property transaction in 2024. In one swoop, our property value increased by more than 40 per cent. Including the acquisition of Nowy Rynek E in Poznan in June, the value of our properties rose by more than 60 per cent over the course of a year to EUR 935m, equivalent to SEK 10.7bn. With the acquisition, Poland became Eastnine's largest market.

Record earnings

The two acquisitions sharply increased our profitability. Profit per share from property management rose by 24 per cent to EUR 0.25 per share in 2024. Nowy Rynek E began contributing to earnings as of mid-June and Warsaw Unit as of late November, which means the full impact on earnings will only be determinable as of FY 2025. Based on our current earnings capacity on 31 December 2024, the profit per share from property management increases by 21 per cent to EUR 0.32, corresponding to SEK 3.73. Total return on Eastnine's share amounts to 11.6 per cent for 2024, compared with -2.0 per cent for the OMX Stockholm Real Estate GI.

Positive net lettings

During the fourth quarter, we completed two substantial lettings totalling more than 3,400 sq.m. in Vilnius; occupancy is scheduled for spring 2025. Net letting was positive in both the fourth quarter and the full year, and the occupancy rate rose to 96.1 per cent, mainly following the acquisition in Warsaw.

Financing

During the fourth quarter, Eastnine extended existing loans from SEB and raised new loans from the German bank Helaba and the Austrian bank Erste in conjunction with the acquisition of Warsaw Unit, as well as a new loan from Estonian LHV Pension Funds. The new loans entail a broader financing base and thus reduced risk. The loan-to-value ratio is 50 per cent, a level we have previously communicated that we are aiming for in the long term at the current yield level. During the year, the interest coverage ratio has improved from a multiple of 2.3 to 2.5, and the average interest rate of our interest-bearing liabilities began a downward trend in the autumn to reach 4.5 per cent at year-end.

Positive signals

Despite the continued geopolitical turmoil, there are many positive signals in the market. Demand for our office premises is strong and we have a high occupancy, while more companies are advocating for an increased, and in some cases a full, return to working from offices. The trend in declining property values appears to have halted and interest rates are forecast to continue fall somewhat. We will reap the full benefits of our acquisitions in 2025, which will impact our cash flow and earnings. Last but not least, I would like to thank all our employees, business partners and shareholders for an incredible year. We are looking forward to 2025!

Kestutis Sasnauskas, CEO



Report presentation

The report is presented on Wednesday 5 February 2025 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

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