

Eastnine Interim report

# January-September 2024





# Highlights Q3-October

## July-September 2024

- Rental Income +18 %
- Profit from property management +21 %.
- Net letting EUR +136k.
- Occupancy ratio +0.8 %-points in Q3 to 94.4 %.
- Surplus ratio unchanged in Q3 at 93 %.

## October

- Five stars in GRESB.
- IBM has signed a 5-year lease of 1,500 sq.m. Planned to move in April 2025.
- Vilnius Municipality has signed a 10-year lease of 1,900 sq.m. Planned to move in March 2025.



# Highlights for the period

## January-September 2024

- Rental Income +7%
- Profit from property management +21 %.
  - Total EUR 16.0m (13.2).
  - Per share (after split) EUR 0.18 (0.15).
- Net letting EUR +398k.
- Occupancy +1.3 %-points to 94.4 %.
- Surplus ratio unchanged at 93 %.
- Share split 4:1 in May.
- Acquisition of a second property in Poland in June.

# Poznan – between Warsaw and Berlin



# Poznan – Poland’s second city by GDP/capita

- One of the major **economic hubs** in Poland and home to some of the country’s largest businesses as well as largest international trade fair.
- **Population** of 540,000 in the city and 1,030,000 in the metropolitan area, center of the greater Poland (Wielkopolska) region with population of ca 3,500,000.
- Home to some of the **top Universities** with youthful and dynamic atmosphere in the city.
- Vibrant **cultural scene** with numerous theatres, museums and art galleries.
- City of **historical significance** – considered to be the birthplace of Poland. The first Polish kings were baptized in the city’s Cathedral.



# Prime properties in prime locations

Nowy Rynek D + E

Total sq.m. 68,100

Constructed 2021 & 2023

Acquired 2022 & 2024

Total value EUR 198m

LEED Platinum

100 % economic occupancy



# Venues for creative ideas



Sustainable surroundings

Encouraging activity

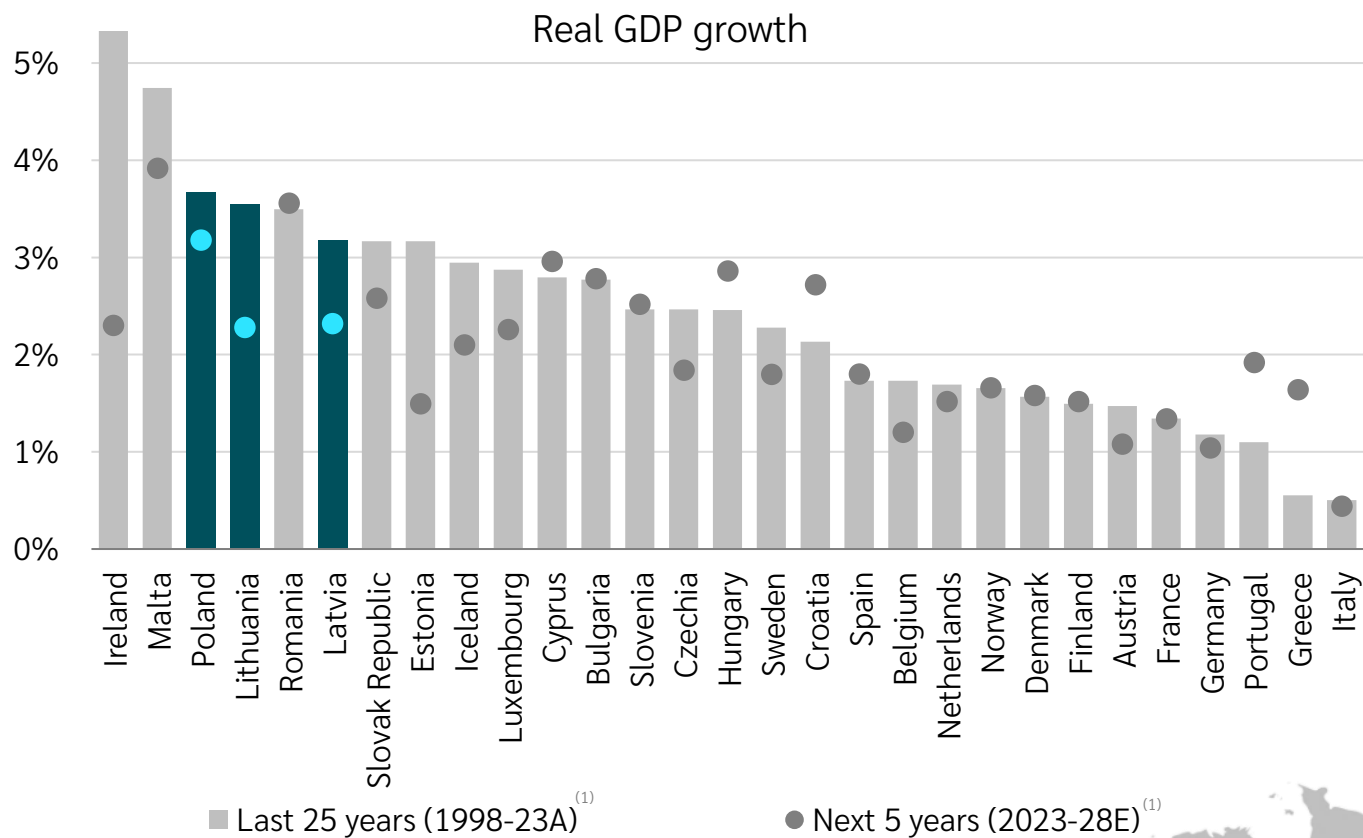


Meetings & greetings

# Markets

# Consistently higher GDP growth than EU peers

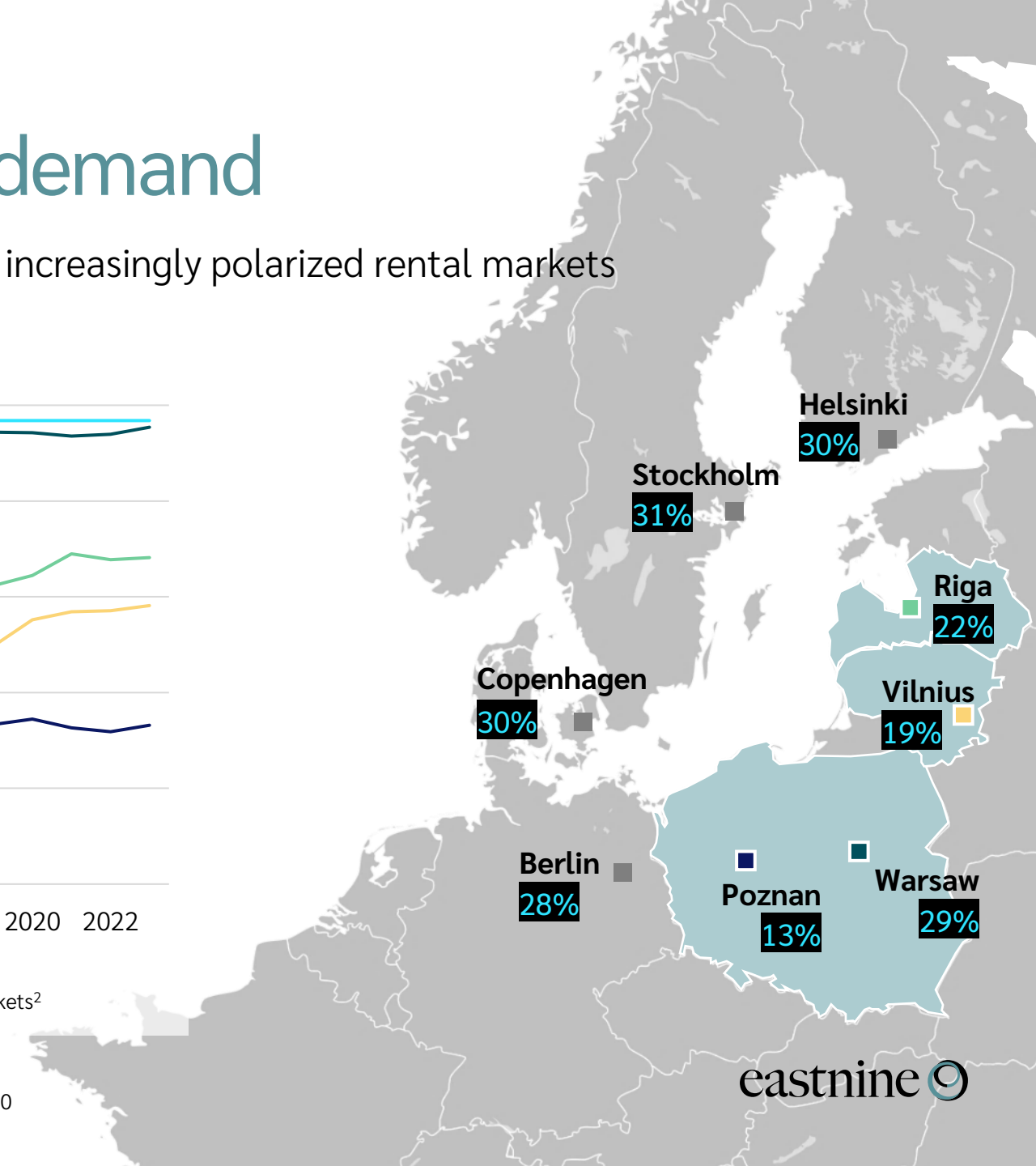
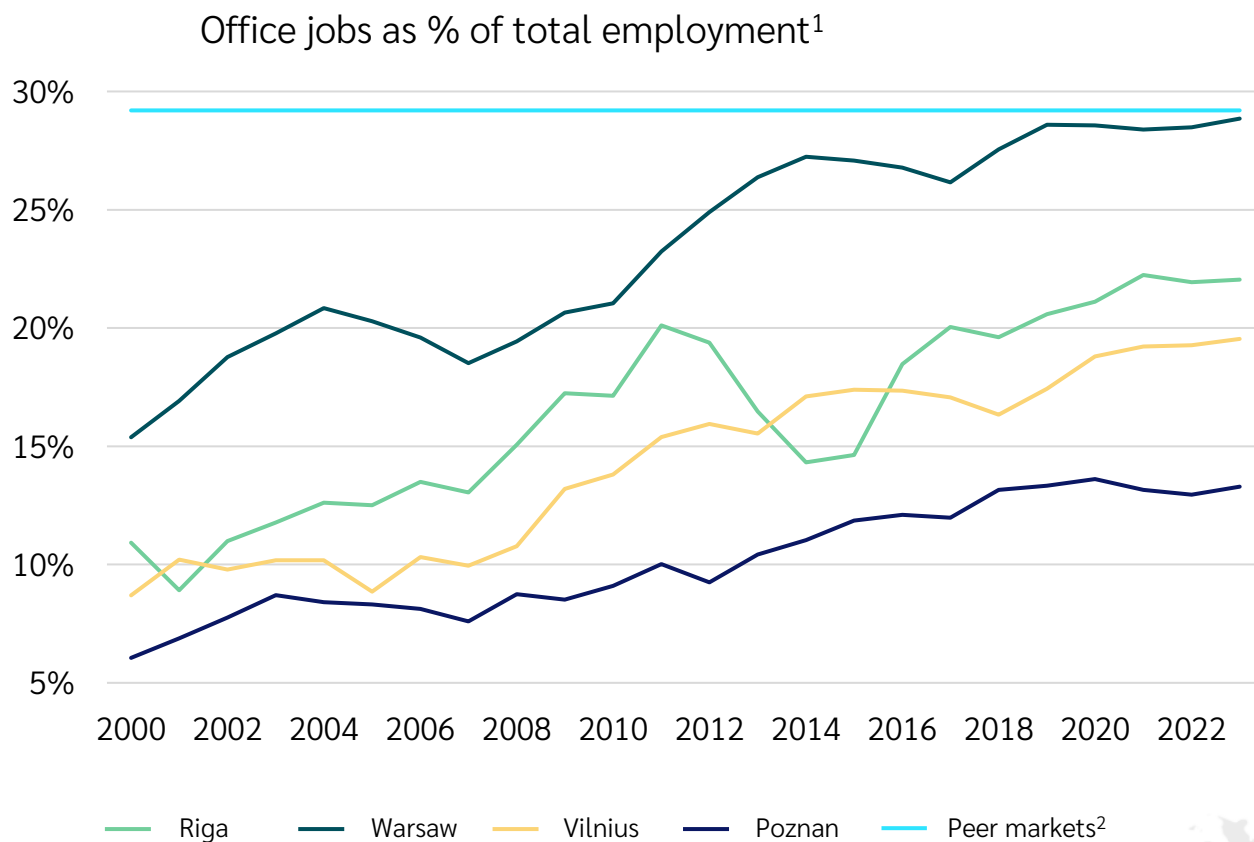
Poland, the 6th largest and the fastest growing major economy in EU



Source: Eurostat, IMF, Trading Economics  
Notes: (1) Weighted-average (by GDP 2023)

# Structural growth in office demand

Strong demand for high quality, well-located offices in increasingly polarized rental markets



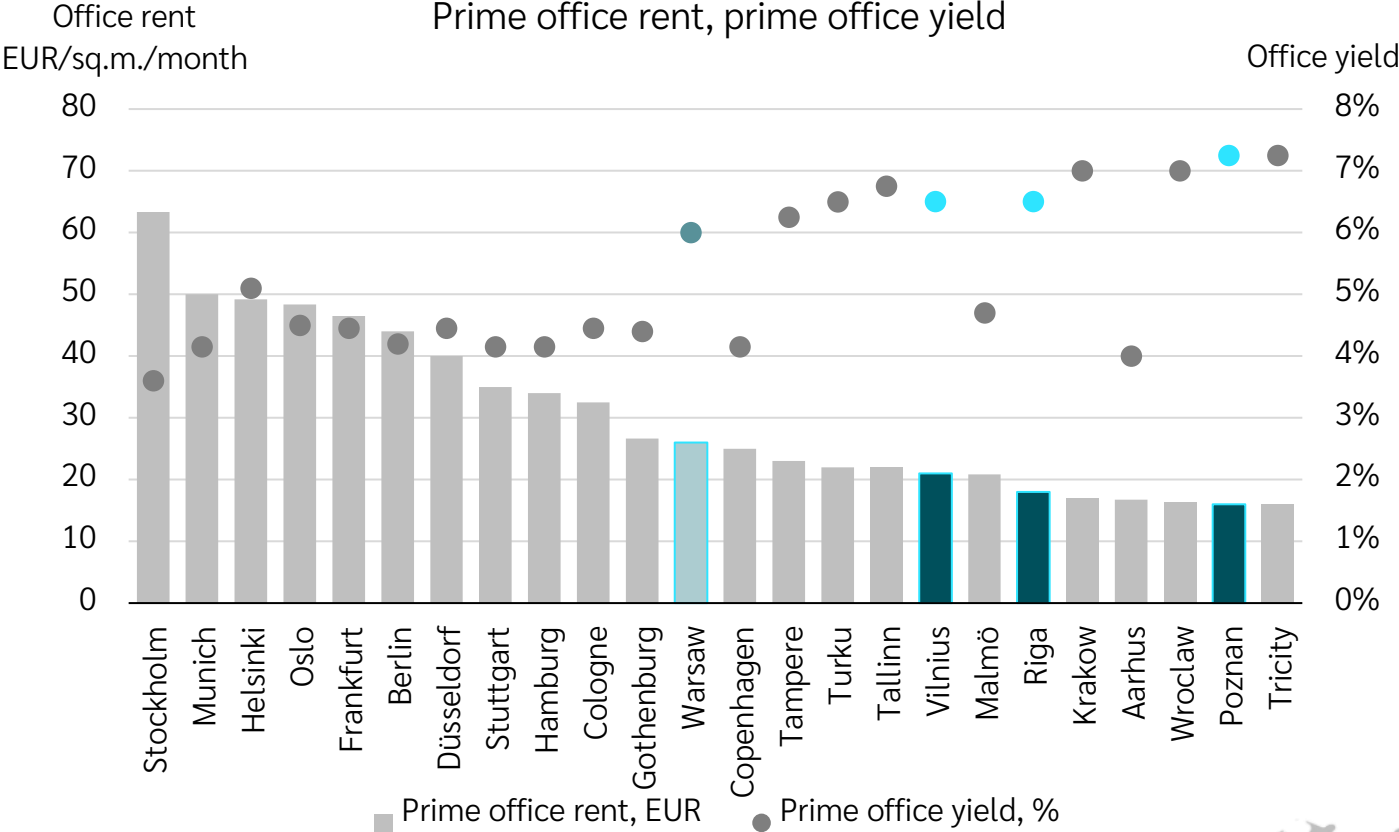
Source: Eurostat (2018-22 data for office jobs as % of total employment)

1) Employment in IT, financial, scientific, administrative sectors

2) Weighted-average (by population) for Stockholm, Helsinki, Copenhagen and Berlin

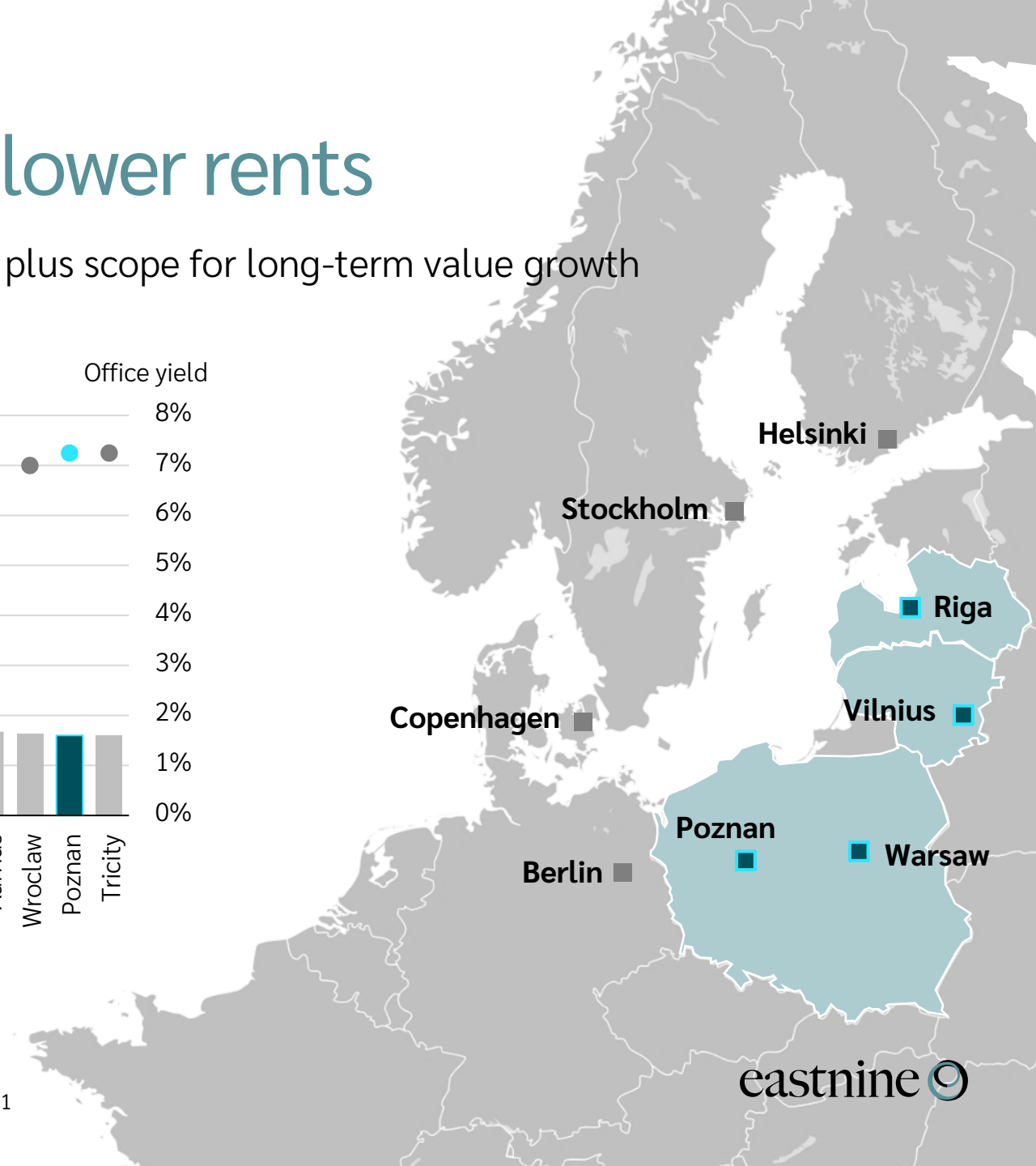
# Prime office: Higher yields, lower rents

Same cost of debt translating into higher cash returns, plus scope for long-term value growth



Source: JLL, Colliers, Newsec

2023 Q4



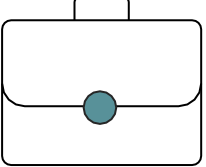

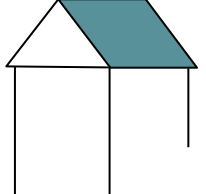
# Eastnine operations

# Property portfolio

- No. of properties: 15
- Lettable area: 211,600 sq.m.
- Lettable area per property: 15,100 sq.m.
- Property value: EUR 654m
- Property value/sq.m.: EUR 3,100
- Average age: ~10 years



# Property key figures

		2024-09-30	2024-06-30	2023-12-31
	Surplus ratio (quarter)	93 %	93 %	92 %
	Occupancy rate	94.4 %	93.6 %	93.1 %
	Weighted yield requirement (valuations)	6.7 %	6.7 %	6.4 %

# Poznan, Vilnius & Riga



## Poznan, Poland

Property value EUR 198m | 30 %

Lettable area 68,100 sq.m.

Occupancy rate 100 %

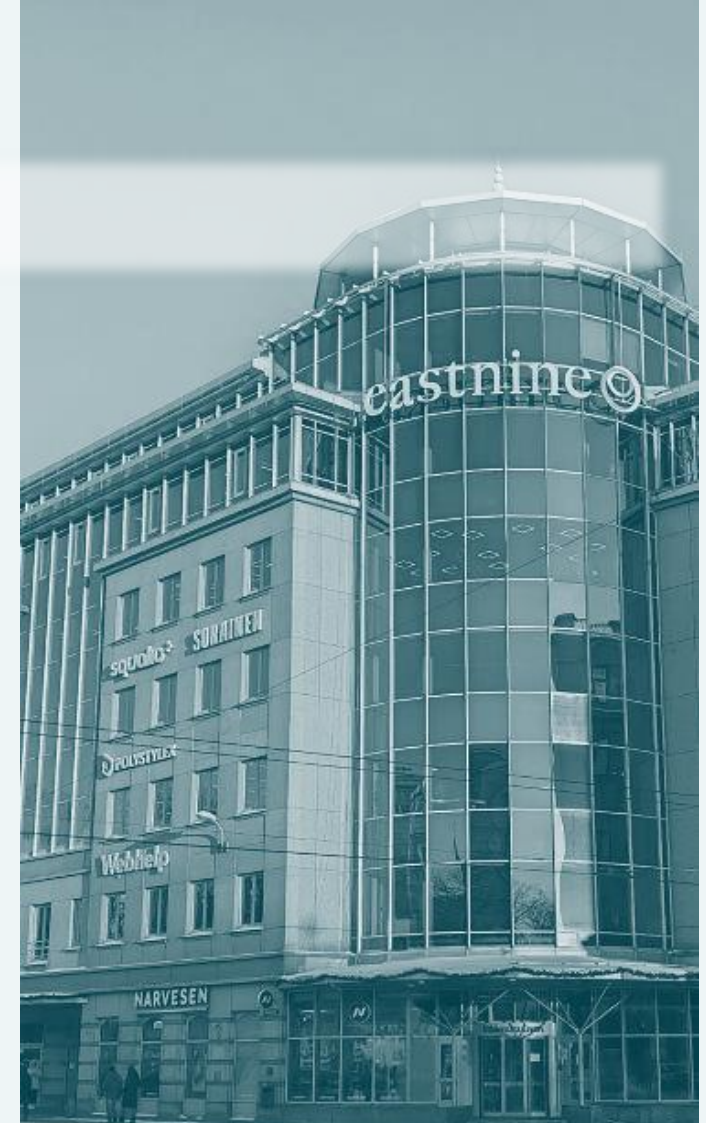


## Vilnius, Lithuania

Property value EUR 384m | 59 %

Lettable area 120,900 sq.m.

Occupancy rate 94.3 %



## Riga, Latvia

Property value EUR 72m | 11 %

Lettable area 22,600 sq.m.

Occupancy rate 77.6 %

# Properties

Vilnius: 59 %



**Uptown Park**  
12,700 sq.m.



**3Bures-1,2**  
28,300 sq.m.



**3Bures-3**  
13,400 sq.m.



**3Bures-4**  
Planned project



**Uniq**  
6,900 sq.m.



**Vertas-1**  
9,500 sq.m.



**Vertas-2**  
7,600 sq.m.



**S7-1**  
12,100 sq.m.



**S7-2**  
16,000 sq.m.



**S7-3**  
14,500 sq.m.

Riga: 11 %



**Alojas Biroji**  
10,200 sq.m.



**The Pine**  
Planned project



**Zala 1**  
3,600 sq.m.



**Kimmel**  
Planned project



**Valdemara Centrs**  
8,800 sq.m.

Poznan: 30 %


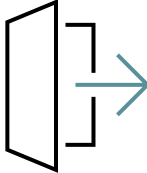
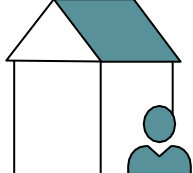


**Nowy Rynek D**  
39,300 sq.m.

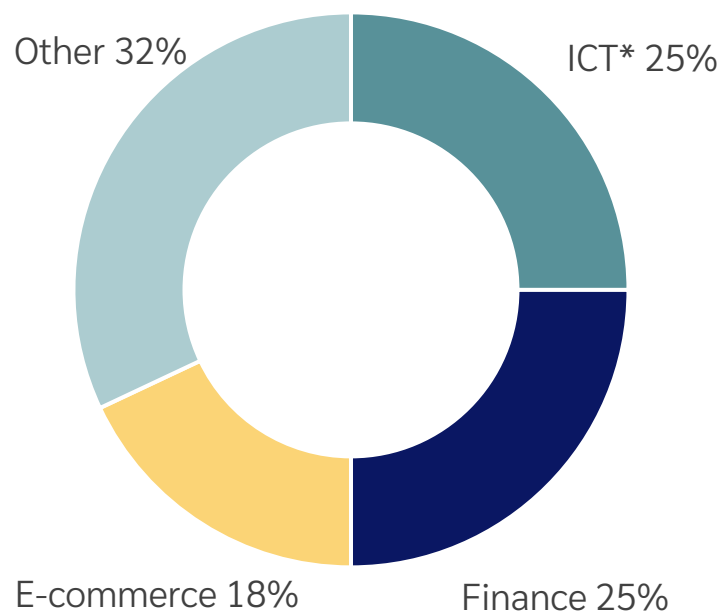


**Nowy Rynek E**  
28,800 sq.m.

# Tenant/lease key figures

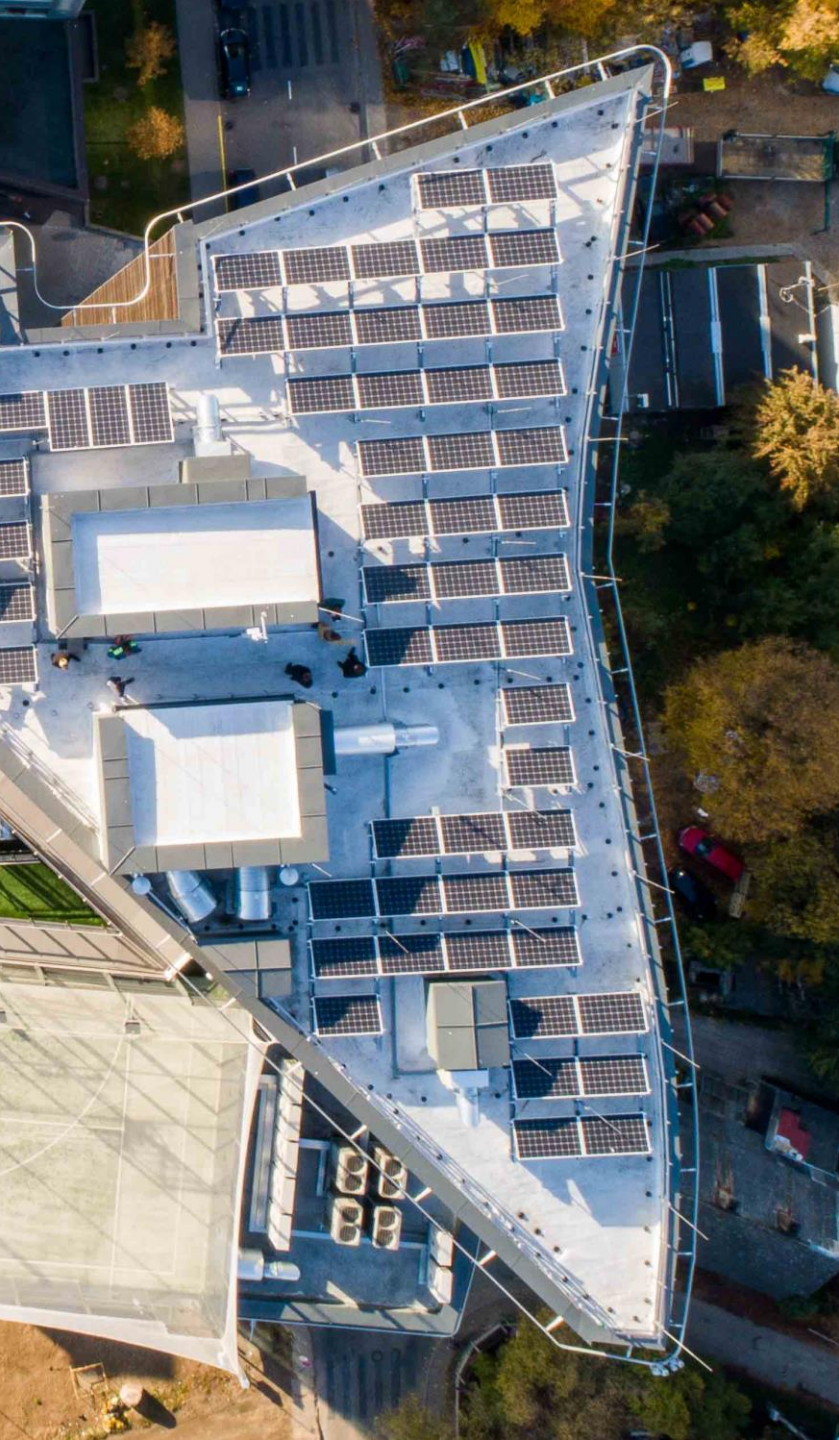
	Net letting	EUR +136k Q3 2024-09-30	EUR +398k Q1 - Q3 2024-06-30	
	Wault	3.9 yrs 2024-09-30	4.2 yrs 2024-06-30	3.8 yrs 2023-12-31
	Tenant concentration Largest tenant's share of annual contracted rent %	14 % 2024-09-30	14 % 2024-06-30	16 % 2023-12-31

# Tenants – sectors



\* Information, Communication, Technology

Tenant	Annual rent, EURk	Share of contracted annual rent, %
Allegro	5,879	14
Danske Bank	5,115	12
Telia	3,132	7
Vinted	1,978	5
McKinsey	1,914	4
Swedbank	1,691	4
Rockwool	1,475	3
Citco	851	2
Twoday	732	2
Invalda Technology	648	1
<b>Total</b>	<b>23,416</b>	<b>54</b>



# Focused on Sustainability



Sustainability certified properties

100 % (94)



Green financing to increase

73 % (60)



Green leases to increase

59 % (68)



Ambition

Leader in sustainability



Target 2030

Climate neutral property operations



Target GRESB

5 stars = top 20 %

# Financial overview

# Income Statement

EURk	Jan-Sep 2024	Jan-Sep 2023	Change	Jul-Sep 2024	Jul-Sep 2023	Change
Rental income	29,110	27,200	2 +7 %	10,701	9,056	4 +18 %
Property expenses	-2,127	-1,788	2 +19 %	-755	-576	4 +31 %
<b>Net operating income</b>	<b>26,983</b>	<b>25,411</b>	<b>+6 %</b>	<b>9,947</b>	<b>8,481</b>	<b>+17 %</b>
Central administration expenses	-3,251	-2,774	3 +17 %	-1,074	-851	5 +26 %
Interest income	2,663	833	2,1 +220 %	584	786	4 -26 %
Interest expenses	-10,333	-9,828	2 +5 %	-3,787	-3,643	4 +4 %
Other financial income/expenses	-24	-427	-94 %	-125	-209	-40 %
<b>Profit from property management</b>	<b>16,038</b>	<b>13,215</b>	<b>+21 %</b>	<b>5,545</b>	<b>4,564</b>	<b>+21 %</b>
Unrealised value changes properties	-2,273	-34,706		1,179	-10,004	
Unrealised value changes derivatives	-4,157	-2,437		-5,223	-1,264	
Realised value changes/received dividend	43	-49,870		43	-18,913	
<b>Profit/loss before tax</b>	<b>9,651</b>	<b>-73,799</b>		<b>1,545</b>	<b>-25,617</b>	
Tax	-3,503	1,579		-743	-27	
<b>Profit/loss for the period</b>	<b>6,148</b>	<b>-72,220</b>		<b>801</b>	<b>-25,644</b>	
Translation differences etc.	-695	-297		-330	-637	
<b>Total comprehensive income for the period</b>	<b>5,453</b>	<b>-72,517</b>		<b>471</b>	<b>-26,274</b>	

Large increase in profit from property management.

Most important factors:

Period: Jan-Sep 2024 vs 2023

1. Interest income after the sale of MFG in August 2023.
2. Effect on profitability from acquisition of Nowy Rynek E in June 2024.
3. Higher bonus payments and one-off settlement payment in Q1.

Quarter: Jul-Sep 2024 vs 2023

4. Full effect from acquisition of NRE on rental income, property expenses, interest income and interest expenses.
5. Increase in legal costs and costs for sustainability consultants.

# Earning capacity

EURk	2024-09-30	2024-06-30	Change, %	
Rental value	45,580	45,275		+1
Less vacancy value	-2,557	-2,904	1	-12
Rental income	43,023	42,371	1	+2
Property expenses	-2,874	-2,695	2	+7
<b>Net operating income</b>	<b>40,149</b>	<b>39,676</b>	<b>1</b>	<b>+1</b>
Central administration	-4,155	-3,931		+6
Interest income	2,673	2,167	3	+23
Interest expenses	-14,719	-15,039	4	-2
Other financial income & expenses	-39	78		-
<b>Profit from property management</b>	<b>23,909</b>	<b>22,951</b>	<b>5</b>	<b>+4</b>

1. Higher occupancy has decreased vacancy value and increased rental income and NOI.
2. Property expenses are calculated as rolling 12M and thereby increased due to broker fees related to new leases in Q3.
3. Interest income has increased after Eastnine received repayment of temporary VAT related to the acquisition Nowy Rynek E.
4. Interest expenses has decreased due to lower interest rate and amortisations.
5. Profit from property management in the earning capacity continues to increase.

# Interest key figures

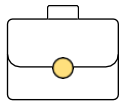
	2024-09-30	2024-06-30	2023-12-31
Interest rate level	4.6 %	4.7 %	4.0 %
Shared of fixed interest	69 %	69 %	72 %
Interest maturity	2.1 yrs	2.2 yrs	1.7 yrs

# Financial stability key figures

	2024-09-30	2024-06-30	2023-12-31
Liquidity, EURm	90	72	129
Interest coverage ratio, times (quarter)	2.5	2.5	2.2
Loan-to-value, %	35	38	27
Loan maturity, yrs	2.7	2.9	2.1

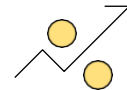
Invest in Eastnine

# High yield office portfolio



## Growing unique portfolio and exciting markets

Office properties in prime locations in the Baltics and Poland. High property yield compared to the Nordics and markets growing at a higher pace than the eurozone. Ambition to be a sustainability leader in our region. Portfolio with high sustainability certification level.



## Sustainable attractive total return

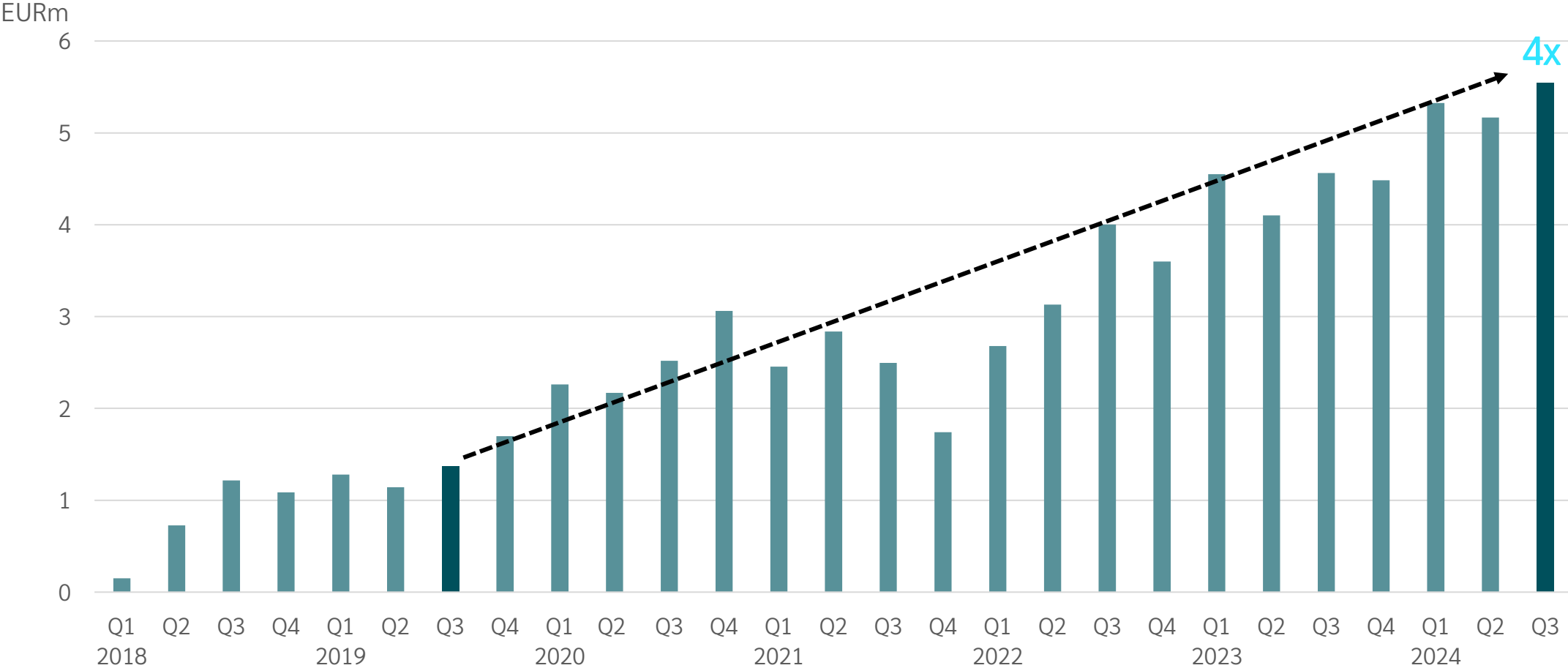
Eastnine's overarching target is to create a sustainable, attractive total return on investment for its shareholders. Profit from property management per share should increase.



## Stable customer base and long-term relationships

Strong, international tenants with long leases within Finance, ICT and e-commerce. Good access to high-quality premises and a high-skilled workforce, available at a relatively lowcost level.

# Profit from property management



# Growth potential – focus on Warsaw

EURm

900  
800  
700  
600  
500  
400  
300  
200  
100  
0

2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 Q3 2024

■ Properties

■ Potential acquisition





Thanks!  
Please post your  
questions!