

An architectural rendering of a modern building complex at dusk. The scene features a mix of brick and glass facades, with people sitting at outdoor tables in a courtyard. A large white circular graphic is on the left side of the image.

Eastnine Interim report

January-March 2024



Highlights of the quarter

- All time high for profit from property management + 17 %
 - Total EUR 5.3m (4.5)
 - Per share EUR 0.24 (0.20)
- Unrealised value changes properties +0.3 %
- Net letting EUR -263k
- 100 % sustainability certified portfolio
- Refinancing of bank loans totalling EUR 62m
- Prolongation of lease agreement with Danske Bank

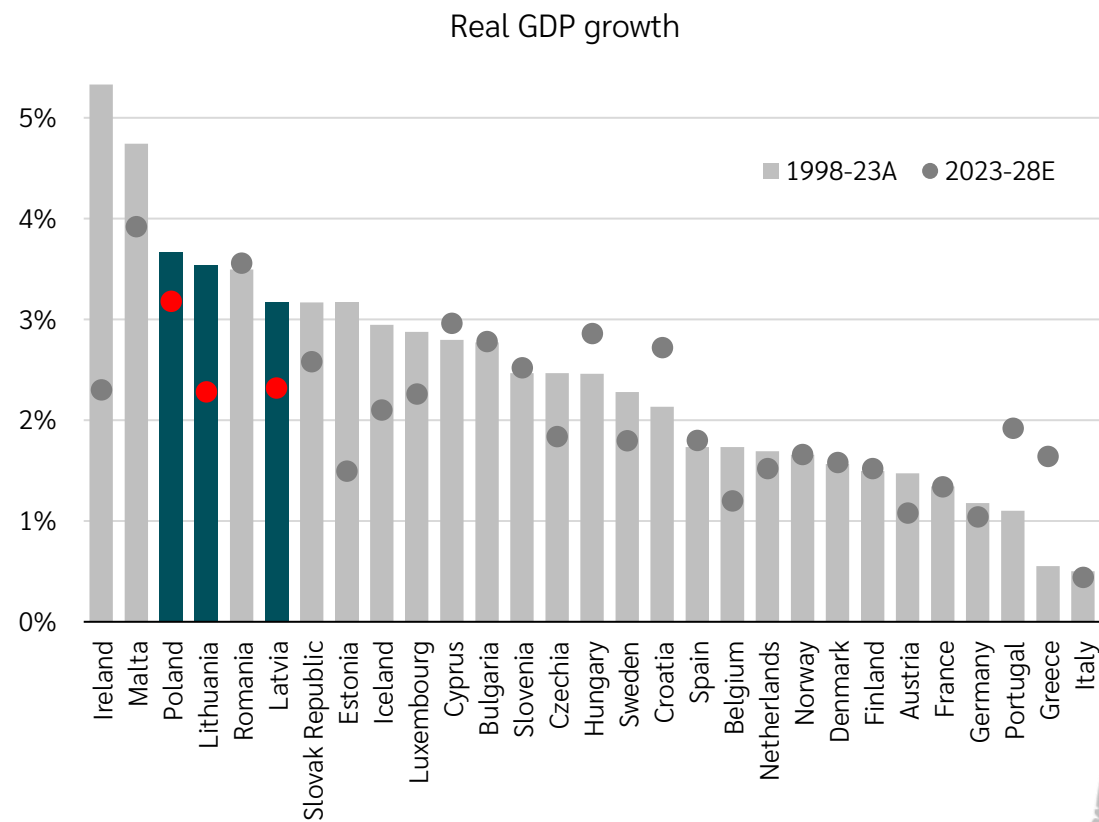
Markets





Consistently higher GDP growth than EU peers

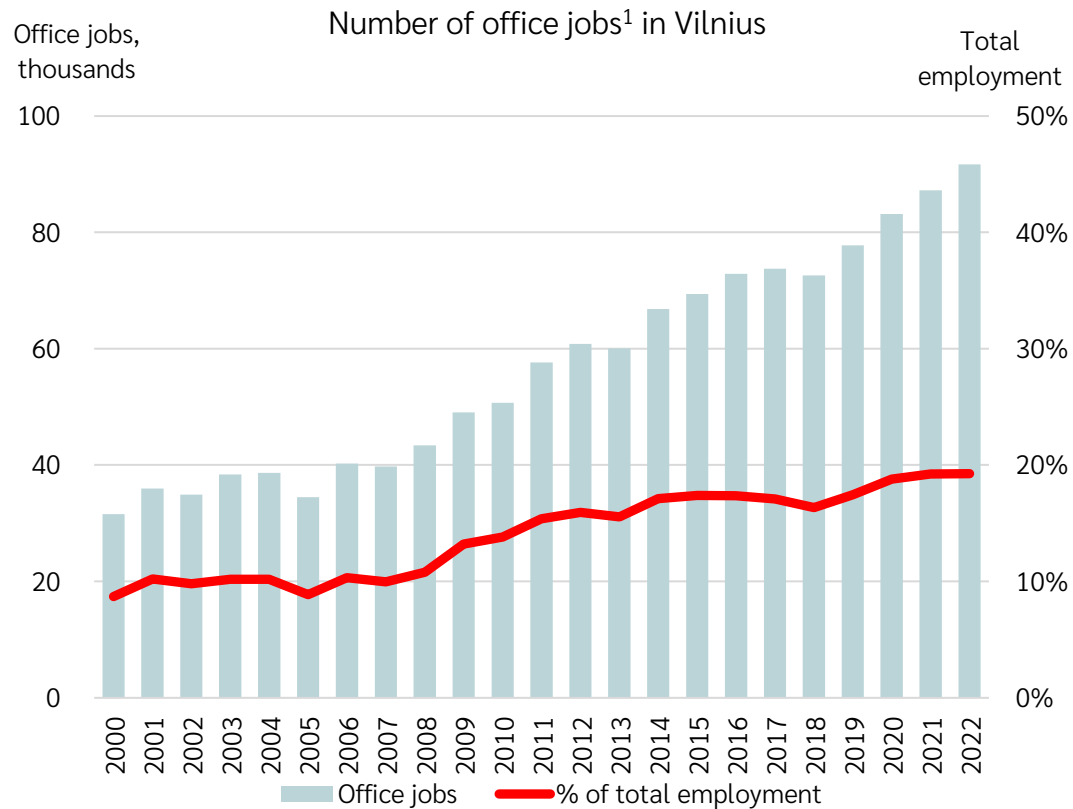
Poland is now the 6th largest and fastest growing major economy in the EU



Source: Eurostat, IMF

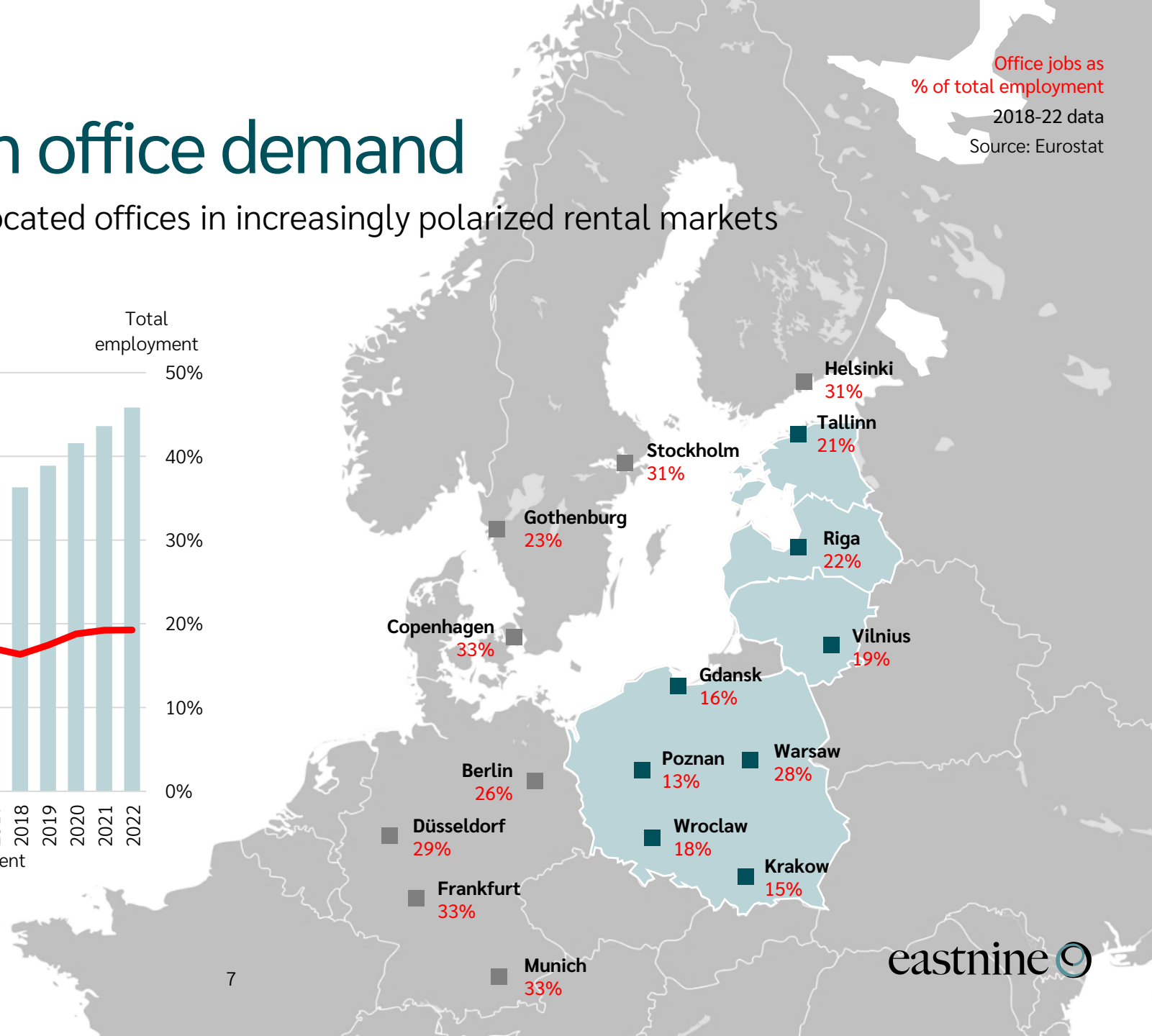
Structural growth in office demand

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



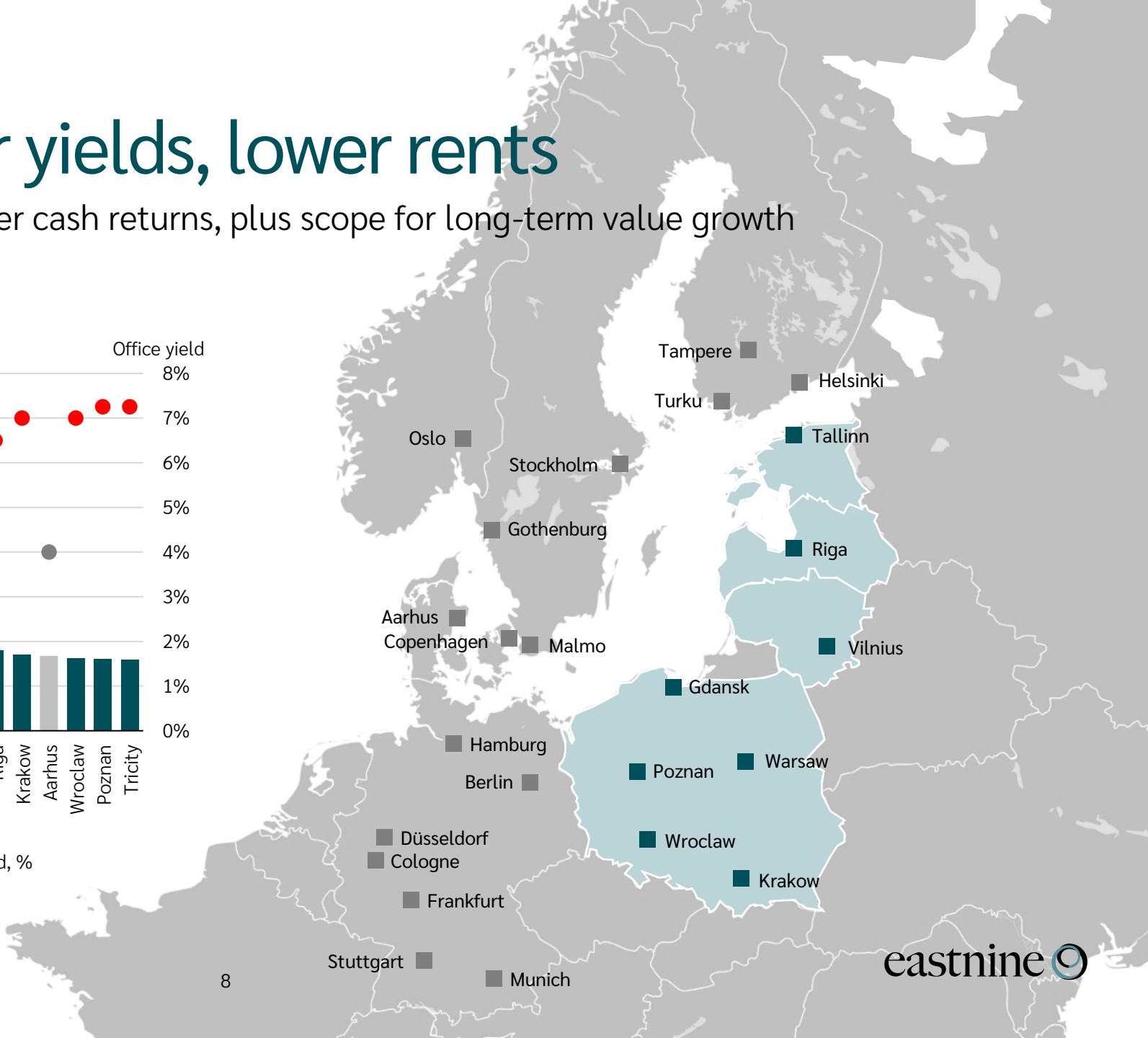
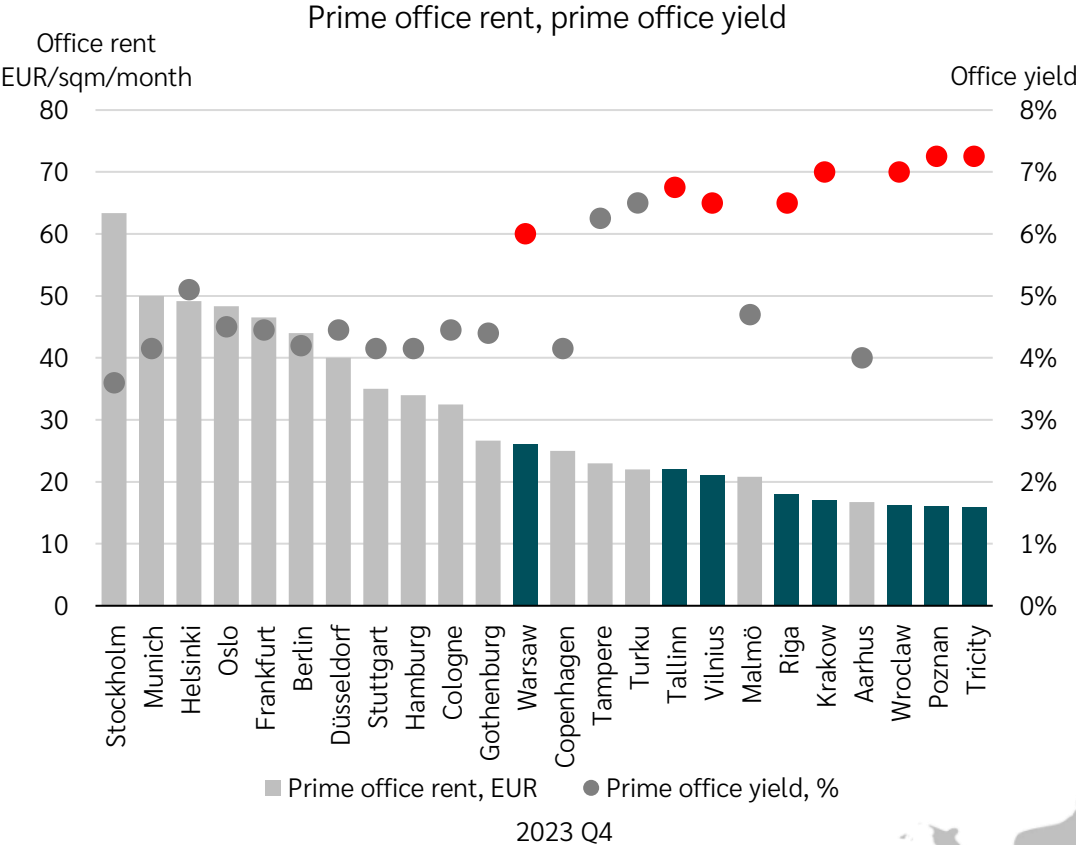
Source: Eurostat

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



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

Eastnine operations

Our markets

POZNAN - Poland

Property value EUR 119m | 21 %
Lettable area ~39,300 sq.m.
Occupancy: 100.0 %

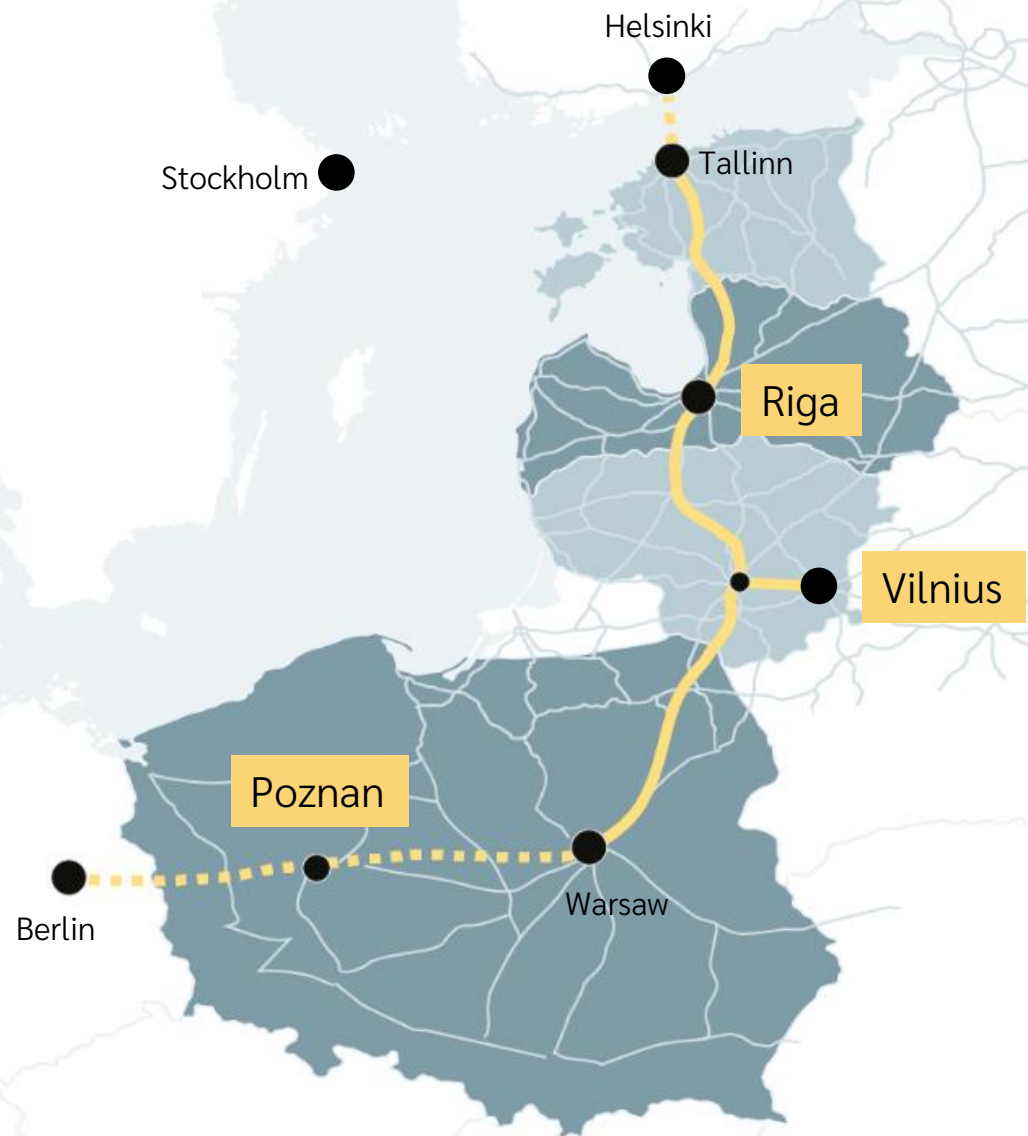
VILNIUS - Lithuania

Property value EUR 382m | 66 %
Lettable area ~120,900 sq.m.
Occupancy: 93.6 %

RIGA - Latvia

Property value EUR 75m | 13 %
Lettable area ~22,600 sq.m.
Occupancy: 74.4 %

- Property value: EUR 576m
- No. of properties: 14
- Lettable area: ~182,800 sq.m.
- Occupancy: 92.7 %
- Average age: 10 years



Our portfolio

Vilnius: 66 %



Uptown Park
12,681 sq.m.



3Bures-1,2
28,265 sq.m.



3Bures-3
13,406 sq.m.



3Bures-4
-



Uniq
6,927 sq.m.



Vertas-1
9,472 sq.m.



Vertas-2
7,627 sq.m.



S7-1
12,053 sq.m.



S7-2
15,952 sq.m.



S7-3
14,536 sq.m.

Riga: 13 %



Alojas Biroji
10,193 sq.m.



The Pine
-



Zala 1
3,629 sq.m.



Kimmel
-



Valdemara Centrs
8,759 sq.m.

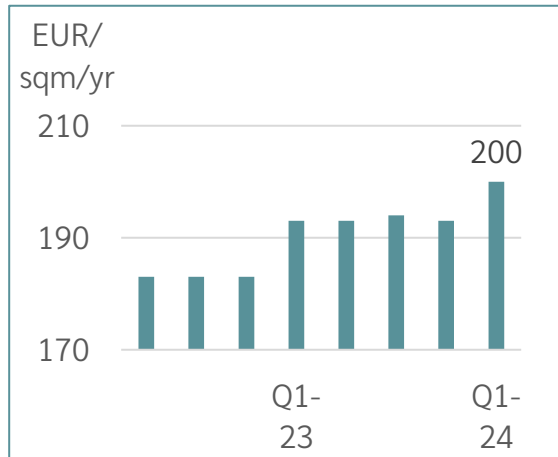
Poznan: 21 %



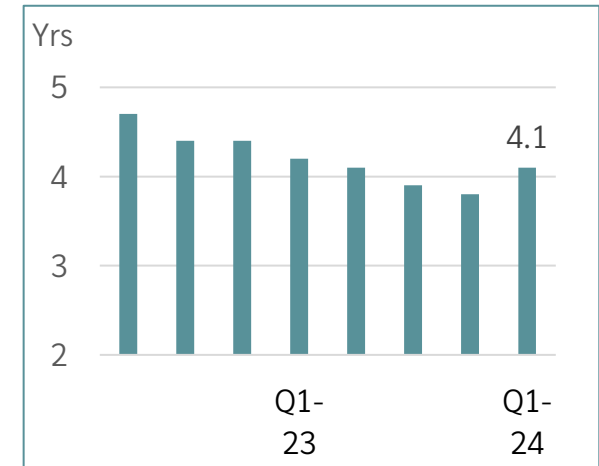
Nowy Rynek D
39,258 sq.m.

Tenants – key ratios

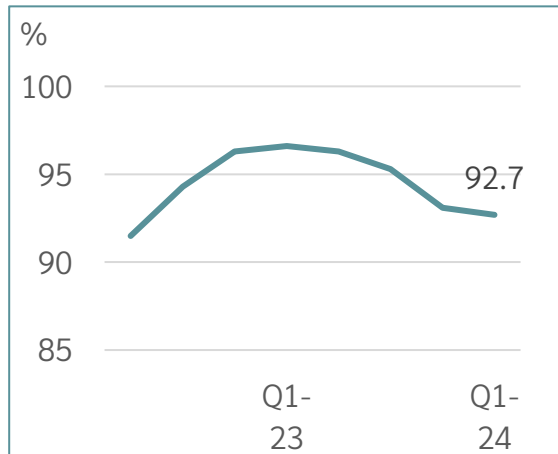
Rent level
200 EUR/sq.m./year
(193)



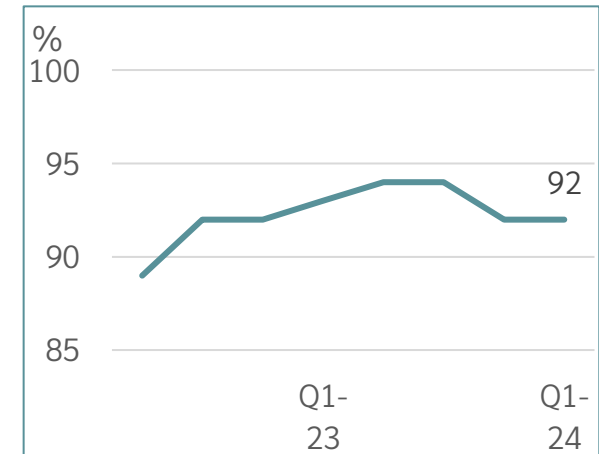
Wault
4.1 years
(3.8)



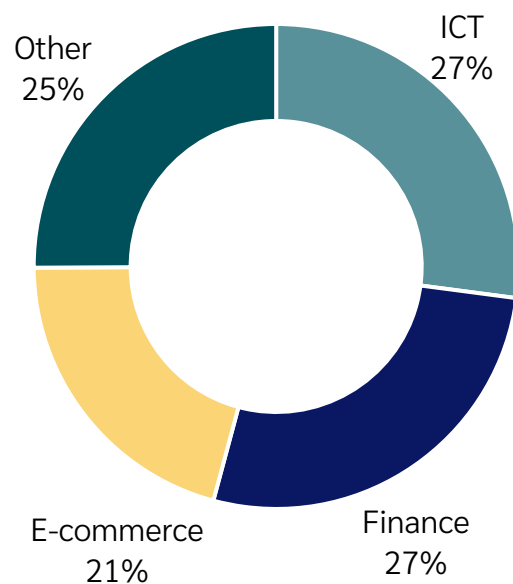
Occupancy
92.7 % (93.1)



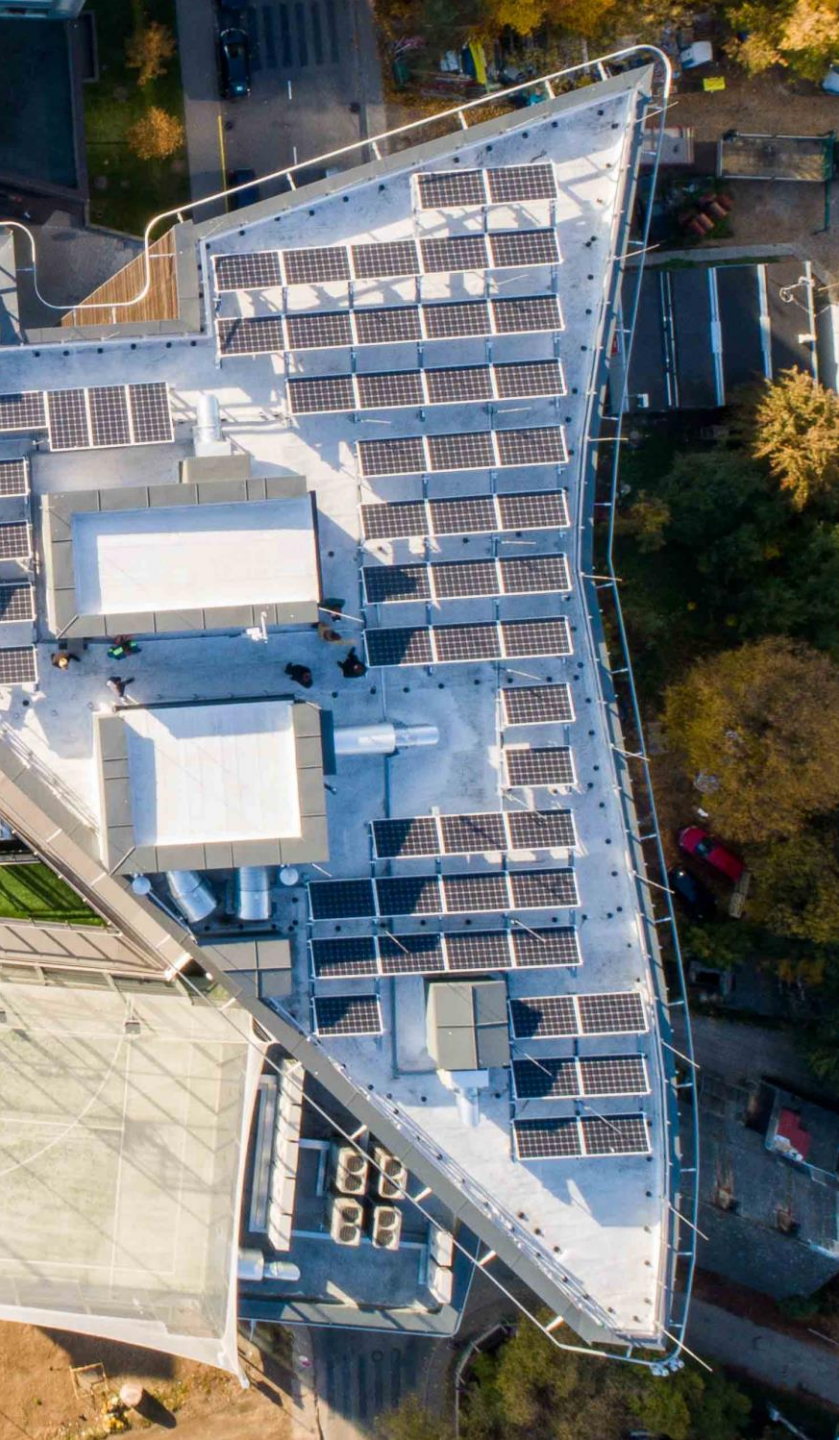
Surplus ratio
92 % (93)



Tenants – sectors



Tenant	Annual rent, EURk	Share of contracted annual rent, %	Sq.m.
Allegro	5,879	16	26,283
Danske Bank	5,116	14	26,588
Telia	3,132	9	15,952
Vinted	1,928	5	9,605
Swedbank	1,677	5	9,030
Rockwool	1,465	4	6,870
Citco	851	2	3,378
Twoday	751	2	3,136
Invalda Technology	649	2	3,102
Bentley Systems	514	1	2,802
Total	21,962	60	106,745



Sustainability



Sustainability certified
properties
100 %



Green financing
69 %



Green leases
68 %



Ambition
Leader in
sustainability



Target 2030
Climate neutral
property operations



Target GRESB
5 stars=top 20 %

Financial overview

Income Statement

EURk	Q1 2024	Q1 2023	Change vs Q1 2023	Q4 2023	Change vs Q4 2023
Rental income	9,064	9,051	+/-0 %	8,967	+1 %
Property expenses	-705	-676	+4 %	-747	-6 %
Net operating income	8,359	8,376	+/-0 %	8,220	+2 %
Central administration expenses	-1,198	-908	+32 %	-904	+32 %
Interest income	1,140	-	∞	1,208	-6 %
Interest expenses	-3,083	-2,895	+6 %	-3,758	-18 %
Other financial income/expenses	108	-23	n.a.	-282	n.a.
Profit from property management	5,326	4,549	+17 %	4,483	+19 %
Unrealised value changes properties	1,534	-16,811		21	
Unrealised value changes derivatives	716	-1,304		-5,330	
Realised value changes/received dividend	-	444		-	
Profit/loss before tax	7,577	-13,122		-826	
Tax	-2,545	1,414		998	
Profit for the period	5,032	-11,708		172	
Translation differences etc.	-327	222		687	
Total comprehensive income period	4,705	-11,486		860	

Q1 2024 vs Q1 2023

- Profit from property management +17 %, new top level.
 - One-off items related to personnel costs in CA of 300 TEUR.
 - +Interest income as a result of the sale of MFG in August 2023.
 - Increase in interest expenses due to increased interest rates.
- Slightly positive value changes for properties.

Q1 2024 vs Q4 2023

- Profit from property management +19 %.
 - One-off items related to personnel costs in CA of 300 TEUR.
 - +Interest/financial expenses decreased since Q4 included one-off bond costs.
 - Interest income slightly lower due to lower average amount of cash.

Financial position

ASSETS, EURk	2024-03-31	2023-12-31
Investment properties	575,963	573,771
Right-of-use assets, leaseholds	2,099	2,131
Derivatives	3,971	3,004
Other non-current assets	170	260
Total non-current assets	582,204	579,166
Other current assets	5,895	5,086
Derivatives	-	250
Cash/cash equivalents	128,258	128,620
Total current assets	134,153	133,955
TOTAL ASSETS	716,356	713,121

EQUITY AND LIABILITIES, EURk	2024-03-31	2023-12-31
Equity	404,840	400,176
Interest-bearing liabilities	247,525	193,138
Deferred tax liabilities	17,952	15,768
Lease liability	2,075	2,112
Other non-current liabilities	2,673	2,833
Total non-current liabilities	270,225	213,850
Interest-bearing liabilities	35,299	91,185
Other current liabilities	5,991	7,910
Total current liabilities	41,291	99,095
TOTAL EQUITY & LIABILITIES	716,356	713,121

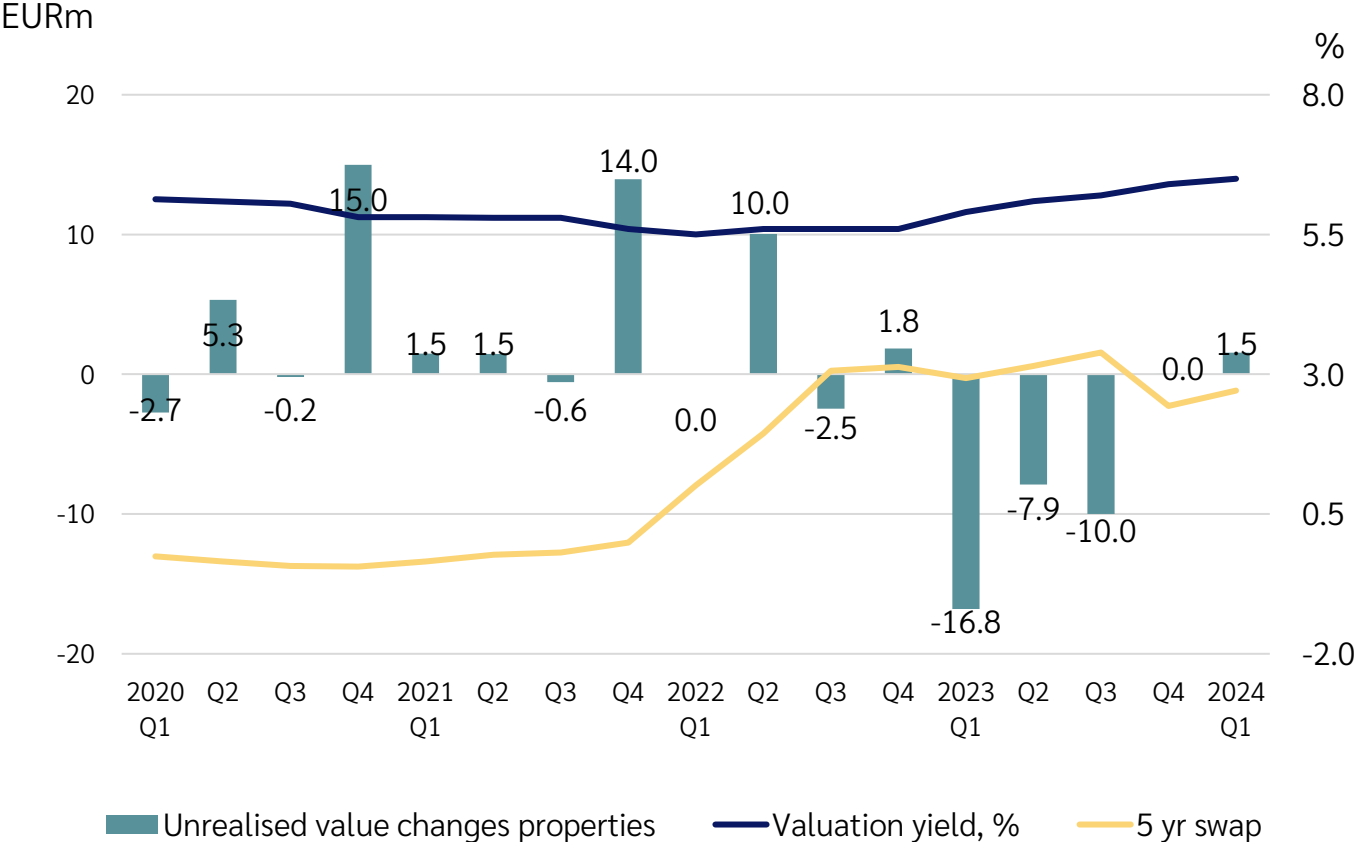
- Pure real estate company, no Other investments since Q3 2023.
- Total assets, investment properties and cash position largely unchanged.
- Less short-term bank loans, and more long-term, after refinancing in Q1.

Earning capacity

EURk	2024-03-31	2023-12-31	Change	Last 12M rolling
Rental value	39,342	37,832	+4 %	
Less vacancy value	-2,877	-2,592	+11 %	
Rental income	36,465	35,240	+3 %	36,179
Property expenses	-2,565	-2,535	+1 %	-2,565
Net operating income	33,900	32,705	+4 %	33,614
Central administration	-3,969	-3,679	+8 %	-3,969
Interest income	4,590	4,505	+2 %	3,181
Interest expenses	-13,160	-11,422	+15 %	-13,773
Other financial income & expenses	76	-46	-	-578
Profit from property management	21,437	22,063	-3 %	18,476

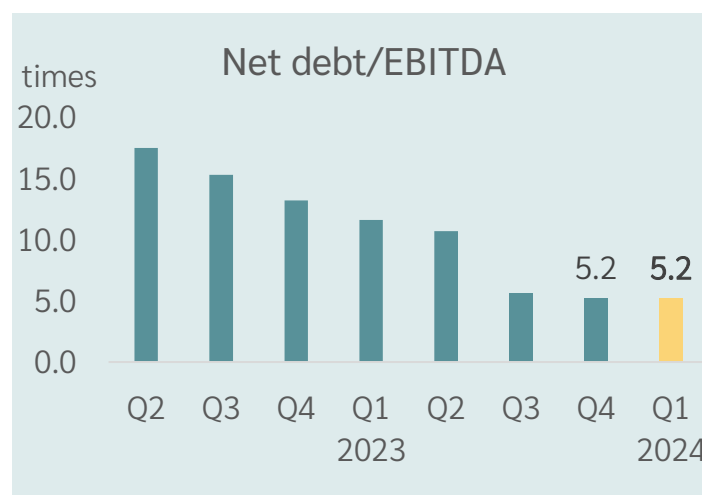
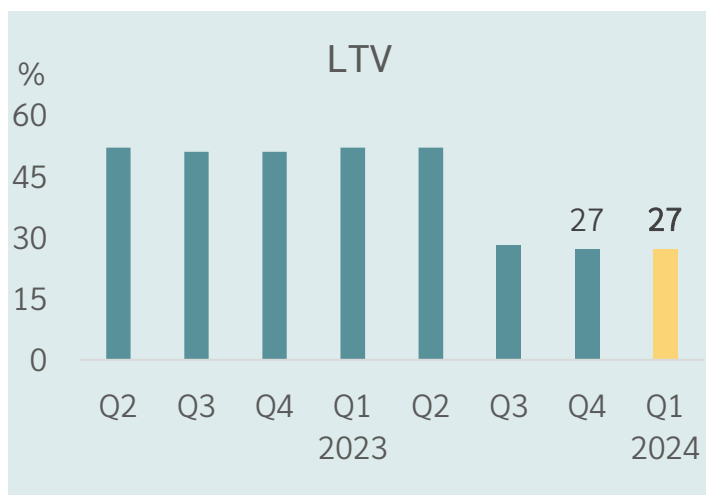
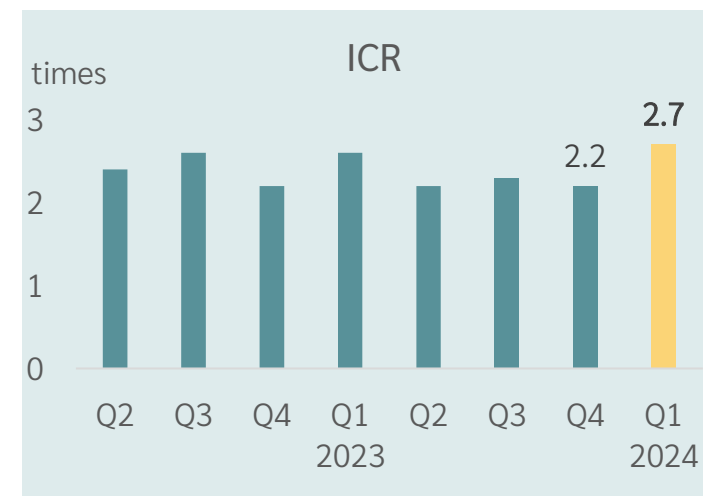
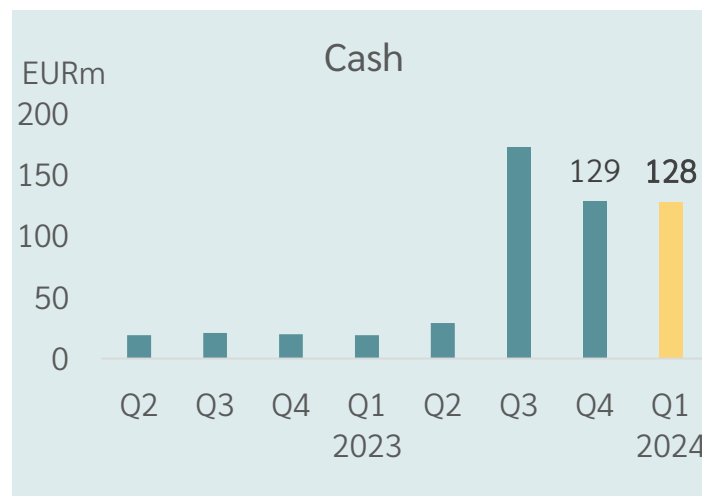
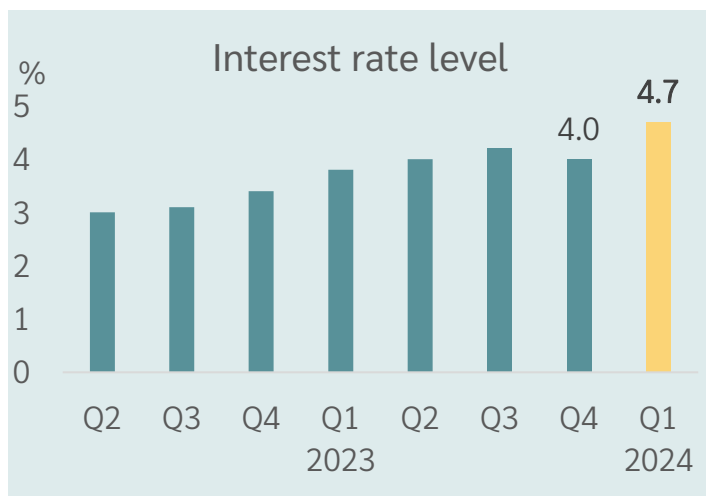
- The rental value increased following agreed rental indexation.
- The vacancy value increased due to a lower occupancy rate.
- Central administration costs increased, due to costs of one-off nature.
- Interest expenses increased due to higher interest rate level.
- The profit from property management decreased, mainly due to higher central administration costs and increased interest expenses.

Unrealised value changes properties



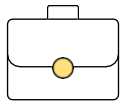
- Property values have developed negatively for more than one year until autumn 2023. But have been stable or slightly positive during the last two quarters.
- Eastnine’s average yield requirement in the valuations continued to increase during Q1, following the trend during the last two years.
- Five-year interest rate swap has decreased somewhat during the last six months, after a two-year increase.

Strong financial position



Future

Investment in Eastnine



Growing unique portfolio and market

Modern 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

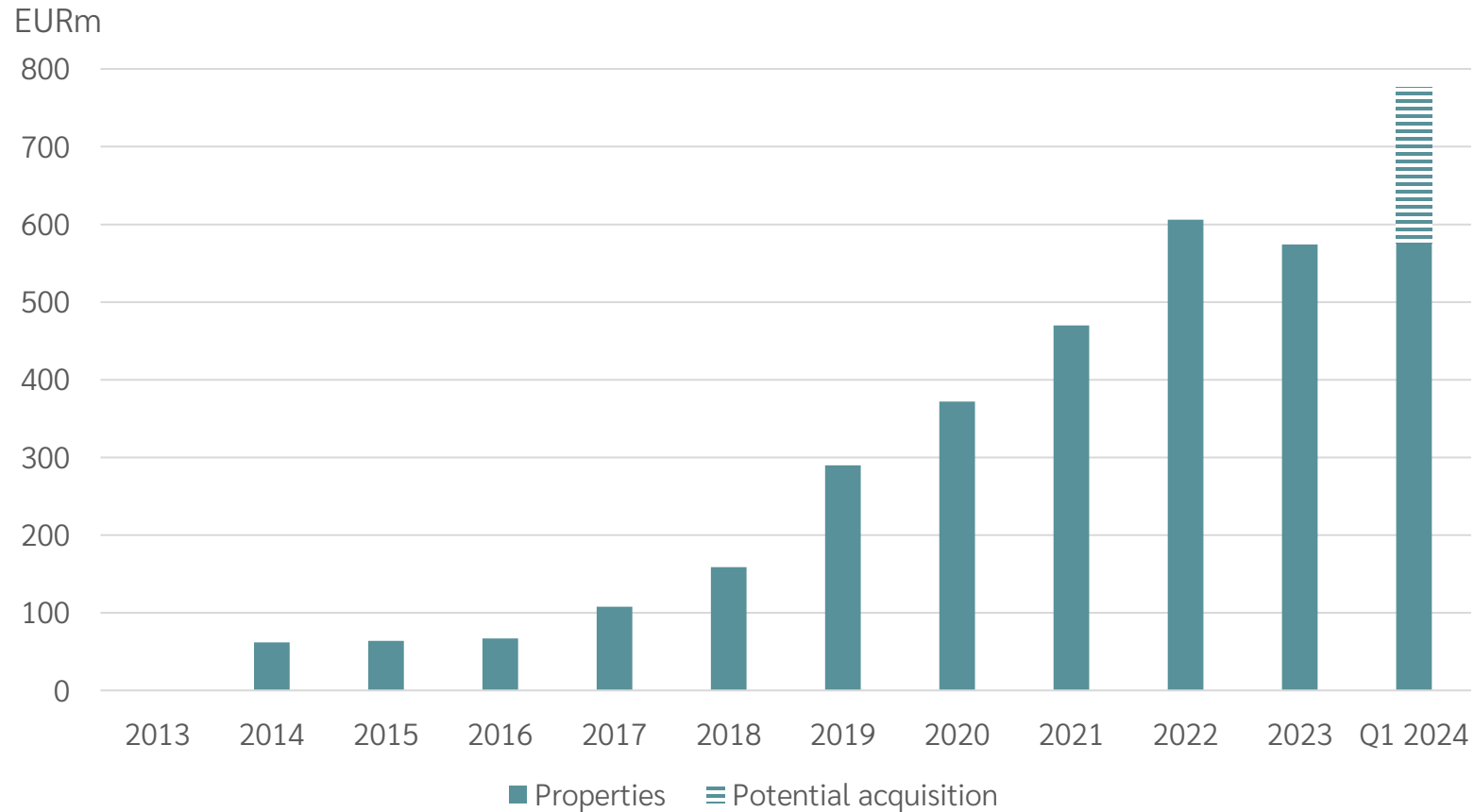
Eastnine's overarching target is to create a sustainable, attractive total return on investment for its shareholders. Profit from property management per share should increase.



Stable customer base and long-term relationships

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

Property portfolio



- Fast growing property portfolio.
- Strong cash position enables further growth whilst maintaining sound financial position.

Thank you!
Please post questions!