



BALTIC SEA PROPERTIES

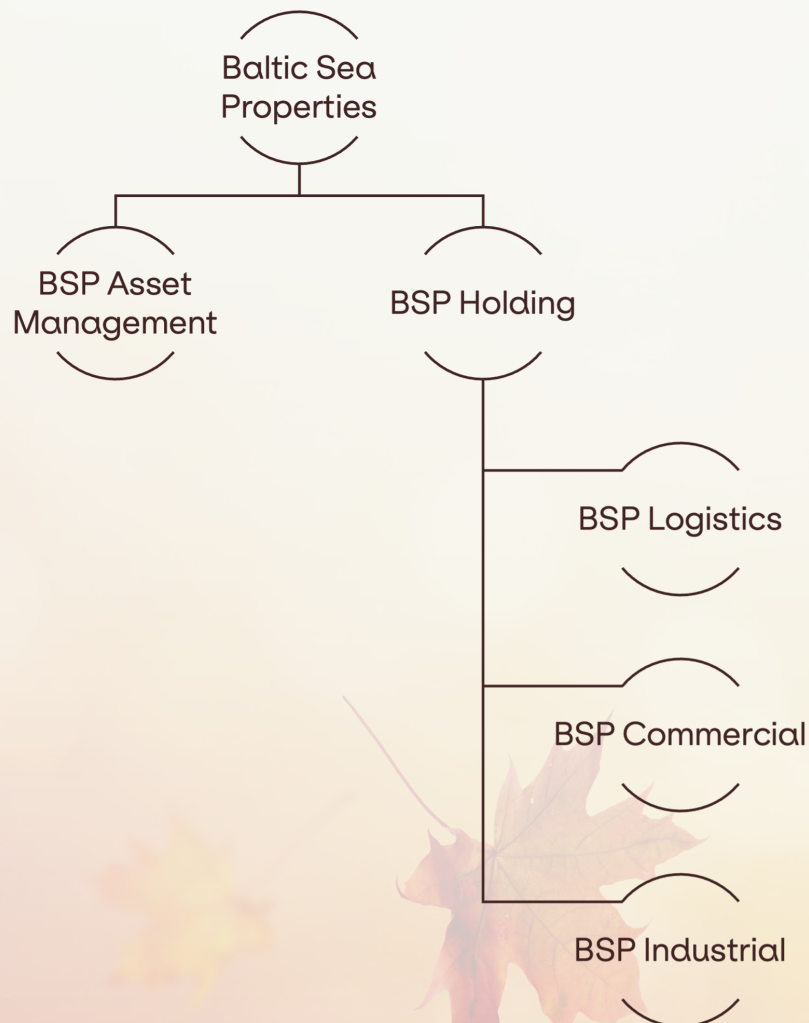
Quarterly report - Q3 2024

About us

Baltic Sea Properties is a Norwegian public listed, open-ended and fully integrated investment company. The company is among the Baltics' leading real estate investors and developers – owning a diversified cash flow generating portfolio of modern real estate in the logistics, industrial and commercial segments.

Our strategy is to develop long-term relationships with strong clients and to hold high-quality assets in attractive locations. We grow our portfolio by own developments and acquisitions with the objective to maximise shareholder values and the company's dividend capacity.

The property management is conducted through fully-owned subsidiaries by a professional management team with deep knowledge of the Baltic real estate market



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Disclaimer:

This report has been prepared by Baltic Sea Properties AS in good faith and to our best ability with the purpose to give the company's shareholders updated information about the company's operations and status. This document must not be understood as an offer or encouragement to invest in the company. The financial figures presented are unadited and may thus include discrepancies. Baltic Sea Properties AS further makes reservations that errors may have occurred in its calculations of key figures or in the development of the report which may contribute to an inaccurate impression of the company's status and/or operations. The report also includes descriptions and comments which are based on subjective assumptions and considerations, and thus must not be understood as a guarantee of future events or future profits.

Our Vision

Our vision is to be the preferred real estate partner and leading investment company in the region.

We will achieve this by staying true to our mission and values.

Our Mission

Our mission is to foster a great team, to provide high quality and sustainable solutions for our partners, thus creating superior long-term value and returns for our shareholders.

Our Values

- **Commitment** to our people and their professional development.
- **Focusing on innovation and value creation.**
- **Respect** for our social and physical environment.
- **Accountability and fairness** with our stakeholders.
- **Reliability and integrity** in all we do



Highlights

Quarterly report Q3 2024 (unaudited)

Resilient Progress

We are pleased to present our third-quarter report, highlighting another period of strong performance and robust cash flow growth, achieved despite a complex and evolving economic environment.

In Lithuania, the economic outlook remains optimistic. The European Commission forecasts GDP growth of 2% in 2024, driven by strong private consumption and sustained investment. This resilience underscores the strength of the Lithuanian market, even amidst external challenges.

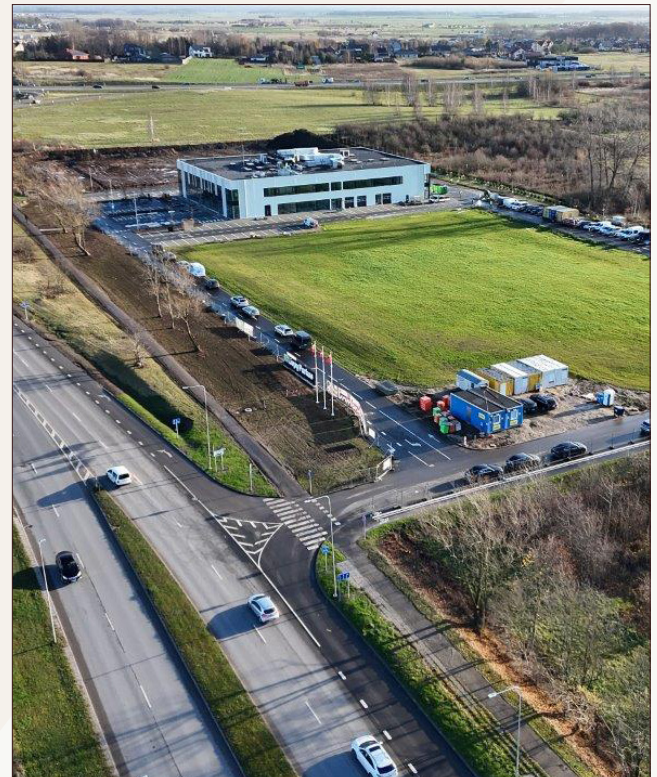
In navigating uncertainties, BSP remains committed to a disciplined growth strategy, supported by a substantial investment pipeline that aligns with our ambitious growth objectives. Our focus on sustainable real estate development, supported by a solid capital structure, continues to strengthen our position in the sector.

Furthermore, we believe the attractive yield spread relative to the Nordics will sustain both robust cash yields and strong value growth potential, reinforcing BSP's long-term value proposition.

Key metrics and highlights – Q3 2024

- Rental income of mEUR 6.22 (mEUR 5.98)
- EBITDA of mEUR 4.58 (mEUR 4.52)
- IFPM of mEUR 1.79 (mEUR 2.40)
- Profit after tax of mEUR 2.40 (mEUR 1.49)
- Net Asset Value of mEUR 50.72 (mEUR 40.00)
- Valuation of investment properties of mEUR 105.85 (mEUR 98.59)
- Loan to Value (LTV) of 52.90% (59.50%)
- Net LTV (adjusted for cash) of 49.63 % (57.18%)
- ICR Group of 1.74 (2.23)

- The development project for ESO (Ignitis) of 4,340 m² in Liepų Parkas proceeds according to budget and on schedule with planned handover to ESO in January 2025.
- During the summer of 2024, we successfully raised mNOK 98.4 (mNOK 87.3 from direct placement + mNOK 11.1 from subsequent repair issue) at NOK 49 pr share.
- Distribution of NOK 1.75 per share in dividend to shareholders in June.
- Once again, we were awarded 1st place in the category “Strongest Brand Baltics Developers logistics” during the European Real Estate Brand Awards (June 2024). BSP has now won this category for four consecutive years.
- We continue to work hard on building a strong development pipeline, including several exciting prospects within our new business and retail park, Liepų Parkas.



Small frame | Construction in progress, November 2024



Large frame | Concept visualisation of Liepų Parkas (retail and business park, Liepų Street, Klaipėda)

Financial overview

Q3 2024

- Key figures group
- Financial results
- Income From Property Management (IFPM)
- Financing
- Financial expenses overview
- Loan-to-Value (LTV)
- Net Asset Value (NAV)
- Consolidated statements

Please note:

Unless stated otherwise, the financial figures presented in this chapter have been prepared using the same IFRS principles as described in the company's Annual Report 2022 (available for download on balticsea.no). The consolidated statements presented in this quarterly report are however simplified from the IFRS requirements.

Please note that the quarterly/half-yearly figures in this report are unaudited.

Key figures group

Quarterly report Q3 2024 (unaudited)

Per share	30/09/2024	31/12/2023	30/09/2023
Net Asset Value (NAV) in NOK	68.69 *	68.95	67.41
NAV in EUR	5.84 *	6.13	5.99
YTD Return NAV incl. dividend (NOK)*	10.76%	13.56%	10.55 %
YTD Return NAV incl. dividend (EUR) *	5.54%	6.39%	3.85%
Dividend distributed (NOK)	1.75	1.60	1.60
Dividend distributed (EUR)	0.15	0.14	0.15
Last transaction price per date (NOK)	49.00	47.40	47.00
Number of shares issued	8 696 077 *	6 688 232	6 688 232
EURNOK rate, balance sheet date ¹	11.76	11.24	11.25
EURNOK rate, YTD average ²	11.58	11.42	11.35

1) EURNOK rate per balance sheet date is used when converting balance sheet figures.

2) EURNOK YTD average rate is used when converting P&L figures.

*In late June & July 2024, the company issued 2,007,848 new shares in a direct share issue at NOK 49 per share. The NAV return for 2024 has been adjusted to account for this event, with the return KPI based on the operational return for three first quarters in 2024, excluding cash proceeds and the newly issued shares.

Group key figures	30/09/2024	31/12/2023	30/09/2023
Fair value of portfolio (MNOK)	1 245	1 121	1 110
Fair value of portfolio (MEUR)	105.9	99.8	98.6
Value of equity based on NAV - BSP method (MNOK)	597	460	450
Value of equity based on NAV - BSP method (MEUR)	50.7	40.9	40.0
Annualised contracted rent (MNOK)	105.4	93.6	90.5
Annualised contracted rent (MEUR)	8.9	8.3	8.0
Net income from property management (IFPM) (MNOK)	20.1	33.3	27.2
Net income from property management (IFPM) (MEUR)	1.7	2.9	2.4
NOI yield (investment projects)	8.00 %	8.06%	7.81 %
Dividend yield (NAV)	2.40%*	2.44%	2.44 %
Occupancy rate	100%	100%	100 %
WAULT (years)	8.8	9.1 yrs	9.5 yrs
IBD (incl. mezzanine facility) (NOK)	659	656	660
IBD (incl. mezzanine facility) (EUR)	56.0	58.3	58.66
LTV investment portfolio (incl. mezzanine facility)	52.90%	58.43%	59.50 %
Net LTV (inc. Cash)	49.63%	56.37%	57.18 %
Interest coverage ratio (ICR) - Group	1.74	2.09	2.23
Interest coverage ratio (ICR) - SPV finance	2.11	3.10	3.24

Terms/abbreviations used in this report:

- Fair value of portfolio = valuation of the real estate assets
- NOI = Net operating income from property portfolio (incl. internal property management expenses)
- NOI yield = NOI / Market value of the investment portfolio excluding development land value (land bank).
- Net rent = Income from rental activity from property portfolio minus (-) all unrecovered property expenses (not including internal property management fees).
- IFPM (Income From Property Management) = Profit/loss before tax excluding depreciations, profit/loss/value movements on properties, realised investments, currency and other financial instruments.
- IBD = Interest-Bearing Debt – all outstanding debt to credit institutions and/or other credit facilities
- LTV = Loan to Value ratio
- EBITDA = Earnings before interest, tax, depreciation and amortisation
- WAULT = Weighted average unexpired lease term
- Interest Coverage Ratio (ICR) Group - Group EBITDA/all interest paid
- Interest Coverage Ratio (ICR) SPV finance - Consolidated EBITDA of real estate subsidiaries/interest paid from real estate finance
- ROE - Return on Equity

Financial results

Quarterly report Q3 2024 (unaudited)

Rental income performance

For the first three quarters of 2024, our rental income reached mEUR 6.22, representing a 4.1% increase from mEUR 5.98 reported at the end of third quarter 2023. This growth is primarily due to CPI adjustments on existing leases.

Operational cost and net rent

Direct ownership costs for the first three quarters of 2024 amounted to mEUR 0.19, down from mEUR 0.23 in the same period last year. Net rent amounted to mEUR 6.03, up from mEUR 5.74, showcasing that the majority of direct owner costs are recovered through the lease agreements.

Administration Costs and Other Operating Expenses

Administration costs for the period were mEUR 1.04, slightly up from the previous year. Other operating expenses increased to mEUR 0.47 from mEUR 0.34 per 30th September last year, mainly driven by costs related to newly signed development projects and the capital raise completed in June and July.

Net income from property management

Net income from property management (IFPM) stood at mEUR 1.79, a decrease from mEUR 2.40 reported at the end of the third quarter of 2023. The reduction in IFPM is primarily driven by the significant increase in funding costs and one time costs related to the capital raising process. However, we observe improvements on funding costs with lower forward curves for the EURIBOR (3-month EURIBOR decreased from 4.0% to 3.1% during Q2), whilst 1 to 5 year Swap rates are currently around 2.5%. This will have a major influence on improving IFPM going forward. Additional costs associated with project development activities also impacted the IFPM.

Fair Value Adjustments and Valuation Methodology

Despite the pressures on valuations over the last few years, BSP has managed to maintain a steady return, primarily due to our conservative approach to valuation methodology, CPI-adjustments and improvement in some of our lease agreements through professional asset management preserving our portfolio value throughout. This strategy has laid a strong foundation for the future, positioning us well to capitalise on what we believe will be improving yields and lower discount rates in the medium to longer term period.

During the first three quarters of 2024, the valuation of our investment properties increased by mEUR 1.01. Additionally, the activation of development costs and the completion of solar panel installations increased the fair value by a total of mEUR 5.07.

We continue to employ the standard Discounted Cash Flow (DCF) method for our valuations, conducted by independent valuers. As of 30th September 2024, the portfolio was valued at mEUR 105.9, up from mEUR 99.8 at year-end 2023.

Interest Costs and Finance Expenses

We have experienced higher funding costs compared to the same period last year, with net realised interest costs and finance expenses reaching mEUR 2.79, an increase from mEUR 2.12 reported per end of third quarter 2023. This increase aligns with the high global interest rate market, yet our financial management maintains a healthy margin above our covenant thresholds. For further information on our finance expenses, please see pages 12-13.

Profitability and Taxation

Net profit after tax for the first three quarters of 2024 was mEUR 2.40, compared to mEUR 1.49 for the same period in 2023.

Income From Property Management

Specification

Income From Property Management	30 Sept 2024	31 Dec 2023	30 Sept 2023	30 Sept 2024	31 Dec 2023	30 Sept 2023
	EUR	EUR	EUR	NOK	NOK	NOK
	thousand	thousand	thousand	thousand	thousand	thousand
Rental income	6 218	7 993	5 975	72 009	91 286	67 805
Property expenses ex mng	-185	-322	-232	-2 138	-3 683	-2 638
Net rent	6 033	7 671	5 743	69 871	87 603	65 168
Other operating income	51	66	39	586	754	447
Administration cost	-1 038	-1 356	-929	-12 026	-15 487	-10 538
Other operating cost	-469	-522	-337	-5 430	-5 956	-3 828
EBITDA	4 577	5 859	4 516	53 001	66 914	51 248
Net realised interest cost & finance expenses	-2 791	-2 940	-2 120	-32 324	-33 580	-24 059
Net income from property management (IFPM)	1 785	2 919	2 396	20 677	33 334	27 190
Changes in value of investment properties	1 014	347	-412	11 748	3 961	-4 675
Changes in value of financial instruments	-27	-565	-350	-310	-6 449	-3 974
Realised changes in value of investment properties	-	-	-	-	-	-
Depreciation, amortisation and impairment	-46	-91	-68	-531	-1 035	-777
Net currency exchange differences	10	5	14	110	58	155
Profit before tax	2 737	2 615	1 579	31 695	29 868	17 920
Current tax	-	176	-7	-	2 013	-76
Deferred tax	-339	-255	-87	-3 926	-2 913	-986
Profit from continued operations	2 398	2 536	1 486	27 769	28 968	16 858
Net Asset Value (NAV)	30 Sept 2024	31 Dec 2023	30 Sept 2023	30 Sept 2024	31 Dec 2023	30 Sept 2023
Currency	EUR	EUR	EUR	NOK	NOK	NOK
Equity as recognised in balance sheet	49 770	40 039	39 143	585 524	450 061	440 496
Pr share	5.73	5.99	5.86	67.40	67.38	65.96
Net Asset Value - BSP method						
Equity as recognised in balance sheet	49 770	40 039	39 143	585 524	450 061	440 496
Deferred tax according to balance sheet (-)	4 661	4 316	4 150	54 833	48 518	46 704
Equity excluding deferred tax	54 431	44 356	43 293	640 357	498 579	487 200
Deferred tax according to BSP original NAV definition (-)	3 708	3 390	3 292	43 629	38 109	37 044
Net asset value - BSP Method	50 723	40 965	40 001	596 728	460 470	450 156
Pr share	5.84	6.13	5.99	68.69	68.94	67.41
Number of outstanding shares	8 696 077	6 688 232	6 688 233	8 696 077	6 688 232	6 688 233

Financing

Quarterly report Q3 2024 (unaudited)

Year	Debt maturity			Interest Swap maturity		
	EUR	Share %	Interest margin	EUR	Share %	Swap fixed rate
0-1 year	-	-	-	2 197 362	100%	0.72%
1-3 years	51 648 805	92.23 %	2.17 %			
4-5 years				-	-	-
Total funding real estate portfolio¹	51 648 805	92.23 %	2.17 %	2 197 362	4.25 %	0.72 %
Mezzanine ²	4 351 084	7.77 %	9.30 %	-	-	-
Seller credit ³	-	-	-	-	-	-
Sum loan	55 999 889	100 %	0.73 %	2 197 362	3.92 %	0.72 %

¹ Weighted average bank interest margin is 2.17 % + 3-months EURIBOR (per 30th of September 2024). The interest swap is against 3-months EURIBOR.

² Interest rate for the mezzanine loan is including margin. The loan facility expires in September 2026.

Loan financing	30/09/2024	31/12/2023
Interest-bearing debt incl. Mezzanine loan (MEUR)	56.00	58.30
LTV incl. mezzanine loan	52.90%	58.43%
Interest-bearing debt excl. mezzanine loan (MEUR)	51.65	53.02
LTV excl. mezzanine	48.79%	53.13%
12-month running interest margin all loans (margin)*	2.73%	2.83%
Interest rate hedging ratio	3.92%	4.29%
Interest rate coverage (ICR) - group	1.74	2.09
Interest rate coverage (ICR) - SPV finance***	2.11	2.68
Time until maturity interest-bearing debt (weighted)	2.64 yrs	3.4 yrs
Time until maturity interest hedging contracts (weighted)	0.6 yrs	1.3 yrs

* Excl. 3-months EURIBOR & swap agreements.

** LTV does not include cash position.

*** Includes all internal management fees

(MEUR)	30/09/2024	31/12/2023
Interest-bearing debt, total	56.00	58.30
Interest-bearing debt, bank loan	51.65	53.02
Interest-bearing debt, mezzanine	4.35	4.45
Interest-bearing debt, seller credit	0.00	0.84
Cash	6.98	3.64
Net LTV, total	49.63%	56.37%

* Net LTV include cash position

Financial expenses overview

Specification

BSP Group	Per 30/09/2024		Per 31/12/2023	
	NOK	EUR	NOK	EUR
EBITDA	53 000 993	4 576 613	66 917 866	5 859 400
Interest payable	30 452 502	2 629 561	31 990 528	2 801 125
ICR - group	1.74	1.74	2.09	2.09
Net realised interest cost & finance expenses				
Interest on real estate portfolio	27 972 178	2 415 386	32 951 035	2 885 380
SWAP costs	31 789	2 745	41 797	3 660
SWAP income	-899 168	-77 643	-5 939 299	-520 051
Interest mezzanine incl. contract fee	3 540 794	305 746	2 513 583	220 104
Interest seller's credit	320 650	27 688	2 732 817	239 301
Interest income	-513 740	-44 361	-311 398	-27 268
Sum interest expenses	30 452 502	2 629 561	31 990 528	2 801 125

Consolidated SPV-financed entities	Per 30/09/2024		Per 31/12/2023	
	NOK	EUR	NOK	EUR
EBITDA (incl. internal management cost)	57 706 837	4 982 975	72 474 739	6 345 966
Interest payable	27 374 903	2 363 818	27 055 266	2 368 988
ICR - SPV finance	2.11	2.11	2.68	2.68
Net realised interest cost & finance expenses				
Interest on real estate portfolio	27 972 178	2 415 386	32 952 766	2 885 380
SWAP costs	31 789	2 745	41 799	3 660
SWAP income	-899 168	-77 643	-5 939 299	-520 051
Sum interest expenses	27 104 799	2 340 488	27 055 266	2 368 988

Terms/abbreviations used above:

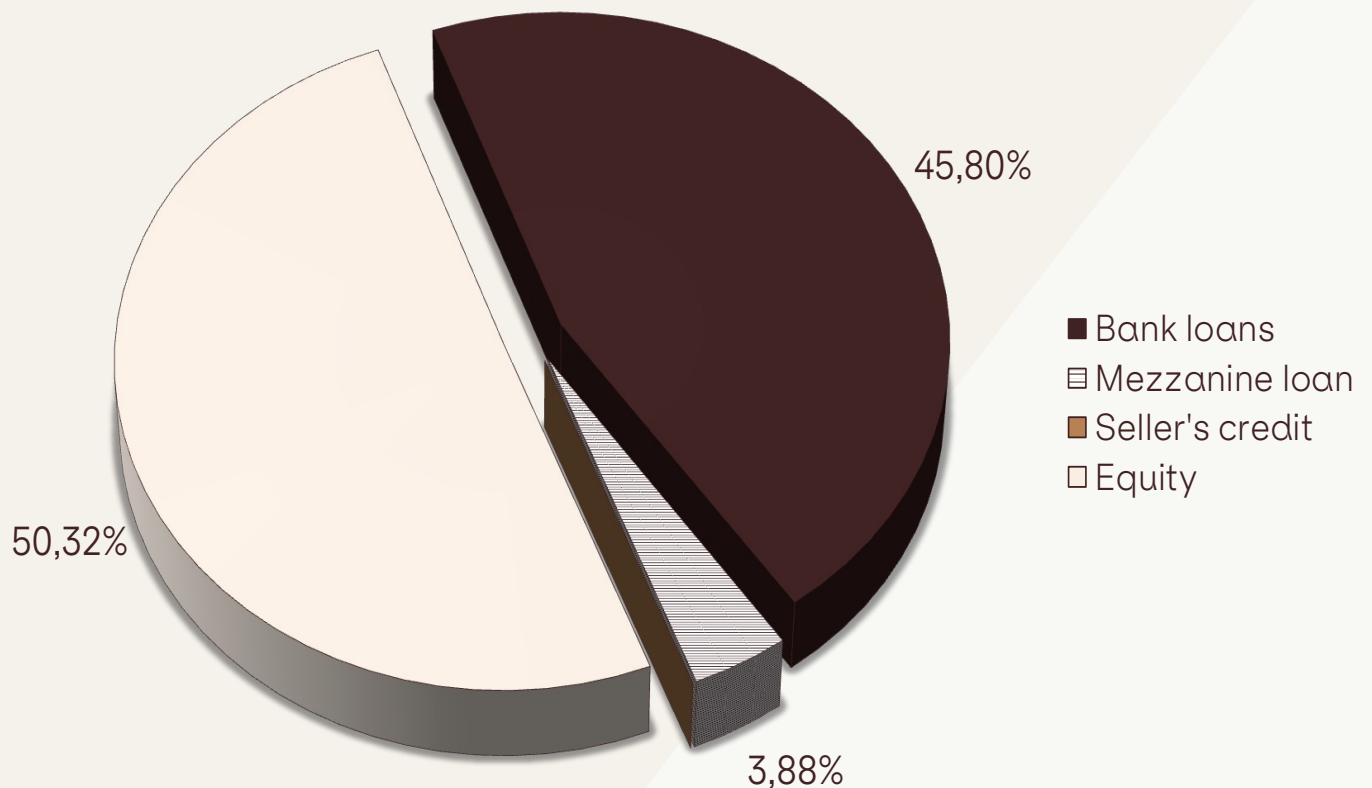
EBITDA = Earnings Before Interest, Taxes, Depreciations and Amortisations
ICR = Interest Coverage Ratio

Loan-to-Value (LTV)

Specification

Loan-to-Value ratio	Per 30/09/2024		Per 31/12/2023	
	NOK	EUR	NOK	EUR
Net nominal interest-bearing debt excl. mezzanine loan	607 622 371	51 648 805	595 940 050	53 017 219
Mezzanine	51 188 328	4 351 084	50 000 000	4 448 201
Seller's credit	-	-	9 398 185	836 100
Net nominal interest-bearing debt incl. mezzanine loan	658 810 694	55 999 889	655 338 235	58 301 520
Valuation of real estate portfolio	1 245 278 168	105 850 497	1 121 658 258	99 787 221
Loan to value excl. cash	52.90 %	52.90 %	58.43%	58.43%
Cash	82 062 979	6 975 475	40 889 578	3 637 701
Loan to value incl. cash (Net LTV)	49.63 %	49.63 %	56.37%	56.37%

Net LTV per 30/09/2024



Net Asset Value (NAV)

Net Asset Value (NAV) is a measure of the fair value of the company's net assets on an on-going long-term basis, calculated as the total value of the company's assets minus the total value of its liabilities, with certain adjustments.

Public and private real estate companies and real estate funds use slightly different adjustment principles when calculating their NAV. Below is therefore an explanation of how NAV is calculated in Baltic Sea Properties.

Assets valuation and adjustments for NAV:

- Investment (income generating) property and development land is valued and included using the most recent market value based on independent valuations (using discounted cash flow method.)
- External financial investments are valued and included at their most recently published/recorded NAV (alternatively most recent transaction price if NAV is not available.)
- Development property, unfinished construction and other assets are valued and included at book value (cost price less depreciation)

Liabilities adjustments for NAV:

- Financial liabilities are valued and included at book value.
- Deferred tax liabilities are valued and included at 50 % of the deferred profit tax calculated on the difference between the current property market value and tax book value. (This adjustment principle is based on market practice and a deemed fair value basis)
- Interest rate swaps are valued and included at book value.
- Other liabilities are valued and included at book value.

Net Asset Value (NAV) per share development (YTD)	30/09/2024	31/12/2023	31/12/2022
NAV (NOK) - BSP method (IFRS)	68.69	68.95	62.11
Dividend (NOK)	1.75	1.60	1.50
Return on equity inc. dividend (NOK)*		13.56 %	17.95 %
NAV (EUR) - BSP method (IFRS)	5.84	6.13	5.91
Dividend (EUR)	0.15	0.15	0.15
Return on equity inc. dividend (EUR)*		6.39 %	12.11 %
Applied EURNOK conversion rate	11.76	11.24	10.51
Number of shares outstanding	8 696 077	6 688 232	6 688 232

Consolidated statement of profit or loss

Amounts in NOK thousand

Year to date	30 September 2024	31 December 2023	30 September 2023
	<i>Unaudited</i>		<i>Unaudited</i>
Rental income	72 009	91 286	67 805
Gain from sale of fixed assets	-	-	-
Other income	586	754	447
Total operating income	72 595	92 041	68 252
Payroll and related costs	12 026	15 487	10 538
Depreciation, amortisation and impairment	531	1 035	777
Other operating expenses	7 568	9 639	6 466
Total operating expenses	20 125	26 162	17 780
Change in fair value of investment properties	11 748	3 961	-4 675
Operating profit	64 218	69 840	45 798
Change in fair value of financial instruments	-310	-6 449	-3 974
Financial income	514	311	127
Financial expenses	-32 837	-33 892	-24 186
Net currency exchange differences	110	58	155
Net financial income (cost)	-32 523	-39 971	-27 877
Profit before income tax	31 695	29 869	17 922
Income tax expense	-	-2 013	76
Change in deferred tax liability/asset	3 926	2 913	986
Profit for the period	27 769	28 968	16 860
Earnings per share	30 September 2024	31 December 2023	30 September 2023
Basic	3.28	4.34	2.52
Diluted	3.28	4.34	2.52
Profit is attributable to:	30 September 2024	31 December 2023	30 September 2023
- Owners of Baltic Sea Properties group	27 769	28 968	16 860
- Non-controlling interests	-	-	-

Consolidated statement of comprehensive income

Amounts in NOK thousand

Year to date	30 September 2024	31 December 2023	30 September 2023
	<i>Unaudited</i>		<i>Unaudited</i>
Profit for the period	27 769	28 968	16 860
Other comprehensive income not to be reclassified to profit and loss			
Foreign currency translation differences	23 942	26 008	28 554
	23 942	26 008	28 554
Total comprehensive income for the period	51 711	54 977	45 415
Total comprehensive income is attributable to:			
- Owners of Baltic Sea Properties group	51 711	54 977	45 415
- Non-controlling interests	-	-	-
	51 711	54 977	45 415

Correction to reported figures per 30.06.2024 (published on the 15th of August 2024)

Due to a calculation error, we reported the fair value of our real estate portfolio as tEUR 274.7 too high in certain parts of our half-year (Q2) 2024 report. This caused the following errors in the reported (main) figures:

Profit & Loss statement:

- Change in fair value of investment properties and profit before tax reported as tEUR 270 too high.
- Profit after tax reported as tEUR 229.4 too high.
- Total comprehensive income for the period reported as tEUR 266 too high.

Balance sheet:

- Assets reported as tEUR 274.7 too high.
- Equity reported as tEUR 233.9 too high.
- Deferred tax liabilities reported as tEUR 40.9 too high.

Net Asset Value (NAV):

- Total NAV reported as tEUR 274.7 (0.55%) too high.
- NAV per share reported as EUR 0.03 (0.55%) too high.

For the avoidance of doubt, the property portfolio value of EUR 103.9 million as of 30 June 2024, as reported elsewhere in the half-year (Q2) 2024 report, was correct.

Consolidated statement of financial position

Amounts in NOK thousand

Per date	30 September 2024	31 December 2023	30 September 2023
	<i>Unaudited</i>		<i>Unaudited</i>
Assets			
Investment property	1 274 911	1 150 216	1 136 660
Other operating assets	1 806	1 631	1 635
Right-of-use assets	14	133	173
Financial derivatives, non-current	215	412	3 051
Other financial non-current assets	-	-	-
Long-term receivables	3 311	2 391	144
Total non-current assets	1 280 258	1 154 786	1 141 662
Trade receivables	3 110	3 209	3 174
Financial derivatives, current	124	214	-
Other receivables and other current assets	1 602	3 089	4 989
Cash and cash equivalents	82 063	40 888	45 058
Total current assets	86 900	47 400	53 221
Investment property held for sale	-	-	-
Total assets	1 367 158	1 202 185	1 194 883

Consolidated statement of financial position

Amounts in NOK thousand

<i>Per date</i>	30 September 2024	31 December 2023	30 September 2023
	<i>Unaudited</i>		<i>Unaudited</i>
Equity			
Share capital	870	669	669
Share premium	214 031	118 788	118 788
Other paid-in equity	-1	-1	-1
Total paid-in equity	214 900	119 456	119 456
Retained earnings	370 624	330 605	321 040
Total equity	585 524	450 061	440 496
Liabilities			
Deferred tax liabilities	54 833	48 518	46 704
Interest-bearing liabilities	650 192	616 955	614 838
Lease liabilities, non-current	30 901	29 051	28 107
Financial derivatives, non-current	-	-	-
Other non-current provisions	-	-	143
Total non-current liabilities	735 926	694 522	689 792
Lease liabilities, current	115	232	256
Interest-bearing liabilities, current	8 514	37 460	40 209
Trade payables	22 305	3 237	3 522
Income tax payable	-	-	2 116
Financial derivatives, current	-	-	-
Other current liabilities	14 773	16 671	18 491
Total current liabilities	45 708	57 601	64 595
Total equity and liabilities	1 367 158	1 202 185	1 194 883

Consolidated statement of changes in equity

Amounts in NOK thousand

Attributable to owners of Baltic Sea Properties AS							
	Share capital	Share premium reserve	Other paid-in equity	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2023	669	118 788	-1	286 227	405 683	-	405 683
Net profit for the period	-	-	-	28 968	28 968	-	28 968
Capital increase	-	-	-	-	-	-	-
Share based payments	-	-	-	89	89	-	89
Other comprehensive income for the period	-	-	-	26 008	26 008	-	26 008
Total comprehensive income in the period	-	-	-	55 065	55 065	-	55 065
<i>Transactions with owners of the company:</i>	-	-	-	-	-	-	-
Transactions with non-controlling interests	-	-	-	-	-	-	-
Dividends paid	-	-	-	-10 687	-10 687	-	-10 687
Equity at 31 December 2023	669	118 788	-1	330 605	450 061	-	450 061
	Share capital	Share premium reserve	Other paid-in equity	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2024	669	118 788	-1	330 605	450 061	-	450 061
Net profit for the period	-	-	-	27 769	27 769	-	27 769
Capital increase	201	95 243	-	-	95 444	-	95 444
Share based payments	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	23 942	23 942	-	23 942
Total comprehensive income in the period	-	-	-	51 711	51 711	-	51 711
<i>Transactions with owners of the company:</i>	-	-	-	-	-	-	-
Transactions with non-controlling interests	-	-	-	-	-	-	-
Dividends paid	-	-	-	-11 692	-11 692	-	-11 692
Equity at 30 September 2024	870	214 031	-1	370 624	585 524	-	585 524




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Market Update

Provided by Kristina Živatkauskaitė and Mindaugas Kulbokas at Newsec Baltics (14 August 2024)

The economy returned to the path of growth

Lithuania's economy is stabilizing and showing signs of recovery after a period of uncertainty. The economy returned to a growth trajectory, with GDP indicators for the first half of 2024 surpassing expectations and exceeding the EU average. The first half year of 2024 GDP indicators were better than expected, with a 2.4% annual growth. The forecasts were improved, and Lithuania's GDP should grow by 2.1% in 2024, and by 2.9% in 2025. Inflation has been effectively controlled, with the overall price level remaining stable. Inflation in Lithuania has disappeared. The rising prices of services are offset by decreasing prices of goods and the annual price level has been close to zero. The average annual HICP for 2024 is forecasted to be +1.1%, and for 2025 it's projected to be +2.2%. The labor market is also showing resilience, with unemployment rates beginning to decrease, including a notable improvement in youth unemployment. The labour market in Lithuania remains robust. The unemployment rate in the country increased significantly in Q4 of 2023 but started to decrease in the first half year of this year. Finally, youth unemployment (aged 15-24) has started to decrease, as it had been growing quite rapidly for over half a year. Unemployment estimates for 2024 are at 7.2%, and for 2025 it's projected to be 6.9%. The forecasts for GDP growth and inflation suggest a cautiously optimistic outlook for the coming years.

The first half of the year was relatively quiet in Lithuania's investment market, with most transactions centered around redevelopment projects. The largest deals included the acquisition of the Ergo HQ office building in Vilnius, located near Vingis Park and adjacent to the upcoming Vingis Akropolis project, as well as the existing Ibis Styles Vilnius hotel near Vilnius Airport. Both properties were purchased with plans for redevelopment or conversion. This period marked one of the weakest quarters in the history of Lithuania's investment market, with all deals being conducted by local investors. However, the second quarter showed some signs of improvement, with notable transactions including the sale of the Svitrigailos 11B business centre, four Lidl grocery stores, and the Camelia logistics centre. Despite these deals, the total investment volume for large deals in Lithuania during the first half of the year remained very low, reaching approximately 65 million EUR.

While the first half of the year in Lithuania's investment market was subdued, with limited activity primarily driven by local investors and focused on redevelopment projects, there are early signs of a potential recovery. The second quarter showed some improvement with a few notable transactions, indicating that investor confidence may be gradually returning. Additionally, with expectations of potential interest rate cuts by the European Central Bank, there is cautious optimism that investment activity could pick up in the latter half of the year, as lower borrowing costs might encourage more deals and further stimulate the market.

Vilnius office market: Balancing supply and demand

The supply of office space in Vilnius increased by 20 400 sqm in H1 2024. Completed projects included the Teltonika HQ with 11 000 sqm, the Vestum business centre with 6 000 sqm, and Sporto 16 with 3 400 sqm. The overall market grew by 6.7% over the past 12 months, reaching 1.15 million sqm. The remaining projects slated for 2024 are at various stages of development. Notable ones are the Yellowstone, set to open in the summer of 2024, and the Sand Offices, due to be completed by year-end. That would put total new supply for 2024 at 37 850 sqm. A broader range of offerings

is anticipated next year. In 2025, over 104 000 sqm of office space will be added in the Vilnius CBD. That includes large-scale projects like the HERO business centre, the Business Stadium Central, and Konstitucijos 14A. New office space will also become available at Svitrigailos 19, Jasinskio 2, St Jacob's Quarter, and Tech Zity Vilnius. All these projects are currently in the active leasing phase, designed to satisfy a wide array of tenant preferences. The focus of developers has shifted back to the Central Business District – 70% of new supply will be concentrated in this area.

The take-up of office space totalled about 34 600 sqm in Q2. Take-up of some 60 000 sqm in H1 2024 was more than the historical average. We are thus raising our full-year projection to 85 000-95 000 sqm. That cautious forecast may be exceeded if long-awaited deals at several of the new projects come through. But tenants are taking the time to assess relocation plans cautiously and responsibly. The overall level of vacancy fell from 8.1%. While the vacancy level for class A premises fell to 6.5%, in class B, available space increased, and the vacancy rate rose to 9.4%.

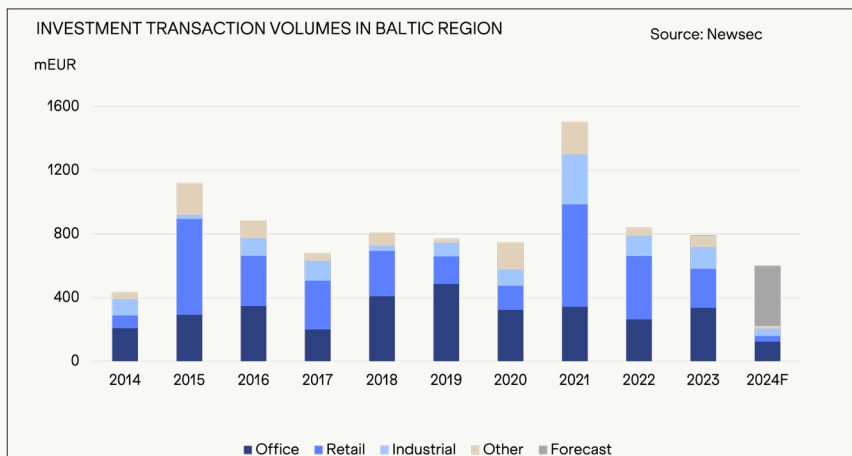
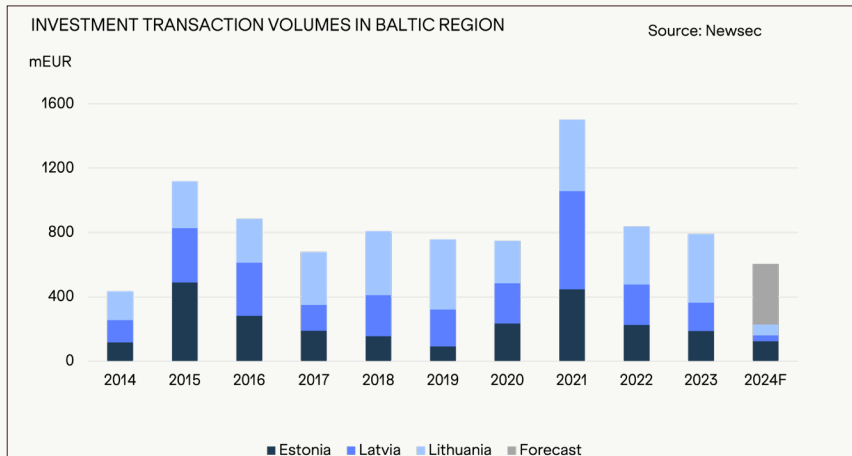
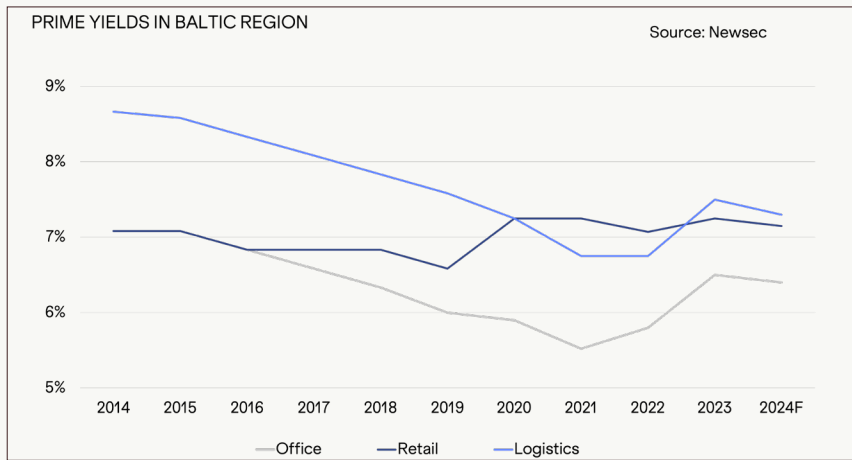
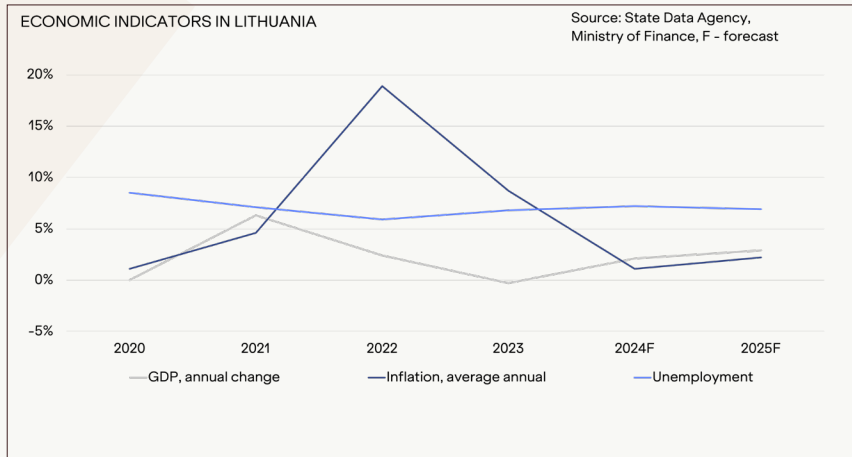
The demand forecast for the full year has been revised upwards, reflecting cautious optimism in the market. However, tenants are proceeding slowly with relocation plans, contributing to a slight rise in vacancy rates, particularly in class B office spaces. As the market adjusts, the concentration of new supply in the Central Business District suggests a strategic focus on meeting diverse tenant needs in prime locations. The overall market dynamics hint at a balanced but cautious optimism for the remainder of the year and beyond.

The logistics and industrial market has experienced a substantial surge in new supply

The current state of the logistics sector reflects a downturn in demand, yet there is cautious optimism for a gradual recovery later in the year, potentially driven by improved economic conditions or seasonal trends. Despite the current slowdown, the completion of multiple new stock office projects signals ongoing investment and development in this real estate segment, with developers demonstrating confidence in the market's long-term prospects. In the rental market, the stability of prices amid fluctuating vacancy rates suggests a delicate equilibrium between supply and demand. The increasing vacancy in older properties highlights shifting market dynamics as businesses prioritize more efficient and modern spaces to optimize operations.

The surge in new construction projects is fuelled by several factors. Favorable construction costs are enabling developers to capitalize on efficiencies and pursue growth opportunities, while the focus on sustainability and technological advancements aligns with broader industry trends and regulatory requirements, driving investments in cutting-edge projects. Even with lower current demand, the anticipation of record-breaking new warehouse supply underscores developers' confidence in the long-term viability of the market.

However, land for development remains scarce and expensive, with little expectation of improvement in the mid-term. In this environment, tenants hold a strong negotiating position, benefiting from the surplus of available space and the reduced risks associated with new construction. This presents a strategic opportunity for tenants to secure favorable terms and optimize their positions in the current market conditions.



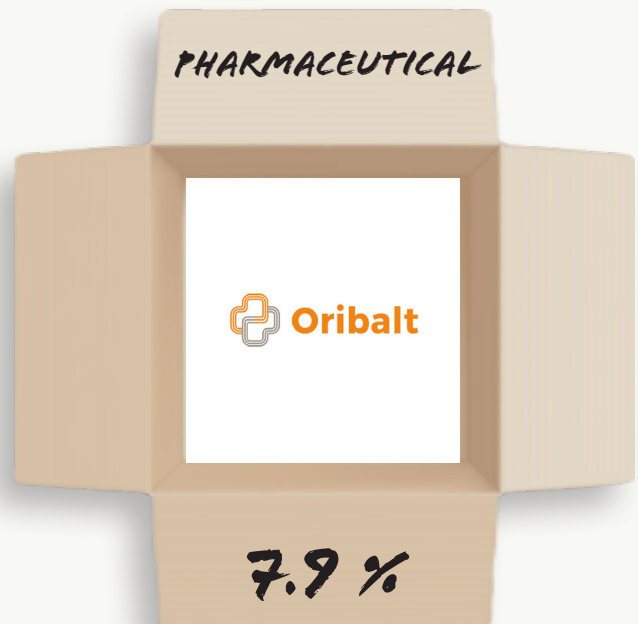
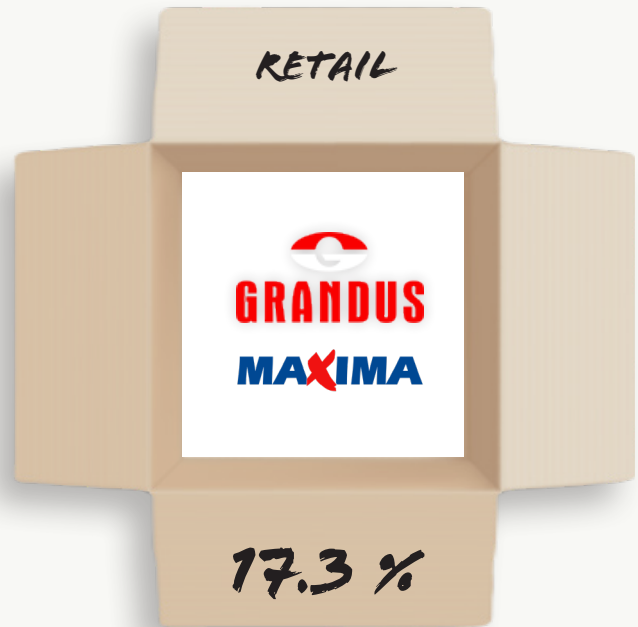
Property portfolio

Q3 2024

- Client mix
- Investment strategy
- Our development approach
- Sustainability in development
- BREEAM certification status
- Investment projects
- Development projects

Client mix

Distribution of 2024 rent income



Investment strategy

Investing in Baltic Sea Properties gives an investor exposure to high-yielding, quality commercial real estate assets in the Baltic region.

We have a clear strategy for sustainable growth, ambitions to achieve economy of scale and believe the attractive yield spread to the Nordics will still enable both high cash yield returns and value growth potential.

Our overall goals and objectives are to:

- 01 Target an average annual net IRR (internal rate of return) of 10-15 %
- 02 Continually integrate leading sustainability & ESG principles
- 03 Monitor and investigate strategic M&A opportunities
- 04 Sustain a growing, high quality and balanced investment portfolio
- 05 Continually identify, balance, mitigate and manage risks

Our development approach



Sustainability in development

Building for the future — a holistic approach to new developments.

We are working actively with both building- and system-optimising solutions to improve the sustainability and reduce the carbon emission footprint of our operations.

We focus on the long-term longevity of our buildings and optimising our strategic locations. That is why we always design the buildings in our new developments to be durable for the long-term, focusing on high-quality material and solutions which offer building flexibility and adaptability for business and operational changes, different clients, and lease cycles over its lifespan.

We believe transition of the sustainability and quality in the operations should be imbedded in the development of buildings, also for industrial and logistics. Hence, at an early stage in the process in our built-to-suit developments, we offer a variety of sustainability solutions to our clients, including but not limited to:

BREEAM In-Use “Very Good” certification as a minimum

Efficiency-focused designs, emphasising longevity and flexibility for future adaptations

Solar panels, geothermal heating and heat pumps

Waste, recycling and smart water systems

Internal and external LED-lighting in all buildings



Delamode terminal
BREEAM In-Use: "Very good"



Oribalt terminal
BREEAM In-Use: "Very good"



Rhenus terminal
BREEAM In-Use: "Very good"



Maxima retail stores
BREEAM In-Use: "Good"



DPD - Šiauliai
BREEAM In-Use: "Very good"



DPD - Telšiai
BREEAM In-Use: "Excellent"



Klaipėda Business Park
Status: Planning



Grandus Shopping Centre



Vingės terminal



Girtėka terminal

BREEAM®

BREEAM is an environmental assessment and rating system that measures a building's sustainability performance across categories like energy use, water consumption, materials, and waste, aiming to promote sustainable building practices and reduce environmental impact. The resulting rating indicates the building's sustainability performance and can be used to demonstrate a commitment to sustainability and improve long-term building performance.

BSP Park - Vilnius A4 | Logistics

Client:	Rhenus Logistics
Location:	Highway A4, Vilnius, Lithuania
GLA:	18 226 m²
Expansion project:	17 255 m²

The property was finalised in June 2017 and further expanded in 2020. It is currently leased by UAB Rhenus Logistics, a subsidiary of the Rhenus Group. In August 2023, we agreed on an expansion project of 17 255 m² with expected handover in 2026¹. Upon completion the logistics terminal will be approx. 35 600 m².

The Rhenus Group is one of Europe's biggest transportation groups, and UAB Rhenus Logistics covers the group's operations in the Baltics and part of the East European network.



¹ Originally Q2/Q3 2025.

BSP Park - Vilnius A3 | Logistics

Client: Vingès Terminalas
Location: Highway A3, Vilnius, Lithuania
GLA: 21 929 m²

The property is strategically located along the highway between Vilnius og Minsk in Belarus.

Vingès Terminalas is a local logistics company within the the Vingès Logistics Group, operating within export, transit, order processing and goods transport. The company has a wide spectre of clients in Europe and CEE.



BSP Park - Vilnius East | Logistics

Client: Girteka Logistics
Location: Highway A3, Vilnius, Lithuania
GLA: 17 149 m²

The property is leased by Girteka Logistics, one of Europe's leading transportation companies, strategically located by Vilnius International Airport.

The property has a land area of 42 907 m² with 11 458 m² storage, 2 014 m² frozen storage, 3 348 m² cold storage and 1 134 m² office.



BSP Park - Vilnius West | Logistics

Client: Delamode Baltics
Location: Highway A1, Vilnius, Lithuania
GLA: 13 205 m²

The property was finalised in August 2020 and is currently leased by Delamode Baltics, a dynamic supplier of freight forwarding-solutions to the global market.

In July 2021, BSP signed an agreement with Delamode to expand the facility. The expansion project (apx. 4 780 m²) was completed in September 2022.



BSP Park - Vilnius A1 | Logistics

Client: Oribalt
Location: Highway A1, Vilnius, Lithuania
GLA: 9 625 m²

The property was finalised in August 2020 and is currently leased by Oribalt. An expansion area of apx. 2 800 m² was handed over to the client in 2023.

Oribalt offers a wide spectre of logistics solutions for pharmaceutical producers, including storage, distribution, transportation and direct delivery.



Small frame | Terminal after expansion

Klaipėda Business Park (KVP) | Business park

Clients: Multiple (27)
Location: Klaipėda, Lithuania
GLA: 23 990 m²

Klaipėda Business Park (KVP) offers its tenants industrial, commercial and office spaces within the Free Economic Zone of Klaipėda.



BSP Retail I & II | Commercial

Main clients:

Maxima/Multi-tenant

Location:

Lithuania

GLA:

4 358 m²



BSP Park Šiauliai FEZ & BSP Park Telšiai | Logistics

Client: DPD
Location: BSP Park Šiauliai FEZ & BSP Park Telšiai
GLA: 4 141 m²

In October 2022 we delivered two new terminals to DPD, one of the world's largest distribution operators, and the official opening ceremony was held on the 18th of November.



Grandus Shopping Center | Commercial

Clients: Multiple
Location: Klaipėda, Lithuania
GLA: 11 437 m²

Grandus is a neighborhood shopping center located along one of the main access road to the center of Klaipėda. The center is located in the immediate vicinity of a larger residential area that ensures good access to visitors every day.



Development projects | In progress

BSP Park – Vilnius A4

Client:	Rhenus Logistics
Type:	Expansion project
Location:	Metelių str. 12, Vilnius
GLA:	17 255 m ²
Handover (est.):	2026



Liepų Parkas

Clients:	ESO (Ignitis Grupe)
Type:	Retail/business park
Location:	Liepų str. 80, Klaipėda
Size:	3.6 hectare
Handover (est.):	Q4 2024/Q1 2025

On the 4th of March 2024, we announced that we had entered into a new development and lease agreement with ESO, a subsidiary of the public listed energy company Ignitis Group.

Construction is well underway and expected handover is end of 2024.

Read more on liepuparkas.lt.



Available land | For development

Project: BSP Park – Vilnius A1
Type: Land plot for development
Location: Maišinės vil. 1C, LT-21401 Trakai region
Size: 6.9 hectare
Zoning: Commercial

6.9 hectare strategically located by the A1 Highway to Vilnius, next to our Oribalt terminal.



Small frame | Concept visualisation

Available land | For development

Project: Klaipėda Business Park – Stage 4
Type: Land plot for development
Location: Pramones str. 8A, Klaipėda
Size: 2.2 hectare
Zoning: Commercial

2.2 hectare development land adjacent to our existing business park in Klaipėda, within the Free Economic Zone. The expansion of the business park can be up to 16,000 m² GLA.



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**BALTIC SEA
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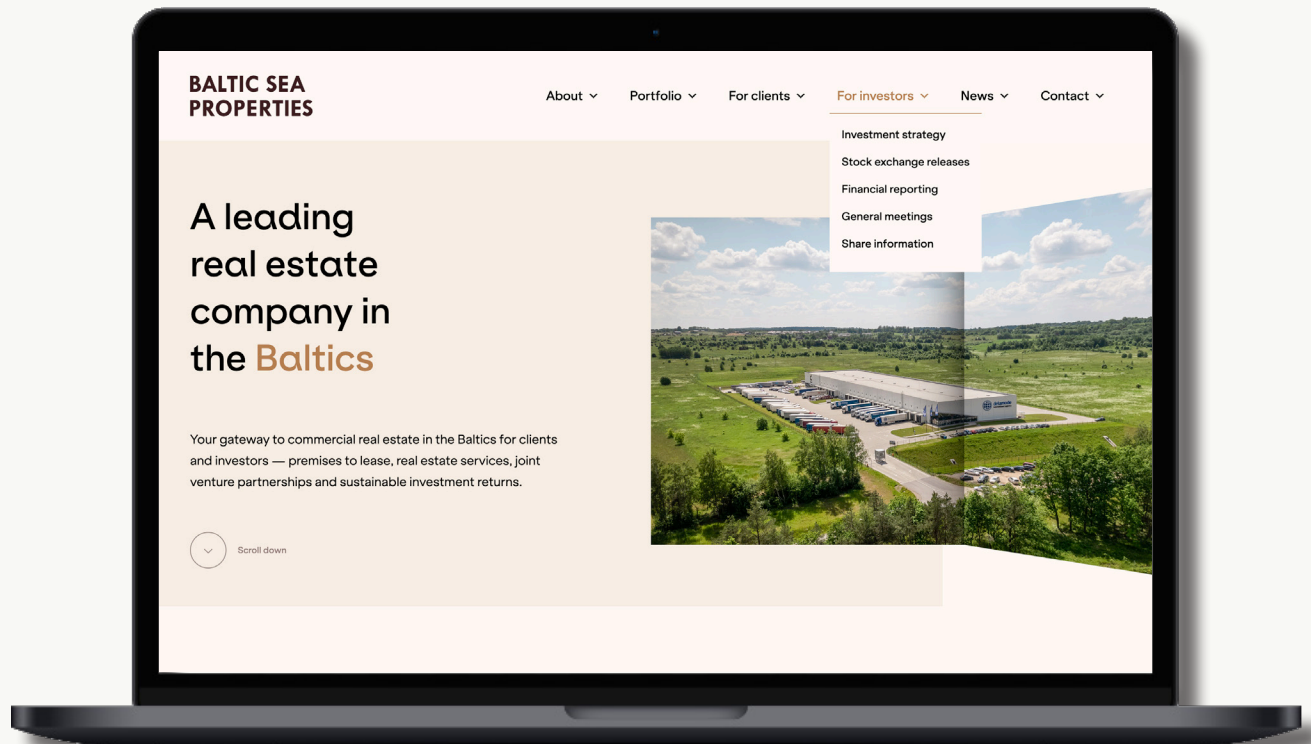
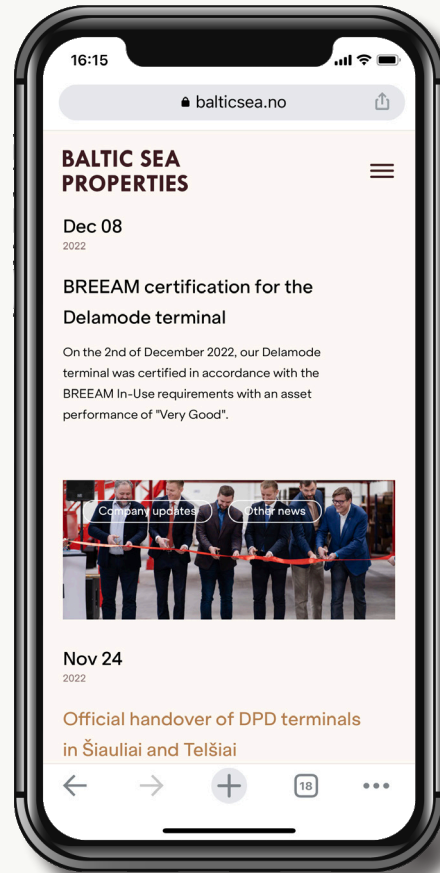
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Euronext Growth Oslo

Baltic Sea Properties AS has since 2017 been listed for trading on Merkur Market/Euronext Growth Oslo, a MTF under Oslo Stock Exchange.

Since Euronext's acquisition of Oslo Stock Exchange in June 2019, trading at Euronext Growth Oslo has been migrated to Euronext's trading system Optiq. The trading system gives all trading on Euronext marketplaces in Europe access to trading on the marketplaces under Oslo Stock Exchange. Pricing data is available on live.euronext.com where trades are updated in real-time.

Euronext Growth Oslo is subject to Euronext's rulebook regime.

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As Baltic Sea Properties (ticker: BALT) is listed for trading on Euronext Growth Oslo, the share may be traded through different channels. You may for instance place purchase or sales orders on different online trading platforms.

Contact your custodian, stock broker or bank for more information.

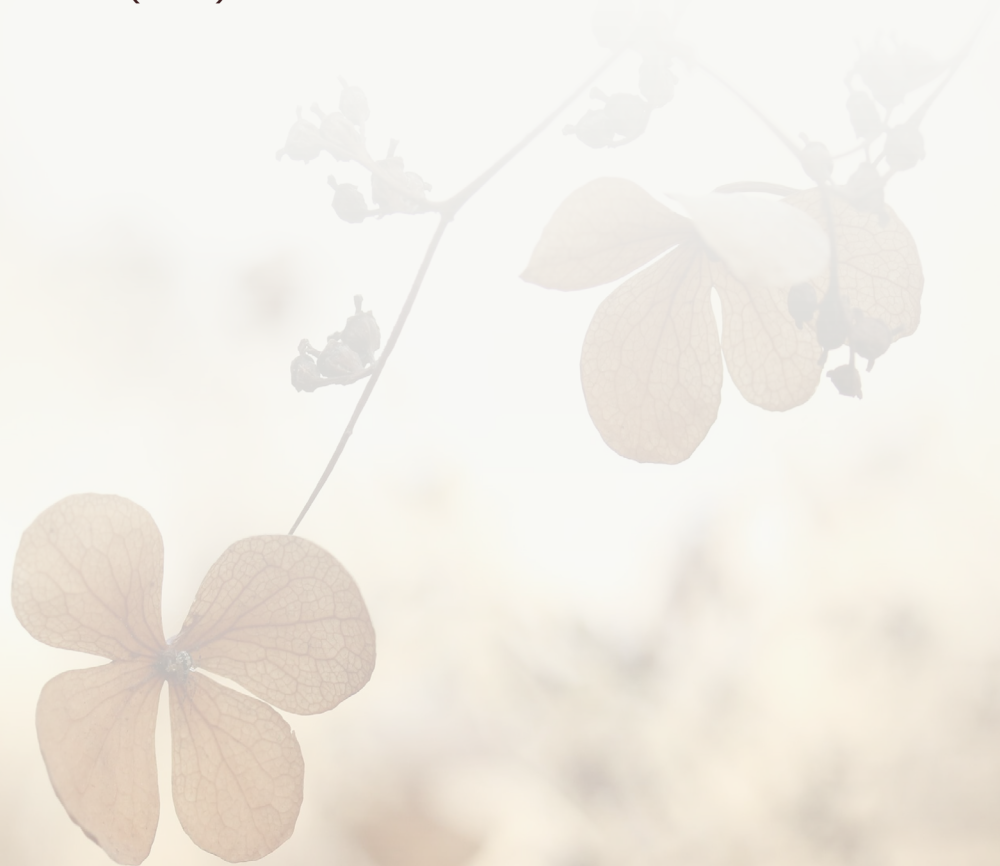


Appendix 1

Reconciliation of APM's*

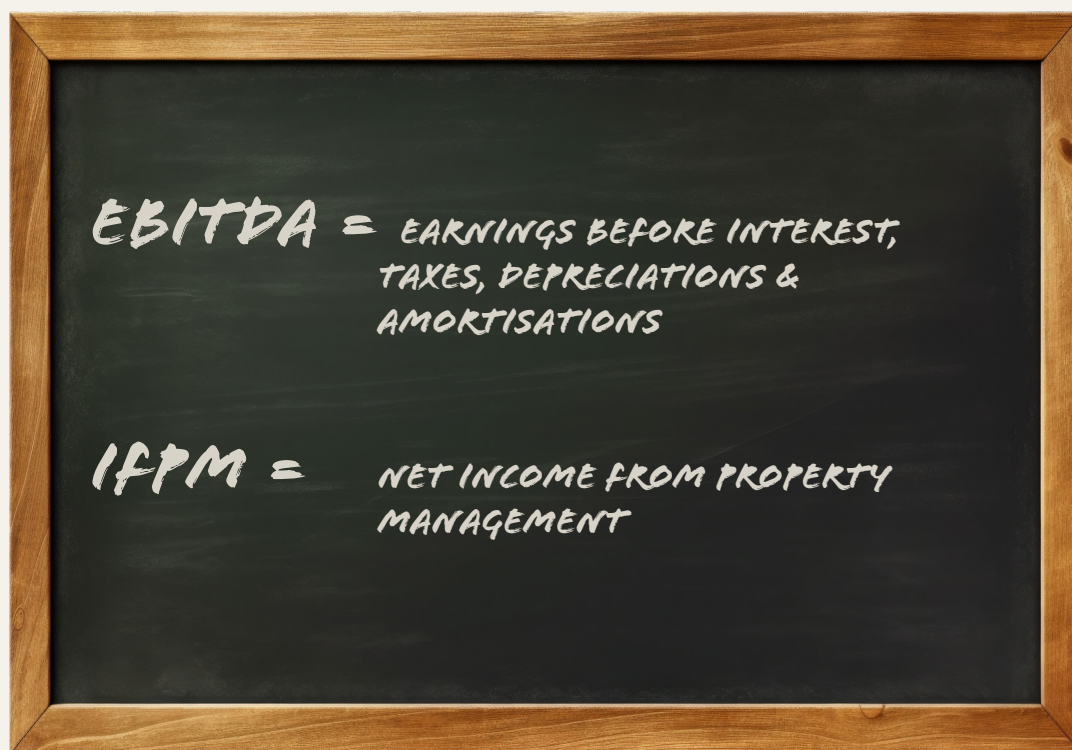
* Alternative Performance Measures

- IFPM & EBITDA
- Loan-to-Value ratio (LTV)
- Net Asset Value (NAV)
- Interest Coverage Ratio (ICR)



IFPM & EBITDA

Reconciliation



Reconciliation with IFRS figures				
(TNOK)	30 September 2024	31 December 2023	Page	Source
Rental income	72 009	91 286		Consolidated Profit/Loss Statement
Other income	586	754		Consolidated Profit/Loss Statement
Payroll and related costs	-12 026	-15 487		Consolidated Profit/Loss Statement
Other operating expenses	-7 568	-9 639		Consolidated Profit/Loss Statement
EBITDA	53 001	66 914	6, 11, 13	
Financial income	514	311		Consolidated Profit/Loss Statement
Financial expenses	-32 837	-33 892		Consolidated Profit/Loss Statement
IFPM	20 677	33 334	6, 9, 11, 13	

Loan-to-Value ratio (LTV)

Reconciliation

$$LTV = \frac{\text{NET NOMINAL INTEREST-BEARING DEBT}}{\text{FAIR VALUE OF INVESTMENT PROPERTY}}$$

$$\text{NET LTV} = \frac{\text{NET NOMINAL INTEREST-BEARING DEBT}}{\text{FAIR VALUE OF INVESTMENT PROPERTY} + \text{CASH}}$$

Reconciliation with IFRS figures				
(TNOK)	30 September 2024	31 December 2023	Page	Source
Interest-bearing liabilities (non-current)	650 192	616 955		Consolidated statement of financial position
Interest-bearing liabilities (current)	8 514	37 460		Consolidated statement of financial position
+ IFRS adjustments (periodisation & amortisation)	104	923		Internal calculation
Net nominal interest-bearing debt	658 811	655 337		
Investment property	1 274 911	1 150 216		Consolidated statement of financial position
- Right-of-use assets	-29 633	-28 876		"Internal calculation/ Note 4 of annual report"
Fair value of investment property	1 245 278	1 121 340		
Cash	82 063	40 888		Consolidated statement of financial position
Fair value of investment property + Cash	1 327 341	1 162 228		
LTV	52.90%	58.44%	6, 9, 12, 14	
Net LTV	49.63%	56.39%	6, 9, 12, 14	

Net Asset Value (NAV)

Reconciliation



Reconciliation with IFRS figures				
	30 September 2024	31 December 2023	Page	Source
Total equity (TNOK)	585 524	450 061		Consolidated statement of financial position
+ Deferred tax liabilities (TNOK)	54 833	48 518		Consolidated statement of financial position
- Deferred tax according to BSP original NAV definition (TNOK)	-43 629	-38 109	15	(See description on cited page)
Net Asset Value (TNOK)	596 728	460 470		
Number of issued shares (excl. own shares)	8 687 466	6 679 622		VPS
NAV per share*	68.69	68.95	6, 9, 11, 15	
<p>* In late June 2024, the company issued 1,781,394 new shares in a direct share issue at NOK 49 per share. Additionally, in July, BSP issued another 226,450 shares in a repair issue. Due to the lower subscription price of the newly issued shares compared to the existing NAV per share, the NAV per share has been diluted. As a result, the NAV per share has decreased from EUR 6.25 (NOK 72.99) in Q1 2024 to EUR 5.84 in Q3 2024, same applies in NOK.</p>				

Interest Coverage Ratio (ICR)

Reconciliation

$$ICR^* = \frac{EBITDA}{NET INTEREST EXPENSES}$$

* INTEREST COVERAGE RATIO

Reconciliation with IFRS figures				
(TNOK)	30 September 2024	31 December 2023	Page	Source
EBITDA (Group)	53 001	66 914	46	Own calculations
Interest income	-514	-311		
Interest expenses payable (incl. hedge effect)	30 966	32 260		
Other adjustments	-	-		
Net interest expenses	30 453	31 949		
ICR (Group)	1.74	2.09	6, 9, 12, 13	



**BALTIC SEA
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