



Corporate Governance Report

For Eastnine AB (publ) (the Company) corporate governance involves the way in which the Company works and is organised for the purposes of safeguarding all the shareholders' interests and achieving the Company's objectives.

Applicable regulatory frameworks

Corporate governance at Eastnine is based on both external and internal rules. The external rules are the Companies Act, Nasdaq Stockholm's Rules for Issuers, the Swedish Code of Corporate Governance (the Code), as well as other applicable Swedish and foreign legislation and provisions. The Company's internal rules include the articles of association, rules and guidelines for corporate governance, the board's rules of procedures, instructions to the CEO and the policy documents adopted by the Company. The Company follows the Code.

The purpose and nature of the Company

Eastnine is a Swedish public limited company, established in 2007, which invests in modern and sustainable office properties in first-class locations in the Baltic capitals. Eastnine's headquarters is located in Stockholm. Eastnine's clients are primarily large and stable Nordic tenants with international operations. The Company's efforts to streamline its investment portfolio and focus investment on directly owned real estate has progressed well. At the end of 2020, only two non-real-estate investments remained: holdings in East Capital Baltic Property Fund II and holdings in the Russian fashion chain, Melon Fashion Group.

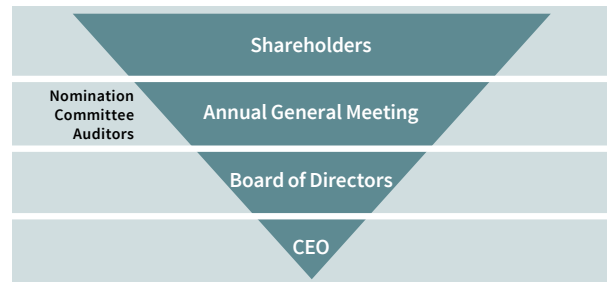
The share and shareholders

Eastnine's share capital amounted at year-end to EUR 3,659,775. The number of ordinary shares issued amounted to 22,370,261, corresponding to a quotient value of EUR 0.1636 per share. All shares, except repurchased shares in treasury, confer one vote and an equal share of the Company's assets and profits. At the end of 2020, Peter Elam Håkansson held, directly and indirectly, 27.2 per cent of the total number of issued shares, while Arbona AB held 10.0 per cent. There are no other owners holding 10 per cent or more in the Company.

Annual General Meeting

The annual general meeting is the company's highest decision-making body and the occasion for shareholders to exercise their influence. The annual general meeting is to be held no later than six months after the end of the financial year. All shareholders who are registered in the shareholders' register and who have announced their attendance in time are entitled to attend the annual general meeting. Shareholders can vote according to the total number of shares that they own and may be accompanied by a maximum of two assistants. Shareholders may choose to be represented by a proxy. Shareholders are entitled to have issues discussed at the meeting provided that these have been properly notified to the Company in ample time before the publication of the notice of the annual general meeting. Notice of the AGM is distributed by the Board in accordance with the Companies Act. Notice of the AGM, or alternatively any extraordinary general meeting where the articles of association will be discussed, is to

Responsibility for governance



be distributed at the earliest six weeks in advance, and at the latest four weeks in advance. Notice of any other extraordinary general meetings is to be distributed at the earliest six weeks in advance and at the latest two weeks in advance. Notice of the AGM is to be published in the Swedish Official Gazette and on the Company's web site. At the time of notice, information about the published notice will also be advertised in Svenska Dagbladet. The annual general meeting is an important channel for communicating with shareholders. Barring any circumstances preventing this, the Board and the Company's management attend the general meeting to answer questions from shareholders. The Annual General Meeting considers, inter alia, questions relating to:

- election of members and Chairman of the Board
- when applicable, election of the auditor
- dividends
- adoption of the income statement and balance sheet
- discharge from liability of the members of the Board and the CEO

The 2020 Annual General Meeting

The 2020 AGM was held on 12 May 2020 at the IVA Conference Centre in Stockholm. Due to the ongoing pandemic, there were only a limited number of participants at the AGM, including shareholders, available members of the Board, the CEO, parts of the Company's staff and a few guests. 46 shareholders were represented at the Annual General Meeting, corresponding to 45 per cent of the shares in the Company (excluding treasury shares). The AGM 2020 approved, among others:

- adoption of the financial statements of the 2019 financial year
- discharge from liability of the Board and executive management
- a dividend of SEK 2.70 per share, corresponding to SEK 57,102,465. The dividend was paid out in semiannual payments of SEK 1.35 per share.
- the number of Board members
- election of members and Chairman of the Board
- remuneration to the Board
- election of the auditor
- mandate of the Board to decide on the acquisition and transfer of shares in treasury, in accordance with the proposal presented to the AGM



- the introduction of a long-term incentive programme open to the Company's employees

All documents from the annual general meeting - notice, documents presented at the meeting etc., along with the minutes - are available on www.eastnine.com.

The 2021 Annual General Meeting

The Annual General Meeting of Eastnine shareholders will be held on Wednesday, 5 May 2021. Considering the currently ongoing coronavirus pandemic, and for the purpose of minimizing the risk of coronavirus transmission, the management has decided that the AGM will be held exclusively through postal vote, applying a set of temporary rules. This means that the AGM will be conducted without shareholders, representatives or guests physically present and that the shareholders' exercise of voting rights may only be carried out by postal vote. More information will be made available on www.eastnine.com.

The Nomination Committee

The task of the nomination committee is to evaluate the Board and its work before the AGM, to prepare and present proposals to the meeting regarding the chairman of the meeting, chairman of the Board and the members of the Board, and to propose an auditor when appropriate. The committee also proposes board remuneration, any remuneration to sub-committees and fees to the Company's auditor, as well as proposing a process to appoint a nomination committee for the next AGM. All shareholders have the opportunity to present suggestions to the nomination committee.

Work in the Nomination Committee during 2020/2021

According to the decision of the AGM on 15 May 2017, Eastnine shall have a nomination committee consisting of at least three and no more than four members, a maximum of three of whom shall be appointed by the three largest shareholders (or ownership groups) in the Company who wish to appoint a representative. The final member is the Company's Chairman of the Board. For the 2021 annual general meeting, the Nomination Committee has consisted of:

- Liselotte Hjorth, as the chairman of Eastnine
- Magnus Lekander, as representative of East Capital (chairman of the nomination committee)
- Mathias Svensson, as representative of Keel Capital
- Martin Zetterström, as representative of Arbona (as of 8 December 2020, previously, David Bliss, as representative of Lazard Asset Management)

The composition of the nomination committee was announced in a press release and on the Company's website on 5 October 2020, and the changes to the nomination committee on 8 December 2020. As of 5 March 2021, the nomination committee held two recorded meetings ahead of the 2021 AGM. No remuneration has been paid to the members of the nomination committee. The shareholders have been given the opportunity to present suggestions to the committee. The committee's proposals to the 2021 annual general meeting will appear in the notice to the annual general meeting and will be found on www.eastnine.com in due time prior to the annual general meeting.

Auditors

External auditors

At the Annual General Meeting on 12 May 2020, the registered

public accounting firm KPMG was appointed, with Peter Dahllöf (born 1972) as auditor in charge, for the period up until the end of the Annual General Meeting 2021. Peter Dahllöf is an Authorized Public Accountant and partner in KPMG, and is also active in KPMG's international real estate network. Peter has been the auditor in charge for Eastnine AB since 2018. Selection of other audit assignments: Annehem, Areim, Humlegården, Intea, Midstar Hotels and Peab Fastighet.

Auditor fees

The company's auditors have received fees for auditing and other prescribed review, as well as for advice in respect to observations made during auditing and review. For the 2020 financial year, the fees paid to the auditors totalled EUR 213k.

Communication with the Company's auditors

The Board maintains a regular contact with the auditors. The auditors attend those board meetings in which the annual reports are considered, and normally also when the Board will consider interim reports which have been reviewed by the auditors. The auditors then present their observations from the audit of the year-end report and the interim report covering the first nine months of the year, and also present their assessment of the Company's internal control. The Board also meets the auditor in charge once per year in order that the auditor may report observations directly to the Board without management attendance.

The Board of Eastnine

The composition of the Board

According to the articles of association the Board shall consist of three to six members without deputies. Board members are elected by the annual general meeting for a period of one year. At the 2020 Annual General Meeting, Board members Liselotte Hjorth, Peter Elam Håkansson and Peter Wågström were re-elected. Christian Hermelin and Ylva Sarby Westman were elected as new members of the Company's Board. Liselotte Hjorth was re-elected President of the Board. The members of the Board of Directors have, according to the nomination committee, been appointed due to their broad experience in real estate and finance, as well as their knowledge of international markets, not least markets in eastern Europe.

The Board's independence

According to applicable regulations, Liselotte Hjorth, Peter Wågström, Christian Hermelin and Ylva Sarby Westman are considered independent in relation to the Company and its management, as well as in relation to the Company's major shareholders. Peter Elam Håkansson is considered independent in relation to the Company and its executive management, but not considered independent in relation to major shareholders as he is closely related to East Capital, which was a major shareholder in 2020 as defined in the Code. For more information, refer to page 98.

The Board's responsibility and duties

The Board holds the overarching responsibility for the Company's strategy, internal control, risk management and long-term business focus. The Board is also responsible for other material concerns which, based on Eastnine's size and focus, is of extraordinary financial, legal or general character. The Board is responsible, inter alia, for the following points:

- Determining business plans, key policies and short and long term goals for Eastnine, and continually ensuring that they are followed, updated and revised.



- Deciding on Eastnine's overall organisational structure and ensure that Eastnine's organisation is laid out in a satisfactory manner.
- Appointing and, if necessary, dismissing the CEO, as well as continually evaluating the CEO's performance in relation to the established short- and long-term goals.
- Recommending the principles for remuneration of the Company's management to the Annual General Meeting, and determining the fixed and variable compensation to the management.
- Regularly monitoring and evaluating Eastnine's financial position and development, as well as deciding on questions relating to Eastnine's capital structure, including presenting proposals for shareholder dividends to the AGM.
- Approving acquisitions and divestment of holdings as well as any major additional investments.
- Approving all financial reports before they are released.
- The work of the board is governed by the rules of procedure that have been adopted by the Board. The chairman of the board, Liselotte Hjorth, leads the work of the Board and maintains ongoing contact with the CEO and CFO for the purpose of monitoring the Company's activities. The Board has also developed and approved the work instruction for the CEO as well as a number of policy documents. The Company's CEO and CFO attended all board meetings in 2020 in order to report on their areas of responsibility. The Board shall meet for at least five ordinary meetings per year. Further meetings are held as necessary in order to discuss and decide on e.g. investment and financial recommendations, the budget and other strategic issues.

Board meetings and key topics

In 2020, a total of 14 board meetings were held. Areas of particular focus during the year have included:

- investment recommendations and divestments of non-essential holdings
- reporting from the executive management regarding operating activities
- financial reporting
- financing
- valuations
- strategic issues as well as the establishment of a new business plan with new financial, operational and sustainability targets
- the long-term incentive programme and the conditions of goal fulfilment
- internal risk and control issues

Evaluation of the Board

The work of the Board is continually evaluated. Evaluations are used to improve the Board's work and as a basis for the nomination committee's evaluation of the composition of the Board. In the autumn of 2020, the Board's work was evaluated by the Chairman of the Board, the members of the Board, the executive management of the Company as well as the nomination committee. The evaluation was carried out with the aid of an external evaluation tool as well as through individual meetings with the nomination committee. The aim was to gather information to provide a basis for the nomination committee's proposals for the 2021 AGM as well as to continually improve the effectiveness of the Board's efforts. An equivalent evaluation was carried out ahead of the 2020 AGM.

Audit committee

The duties of the audit committee is performed by the Board as a whole. The Board considers the financial statements as well as issues relating to audits and valuation. The Company's authorised public accountant from KPMG provided a general review of the year-end report 2019 as well as the January - September 2020 interim report to the Board during the year. An equivalent review of the 2020 year-end report took place during the first quarter of 2021.

The management of Eastnine

The management team consists of the CEO and CFO. The management is responsible for ensuring that the ongoing administration of operating activities is performed in line with the Board's guidelines and directions. Management is also responsible for the internal controls that are necessary for the Board to supervise investment and property management activities. Management regularly reports to the Board on these issues.

CEO

The CEO is responsible for the day-to-day activities of the Company according to the instructions from the Board and other guidelines and policy documents. Together with the Chairman of the Board, the CEO prepares the agenda for board meetings and is responsible for the preparation of such data and information as is necessary for the Board's decision-making. In addition, the CEO ensures that the Board is continually informed by the internal management about Eastnine's development and conditions in its markets, so that the Board can make well-informed decisions.

The Company's CEO, Kestutis Sasnauskas, has three board appointments outside of the Company: chairman of the Board at Agro Region Stockholm as well as member of the Board at Rytu Invest and Melon Fashion Group. The CEO holds a 27.4 per cent ownership stake in the privately-owned company Rytu Invest, and also directly holds shares in Eastnine corresponding to 2.0 per cent of the total number of shares issued in the Company. For more information about the CEO, please refer to page 100.

Remuneration

Remuneration to board members

On 12 May 2020 the Annual General Meeting decided that annual remuneration to the Chairman of the Board should amount to SEK 800,000 for the period up until the 2021 annual general meeting. Other board members shall receive an annual remuneration of SEK 400,000 each for the same period.

Remuneration to management

During the year, remuneration to the management team consisted of fixed and variable salary as well as pension and insurance benefits. The Board decides on a discretionary basis on whether variable salary shall be paid to management. The decision is based on internal evaluation criteria, including an evaluation of e.g. activity-based strategic and operational goals. The targets are set and evaluated every year by the Board. Variable compensation for the CEO and CFO may at most amount to 50 per cent of their fixed compensation. The Board has the right to diverge from guidelines decided on by the AGM, if there are particular reasons to do so in isolated cases. The Company's management have individual premium based pension plans, of which the Company pays premiums corresponding to 4.5 per cent of the amount of fixed salary up to 7.5 income base amounts



and premiums of 30 per cent of the fixed salary exceeding 7.5 income base amounts. In 2020, the CEO was granted a variable salary for the 2019 financial year corresponding to 38 per cent of fixed annual compensation, and the CFO 33 per cent of fixed annual compensation. In the beginning of 2021, the Board granted variable compensation for the CEO of 42 per cent and for the CFO of 50 per cent of fixed annual compensation, for the 2020 financial year. Detailed information about remuneration to management may be found in note 5 on page 72.

Remuneration committee

In view of the limited number of employees in the Company, the Board has decided that no remuneration committee is needed. The duties that would have been performed by a remuneration committee are instead performed by the Board as a whole.

Share-related incentive programmes

Eastnine has two long-term incentive programmes: LTIP 2018 and LTIP 2020. The purpose of these programmes is to boost shareholder value and the Company's long-term value creation, by creating the conditions required to retain and recruit competent staff, increase motivation among the participants, and encourage employees' shareholding in the Company.

LTIP 2018

The AGM on 24 April 2018 approved the Board's proposal to introduce a long-term incentive programme (LTIP 2018), open to all staff permanently employed by the Company on 1 January 2018. There are three categories in the incentive programme: i) the CEO, ii) investment managers and lease managers, and iii) other employees. Participation required that the participants acquired shares in the Company for an amount corresponding to a maximum of two monthly salaries as of 1 April 2018. Each saving share gives the participants the right to receive a share in the Company (the matching share) without additional payment, and to receive up to five shares (performance shares) without additional payment, depending on participant category and contingent on predetermined conditions. Matching shares and performance shares are awarded to the employees within 45 days of publication of the interim report for the third quarter 2021. In total, ten employees are part of the programme.

LTIP 2020

The AGM on 12 May 2020 approved the Board's proposal to introduce a long-term incentive programme (LTIP 2020), open to all staff who were employed by the Group on 1 January 2020. The incentive programme is divided in three categories: Category A (CEO), Category B (CFO and other management) and Category C (other employees). Participation required participants to hold shares in the Company equivalent in value to one twelfth of the participant's annual, fixed gross salary, by 1 April 2020. Each participant is thereafter granted rights to performance shares, which confer to the participant the right to acquire shares in the Company, provided that certain performance pre-conditions are fulfilled. Performance shares would be awarded to the employees within 45 days of publication of the interim report for January - June 2023. In total, 17 employees are part of the programme.

Full terms and conditions

For details as to the terms and performance conditions that are to be met in order to receive performance shares in accordance

with each of these incentive programmes, please visit our web site on www.eastnine.com/en/long-term-incentive-programs.

Risk management and internal control

Internal control

Internal control at Eastnine is designed to manage risks associated with financial reporting and property management activities. It includes ensuring that the buying and selling of holdings is reliably reported, that holdings and properties are valued correctly and that information is conveyed to the market effectively and correctly. The Board is responsible for monitoring investment and property management activities and ensuring, by means of defined reporting routines and relevant policies, that it has access to the necessary information. The Board evaluates the suitability of all policies each year, and any change of policy are to be approved by the Board. The Board maintains an effective control environment for investment activities and financial reporting by means of a clear delegation of responsibilities and authority to management and employees. The Board discusses on a continual basis issues relating to accounting, valuations and financial reporting. The Company's management continually monitors that policies, instructions and administrative agreements are followed.

Each year, the Board of Eastnine assesses whether the Company is in need of an internal auditing function, an independent investigative function that performs ongoing review and presents reports to the board and management with recommendations for improvements to internal control of the Company's activities, such as outsourced service functions and internal procedures, in order to maintain good governance and compliance with the Company's policies. In 2020, the Board decided that, because of its limited size and its adequate competencies in evaluating service functions and internal activities itself, Eastnine did not need an internal auditing function. Eastnine acts in accordance with generally accepted practice on the stock market and regularly carries out an assessment to ensure that the Company is in compliance with the listing agreement.

Risk management

Through its operations, Eastnine is exposed to various risks. Most of Eastnine's business is exposed to directly-owned real estate investments in the Baltics, chiefly leasing to Nordic tenants, and exclusively using Nordic banks. The investment strategy, i.e. to make long-term investments in modern and sustainable office properties in first-rate locations in the Baltic capitals, means that Eastnine is chiefly exposed to risks relating to interest rates and credit risk, as well as rent level and vacancy risks. These risks are reflected in value changes. The Company's other investments constitute a relatively minor part of its assets and therefore has a relatively minor impact on the Company's risk exposure.

Risk management and follow-up is an important and integrated part of Eastnine's operations. The Company uses a number of different tools to continually identify, evaluate and limit risks. Risk management is handled by the Company's management in accordance with relevant policies that have been established by the Board. Financial risks are primarily handled by the finance function in accordance with the Company's financial policy.

More information on the Company's risk management can be found on pages 49-54 and in note 30 on pages 83-84.



Statement by the Chairman of the Board, Liselotte Hjorth

Board work is long-term

What has the Board of Directors been focusing on in 2020?

The Board has a long-term perspective, and a relatively large part of its work is much the same from year to year, even if the emphasis may vary. The Company's previous business plan was in effect until the end of 2020, meaning that a new plan with new goals and strategies was to be developed and established during the year. Certainly, the coronavirus pandemic and the analysis of its effects on the world and Eastnine has taken up considerable attention. The development of a new incentive programme was also a somewhat different element of the agenda.

How has the coronavirus pandemic affected the work of the Board?

The work of the Board has functioned surprisingly well, although being unable to meet in person to the extent we're used to has been cheerless. Eastnine has, as any other company, used a variety of new technologies to meet and discuss, and the comparatively small size of the Board has been helpful. I am still grateful that we were able to meet in person for the strategy meeting during the autumn, albeit under conditions adjusted for the coronavirus, before the second wave affected Sweden and the world. As the vaccination programmes progress and the pandemic fades away, the Board is looking forward to again be able to visit properties, offices and staff in Riga and Vilnius.

Which are the most important aspects of the new business plan?

The old business plan focused on the streamlining of Eastnine into a real estate company. While we did not quite cross the finish line in 2020 due to the ongoing pandemic, we are at this time a company with considerable real estate expertise and a portfolio many times larger than when the plan was put into place. With the new business plan we wanted to define the focus for the coming three years. Growth is very important for profitability; therefore, the property portfolio shall double in this period. This growth must be sustainable and profitability at least in line with similar companies in Europe.

The Board proposed, and the AGM approved, a new long-term incentive programme for employees in 2020. What is the purpose?

Eastnine strives to be an attractive employer compared to other companies, in order to recruit competent and dedicated employees, on the one hand. On the other hand, the Company has a business plan with a set of ambitious goals to reach. A well-designed incentive programme can contribute to clearly aligning the interest of shareholders and employees. The goals in the new business plan and those in the new incentive programme are



Chairman of the board Liselotte Hjorth.

very similar. The incentive programme means that employees willing to invest in Eastnine's share has an opportunity to share in the Company's returns, providing that the goals are reached.

Eastnine's sustainability efforts have become clearer, and also been highlighted in various rankings. Why is sustainability important to the Company?

Eastnine has many stakeholders: shareholders, tenants, employees, creditors etc. The majority, or possibly even all of them, share an ambition when it comes to the climate: i.e., that the Paris agreement is to be fulfilled. It's likely that the requirements from the community will only increase in the future. It's important that we, as a real estate company, shoulder our share of the responsibility, and we have chosen to be at the forefront - meaning that we attend to and drive the sustainability of the markets in which we operate.

Which strategic issues are important to the Board in the coming year?

To continue to create growth and contribute to the Company reaching its overarching target of providing shareholders with a sustainable attractive total return.



Board of Directors



Liselotte Hjorth
Chairman of the Board



Christian Hermelin
Member of the Board



Peter Elam Håkansson
Member of the Board

| | | | |
|--|--|---|--|
| Born | 1957 | 1964 | 1962 |
| Education | BSc. Economics, Lund University. | BSc. Business Administration Umeå University. | MSc. Economics, Stockholm School of Economics, studies at EDHEC in Lille. |
| Selected work experience | Former deputy CEO and Group Credit Officer, and Global Head of Commercial Real Estate, SEB. | Former CEO at Faberge and various roles in Storheden, Wahlborgs and Nacka Strand Förvaltning. | Founder and Head of Investments at East Capital. Former Head of equities and Global Head of analysis at Enskilda Securities. |
| Board appointments (28 February 2021) | Chairman at White arkitekter, and Brunswick Real Estate Capital Advisory. Board member in Rikshem, Hoist Finance, Fastighetsbolaget Emilshus and Ativo Finans. | Board member in Prior & Nilsson Fond- och kapitalförvaltning, and Doloradix. | Chairman in East Capital and Board appointments within the East Capital group. Chairman of the foundation Swedish Music Hall of Fame. Member of the Board at Bonnier Business Press, Atlantic Grupa in Croatia, LaSpa Group in Estonia and Linnégatan 7 i Stockholm. |
| Share holdings (28 February 2021) | 6,500, incl. related parties and companies | 5,994, incl. related parties and companies | 6,067,090, incl. related parties and companies |
| Appointed in | 2014, chairman since 2018 | 2020 | 2014 |
| Independent in relation to the Company and management | Yes | Yes | Yes |
| Independent in relation to major shareholder | Yes | Yes | No |
| Annual remuneration, SEK thousands | 800 | 400 | 400 |
| Attendance at Board Meetings 2020, (14) | 14 | 10 | 14 |



Peter Wågström
Member of the Board



Ylva Sarby Westman
Member of the Board

| | | |
|--|---|---|
| Born | 1964 | 1973 |
| Education | MSc Engineering, Royal Institute of Technology in Stockholm. | MSc Engineering, Royal Institute of Technology in Stockholm. |
| Selected work experience | Interim CEO at New Real Estate Sweden. Former CEO and group chief executive at NCC; head of business area at NCC Property Development and NCC Housing. | Deputy CEO and Director of Finance at Kungsleden since 2020, other roles since 2009. Former deputy CEO at Newsec Investment and Head of Property Development at NCC Property Development. |
| Board appointments (28 February 2021) | Chairman at Brunkeberg System, Penta Construction Group, Volabo and New Real Estate Sweden. Board Member of Amasten, Arlanda Stad Holding, Assentio, Niam, and Arrecta. | Board Member of Ikano Bostad. |
| Share holdings (28 February 2021) | 10,000, incl. related parties and companies | 1,276, incl. related parties and companies |
| Appointed in | 2018 | 2020 |
| Independent in relation to the Company and management | Yes | Yes |
| Independent in relation to major shareholder | Yes | Yes |
| Annual remuneration, SEK thousands | 400 | 400 |
| Attendance at Board Meetings 2020, (14) | 13 | 10 |



Management



Kestutis Sasnauskas
CEO since 2017

Britt-Marie Nyman
Deputy CEO and CFO since 2019

| | | |
|--|---|---|
| Born | 1973 | 1965 |
| Education | Studies in Economics, Stockholm School of Economics, Vilnius University and Gotland University. | MSc Economics, Umeå University. |
| Selected work experience | Former Chief Investment Officer Eastnine. Partner, co-founder and head of private equity and real estate, East Capital. | Former Head of Capital Markets at Catella Corporate Finance; deputy CEO, Head of Finance and Investor Relations at Klöver; and Head of Communications and IR at Fastighets AB Tornet. |
| Board appointments (28 February 2021) | Chairman of the Board at Agro Region Stockholm, Member of the Board at Rytu Invest and Melon Fashion Group. | None |
| Share holdings (28 February 2021) | 461,818 | 14,025, incl. related parties |



Country managers



Saule Zabulionyte
Country manager, Latvia
since 2019



Julius Niedvaras
Country manager, Lithuania
since 2018

| | | |
|--|--|---|
| Born | 1976 | 1978 |
| Education | Professional qualification, FCCA, Association of Chartered-Certified Accountants and BSc. Economics, Vilnius University. | MSc Business Administration and Management, Vilnius University and MSc. in technology and finance, Pforzheim Hochschule für Gestaltung. |
| Selected work experience | Former CEO of the Acropolis Group in Lithuania and Head of Auditing at PwC Russia. | Former country manager for East Capital Real Estate in Lithuania, Head of SEB Real Estate. |
| Board appointments (28 February 2021) | None | None |
| Share holdings (28 February 2021) | 899 | 1,800, incl. related parties and companies |



Auditor's Report

To the general meeting of shareholders of Eastnine AB (publ), corp. id 556693-7404

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Eastnine AB (publ) for the year 2020, except for the corporate governance statement on pages 94-97. The annual accounts and consolidated accounts of the company are included on pages 56-88 and 94-97 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 94-97. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the statement of comprehensive income and statement of financial position for the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's Board of Directors in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its Parent Company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit

of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of investment properties and long-term securities holdings

See disclosures 1, 10 and 12, and accounting principles on pages 66-69 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The group has unlisted investments in the form of investment properties, shares in associated companies and fund units that are measured at fair value, which is determined with reference to market information as well as unobservable input.

The investments are valued based on models and assumptions not observable by third parties (so-called "level 3" investments in accounting terms). The fact that sales transactions of similar investments are rare, makes it difficult to support the estimated fair values with reference to other transactions.

Therefore, valuation of level 3 investments are inherently risky and subsequent transactions in such securities may have significantly different outcomes compared to the previous valuations.

As of December 31, 2020, assets classified as level 3 amount to EUR 475m, which corresponds to 94 per cent of the groups' total assets.

Response in the audit

We have assessed the group's valuation principles in relation to the accounting framework.

We have also assessed key controls over the valuation process including assessment and approval of assumptions and methodologies used in model-based calculations, as well as the group's review of valuations provided by external experts.

As a part of our audit procedures, we have challenged the methodology and assumptions used in the valuation of level 3 assets.

We have assessed the methods of valuation models in comparison with industry practices and valuation guidelines.

In addition, we have checked completeness and adequacy of the information disclosed in the annual accounts and consolidated accounts.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-55, 92-93 and 98-111. The other information comprises also of the remuneration report which is expected to be made available to us after the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.



Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

— Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.



Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Eastnine AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the Parent Company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 94-97 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16. The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Eastnine AB (publ) by the general meeting of the shareholders on the 12 May 2020. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2007.

Stockholm, 25 March 2021
KPMG AB

Peter Dahllöf, *Authorized Public Accountant*