

## Interim report January-March 2021

**Eastnine's rental income and profit from property management increased during the period due to a larger property portfolio. Conditions are stable, although the market is hesitant, resulting in transactions and new letting take longer than normal. After the end of the period, Eastnine has entered into an agreement for acquisition of two properties totalling EUR 35.5m.**

### **The period January - March 2021**

- Rental income increased by 14 per cent to EUR 5,099k (4,475). The increase is due to a larger property portfolio. In a comparable portfolio, rental income decreased by 7 per cent due to high vacancies in Riga.
- Net operating income increased by 14 per cent to EUR 4,613k (4,044).
- Profit from property management increased by 8 per cent to EUR 2,454k (2,262).
- Unrealised value changes amounted to EUR 3,747k (-24,256). Of this change, EUR 1,466k (-2,738) is attributable to real estate, EUR 1,942k (-21,283) to investments and EUR 339k (-235) to derivatives.
- Profit/loss for the period amounted to EUR 5,649k (-22,253), corresponding to EUR 0.26 per share (-1.05).
- The average rent level amounted to EUR 15.0 per sq.m. per month (14.9) and the occupancy rate to 90.7 per cent (92.6). Net letting amounted to EUR -138k.

### **Key events during the first quarter**

- The Board of Directors proposes a dividend of 3.00 SEK per share (2.70), with payments distributed evenly on four occasions in May, August and November 2021, and February 2022.

### **Significant events after end of the period**

- Eastnine has acquired two properties, one in Riga and one in Vilnius. The total purchase consideration amounts to EUR 35.5m. Both properties are certified with LEED Platinum. The properties are expected to be taken into possession before the end of second quarter 2021.

## CEO comment in brief

### New acquisitions in Riga and Vilnius

**The situation in the Baltic market is stable despite the coronavirus pandemic, although somewhat hesitant. General uncertainty about the future makes it take longer to let vacant premises. After the end of the period, Eastnine has continued its expansion by acquiring two centrally located, fully let office properties, one in Riga and one in Vilnius.**

Business was stable during the first quarter. But even though the Baltic economies have coped better than their European neighbours, there is still uncertainty about the future. The high level of Covid-19 infection, which has also reached our markets, has led to widespread caution and many tenants have put on hold plans to move or expand. The tough restrictions in our markets have also made it difficult to show premises, which has particularly affected Riga. Discounts due to the pandemic have remained at a low level.

Melon Fashion Group (MFG) has developed very strongly during the first quarter of 2021. According to preliminary figures from the company, sales have increased by 35 per cent during the quarter. The proportion of e-commerce sales reached 36 per cent and grew by over 46 per cent through distributors and 102 per cent in the company's own online stores. The EBITDA margin, which is usually weakly negative during the first quarter, amounted to a positive 3.6 per cent. MFG's board has proposed to the annual general meeting that a dividend be paid, which if adopted would mean around EUR 3.2 million to Eastnine in June 2021.

Despite the limitations on travel due to the pandemic, we have continued to work on new opportunities for acquisitions. In early May, we communicated a transaction including two fully let office properties for a total of EUR 35.5m. One property, Zala 1, is centrally located in Riga's Art Nouveau district, only a block from Eastnine's property Valdemara Centrs. The other property Uniq is located adjacent to Vilnius' parliament buildings and next door to Eastnine's properties Vertas-1 and 2. The properties are expected to be taken into possession in the second quarter of 2021. After this acquisition our property portfolio will increase to approximately EUR 410m. Eastnine's acquisition is the largest office transaction in the Baltics during 2021.

However, we are not contenting ourselves with this but are continuing to evaluate various business opportunities. According to the business plan, the portfolio is to increase to EUR 700m by the end of 2023.

Kestutis Sasnauskas  
CEO



The report is presented via Teams live by Kestutis Sasnauskas, CEO of Eastnine, and Britt-Marie Nyman, CFO and Deputy CEO Wednesday, May 5, 2021, 10.00 CET.

Please join the event a few minutes before the presentation begins. Presentation materials will be available at [www.eastnine.com](http://www.eastnine.com) 15 minutes before the start of the webcast. Click [here](#) to see to the webcast. A recording of the webcast will also be available afterwards on the company's website.

### **Eastnine AB (publ)**

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*Eastnine AB is a Swedish real estate company with a property value of EUR 374m and a long-term net asset value of EUR 329m as of 31 March 2021. Eastnine's vision is to create and provide prime venues where ideas can flow, people can meet, and successful business can be developed. The mission is that Eastnine shall be the leading long-term provider of modern and sustainable office premises in prime locations in the Baltic capitals. Eastnine is listed on Nasdaq Stockholm Mid Cap, sector Real Estate.*

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