

Interim report January-June 2021

Eastnine's rental income and profit from property management increased during the period due to a larger property portfolio. The property portfolio has grown following the acquisition of two fully let office properties and the investment strategy has been broadened to include premium logistics. After the end of the period, Eastnine has issued its first green bond.

The period January-June 2021

- Rental income increased by 18 per cent to EUR 10,522k (8,942). This increase is attributable to a larger property portfolio. In a comparable portfolio, rental income decreased by 6 per cent, due to higher vacancies in Riga.
- Net operating income increased by 19 per cent to EUR 9,538k (8,031).
- Profit from property management increased by 19 per cent to EUR 5,289k (4,432) due to a larger property portfolio and economies of scale.
- Unrealised value changes amounted to EUR 4,225k (-15,755). Of this change, EUR 2,916k (2,584) is attributable to properties, EUR 948k (-17,678) to other investments and EUR 361k (-661) to derivatives.
- Profit/loss for the period amounted to EUR 11,793k (-12,513), corresponding to EUR 0.53 per share (-0.59).
- The average rent level was EUR 15.0 per sq.m. per month (14.9) and the occupancy rate amounted to 92.6 per cent (92.6). Net letting amounted to EUR -707k.

Key events during the second quarter

- Eastnine's Board of Directors has broadened the investment strategy to include first-class logistics properties in the Baltics.
- Two office properties, one in Riga and one in Vilnius, have been acquired and taken into possession. Both properties are LEED Platinum certified.
- In 2021, Eastnine was awarded the U.S. Green Building Council Leadership Award in the Europe category for its work on development of green buildings.

Key events after end of the period

- Eastnine has issued its first green bond of EUR 45m, with a term of three years.

CEO comment in brief

Eastnine's property portfolio will continue to grow in offices and logistics

Eastnine has acquired two office properties in Riga and Vilnius, respectively. The investment strategy has been broadened and now includes the acquisition of logistics properties holding the same high standards as our office properties. We have increased the capital base available by successfully issuing a green bond, which further contributes to future growth opportunities for the property portfolio.

Rental income is at its highest level ever, and the net operating income as well as the profit from property management increased during the second quarter. Cash flow from operating activities as well as the profit from property management per share developed in a positive direction, which is a natural consequence of the growth of the property portfolio and improved efficiency. The employees of our tenants, which have to a considerable degree been working from home during the pandemic following regulatory instructions, were gradually returning to their offices before the vacation season, and there are reasons to believe that this trend will continue after the summer. Quarantine restrictions were suspended at the beginning of July, simplifying business travel as well as showings of vacant premises. Net leasing was negative during the period, largely due to Danske Bank having decided, as expected, not to renew its tenancy in the 3Bures-1,2 property. Danske Bank will vacate their premises by 31 July. We have signed twelve new lease agreements during the spring, of which seven have moved in by the end of June, and the remainder expected to move in during the second half of 2021 and the first quarter of 2022. The rent level was somewhat higher than existing agreements.

In the second quarter, Eastnine acquired the office properties Zala 1 in Riga and Uniq in Vilnius. The properties, which are fully let, complementary to our existing portfolio, both commercially and geographically, enabling us to effectively manage them. The properties were taken into possession in the end of May and middle of June, respectively, meaning that we will see the full impact on earnings from the properties during the third quarter of 2021.

Eastnine's Board has decided to broaden the Company's investment focus so as to, in addition to first-class office properties, also include prime logistics properties. As a natural consequence of this extension, the geographical focus will be on the best locations in the Baltics, as the best localisation of logistics properties is not always in the capital cities. E-commerce has become considerably more important in the Baltics, and so too has the interest in logistics properties. The diversification results in a sustained high yield, but at a lower risk level. The yield requirement for logistics properties in the Baltics follows the same downward trend as we have observed in Sweden. Still, the yield level is higher for logistics properties than for offices, and the yield on both types of properties is considerably higher than that in Sweden. The new investment approach improves Eastnine's growth opportunities.



At the beginning of July, Eastnine issued its first bond which naturally, given our sustainable business concept, was green. The issue amounted to EUR 45m with a term of three years. The capital will be invested according to Eastnine's green framework, which was rated Dark Green by Cicero and includes inter alia green, sustainability-certified buildings holding at least a LEED Platinum or BREEAM Excellent certification or equivalent, and high energy use scores. The bond means that we broaden our capital base, which is important for the future growth within both offices and logistics.

Kestutis Sasnauskas
CEO

The report is presented by Kestutis Sasnauskas, CEO of Eastnine, and Britt-Marie Nyman, CFO and Deputy CEO
Wednesday 14 July, 2021, 10.00 a.m. CEST.

Please join the event a few minutes before the presentation begins. Presentation materials will be available at 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)

For more information contact:

Kestutis Sasnauskas, CEO, 08-505 97 700
Britt-Marie Nyman, CFO and Deputy CEO, 070-224 29 35
Visit www.eastnine.com

Eastnine AB is a Swedish real estate company with a property value of EUR 415m and a long-term net asset value of EUR 330m as of 30 June 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 and logistics premises in prime locations in the Baltics. Eastnine is listed on Nasdaq Stockholm Mid Cap, sector Real Estate.

This information is information that Eastnine AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, at 7.00 a.m. CEST on 14 July 2021.