

Interim report January–June 2022

Net letting reached record highs and the real estate business continued to develop well during the second quarter. A larger property portfolio and a higher rent level meant that rental income, as well as net operating income and profit from property management, rose during the quarter as well as the period. The value of the holding in MFG increased in the second quarter due to the stronger ruble and positive earnings development.

January–June 2022

- Rental income increased by 29 per cent to EUR 13,576k (10,522) as a result of a larger property portfolio as well as higher rent levels. In a comparable portfolio, rental income was unchanged.
- Net operating income increased by 26 per cent to EUR 12,049k (9,538).
- Profit from property management increased by 10 per cent to EUR 5,810k (5,289), corresponding to EUR 0.26 per share (0.24).
- Unrealised value changes amounted to EUR 33,457k (4,225). Of this change, EUR 10,002k (2,916) is attributable to properties, EUR 18,412k (948) to other investments, of which Melon Fashion Group (MFG) contributed EUR 18,393k (861) and derivatives comprised EUR 5,043k (361).
- Realised value changes and dividends from investments amounted to EUR 6,552k (3,906), whereof dividend from MFG was EUR 6,552k (3,226).
- Profit/loss for the period amounted to EUR 43,311k (11,793), corresponding to EUR 1.95 per share after dilution (0.53).
- Net letting was positive and amounted to EUR 2,121k (-707). The average level for new lettings was EUR 187 per sq.m. per year during the period. Average annual rent rose to EUR 183 per sq.m. per year (178). The economic occupancy rate increased to 91.5 per cent (90.0).

Key events during the second quarter

- Eastnine has acquired an office property in Poznan, Poland. The purchase consideration amounted to EUR 120.6m.

Key events after the end of the period

- The property Vertas-2 in Vilnius obtained LEED Platinum certification at the beginning of July 2022. After this certification, 67 per cent of the property portfolio holds a sustainability certification.

CEO comment

Strong net lettings and rising profit from property management

The profit from property management is at a record level, the net letting is positive for the second quarter in a row, and the property portfolio is growing with Eastnine's first acquisition in Poland. In spite of ongoing global insecurity, on the basis of this and on our stable financial basis, we look forward to a continued positive development during the autumn.

Record results in the real estate business

Eastnine's positive development trend from the first quarter is continuing. The real estate business had a strong second quarter with positive net letting and a rising occupancy rate. The acquisition of another property in May naturally also has a positive impact on revenue and earnings, meaning that the profit from property management during the second quarter reached the highest level in Eastnine's history. Net letting, measuring signed leases less terminated leases, was positive through April to June, at all of EUR 1,763k when annualised. There has been high demand for first-class office premises in Vilnius, meaning among other things that we have let out the entire property Uniq in Vilnius following Danske Bank's move-out in May. For the majority of the premises newly let in the second quarter, tenants will be moving in during the third and fourth quarter. Therefore, the effect on the occupancy rate and earnings will become tangible first in the second half of 2022.

First acquisition in Poland and stable financing base

During the spring, a main focus for us has been to acquire properties in a country which is new to us: Poland. Following intensive efforts, we were able to complete - in spite of the Russian invasion of Ukraine and its consequences - the acquisition of the newly constructed office building Nowy Rynek D in Poznan. Located between Warszawa and Berlin, the regional city of Poznan has around one million inhabitants in the metropolitan area, several major universities and a diversified business community. With this acquisition, we diversify our portfolio in terms of geographic market, tenants and financing, reducing both business and financing risk. The acquisition is partly financed with loans from a German bank new to us, BerlinHyp. Eastnine's stable financing, even in the relatively disordered market we've seen during the spring, is a source of security. The first loan refinancing, and interest rate negotiation, will only take place in the autumn of 2023, the share of financing from capital markets is low, the average fixed interest term has been extended, as has the capital tie-up period, and the company's liquidity is good.

Positive value changes

During the quarter, there have been large positive unrealised value changes in both properties and the holding in the Russian fashion chain Melon Fashion Group. Property values are increasing as a result of new letting and higher market rents. Thus far, there are no signs of rising yield requirements for properties in our markets, and it is possible that the rising market rents which have been seen may outweigh any such future tendency in valuations. Even the value of the holding in MFG, which Eastnine intends to divest, increases during the quarter. The valuation is based on the same model as before, and the unrealised value change during the quarter is mainly due to a stronger ruble. As is well known, the ruble exchange rate remains very volatile.



A refreshing summer to be followed by an exciting autumn

Eastnine's staff can now take a well-deserved vacation after a very positive and work-intensive second quarter, so that they can return with fresh energy ahead of the opportunities and challenges in store for us this autumn. I would like to wish everyone a nice summer!

Kestutis Sasnauskas, CEO

Report presentation

The interim report is presented at a webcast by Kestutis Sasnauskas, CEO and Britt-Marie Nyman, CFO and Deputy CEO on Thursday 14 July, 10.00 a.m. CET. [Click here](#) to see the webcast.

An investor presentation will be available at www.eastnine.com 15 minutes before the start of 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, +46 8-505 97 700

Britt-Marie Nyman, CFO and Deputy CEO, +46 70-224 29 35

Visit www.eastnine.com

Eastnine AB is a Swedish real estate company with a property value of EUR 605m and a long-term net asset value of EUR 426m as of 30 June 2022. 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 and Poland. 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 Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 7:00 a.m. CET on 14 July 2022.