

The background of the slide is a photograph of a modern architectural structure. The top half shows a ceiling with a grid of dark blue lines. The bottom half shows a wall with a grid of white lines. The sky is a clear blue.

Eastnine Interim Report

January – September 2019



Eastnine in brief

- **Swedish real estate company**
Listed at Nasdaq Stockholm, Mid Cap and headquartered in Stockholm
- **Nordic tenants**
Mainly large Nordic companies with international operations
- **Baltic premium properties**
Investing in sustainable prime real estate in the office segment in the Baltic capitals



Vision and mission

Vision

“Eastnine shall create and provide prime venues where ideas can flow, people can meet and successful business can be developed”

Mission

“Eastnine shall be the leading long-term provider of sustainable prime office space in the Baltic capitals”



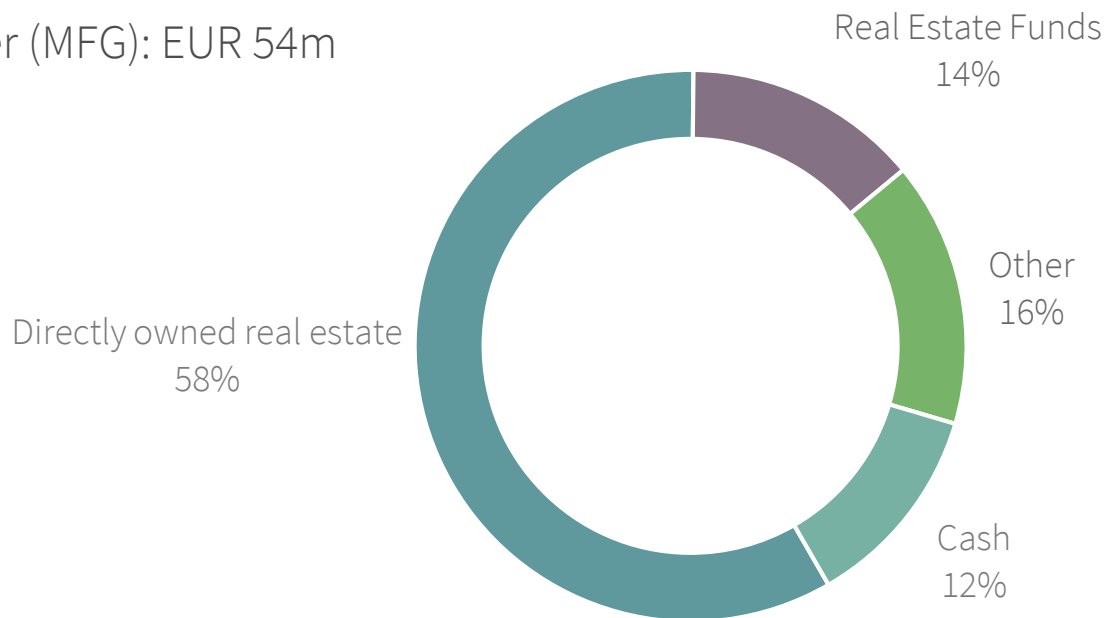
Highlights during Q3 and October

- Positive net letting during third quarter of EUR 853k
- Positive trend in rental level. Average rent on new letting during third quarter was 15.3 EUR/sq.m./month compared to the average rent of 14.7 per the end of September and EUR 14.5 per the end of 2018
- Acquisition of Valdemara Centrs in Riga and S7-2 in Vilnius
- Sale of East Capital Baltic Property Fund III at NAV
- Value change in directly-owned real estate was EUR 2,810k during the quarter due to lower vacancies

Investments

Total value of investments (Sep 30, 2019): EUR 346m

- Real Estate Direct + Cash: EUR 244m
- Real Estate Funds: EUR 48m
- Other (MFG): EUR 54m





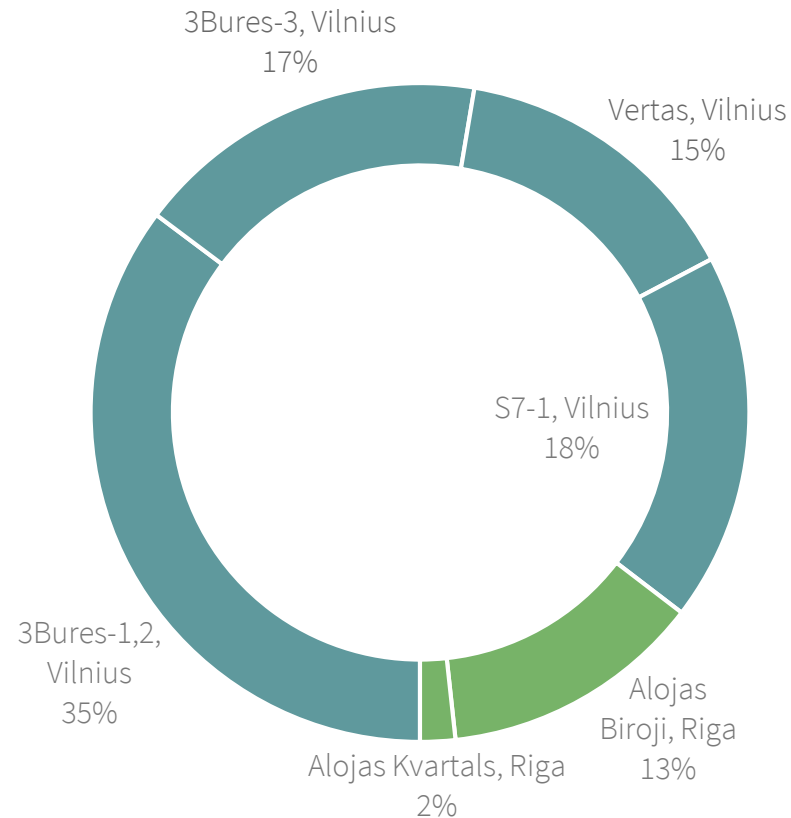
Directly-owned Real Estate

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Real Estate Direct

Property portfolio Sep 30, 2019

- Six properties (eight in October)
- 74,550 sq.m. (~100,000 sq.m.)
- Value EUR 203m (~EUR 275m)





Vilnius

- Property portfolio September 30:
 - Four properties
 - 63,279 sq.m.
 - Value EUR 174m
- S7-1 was acquired in February
- Occupancy rate increased during third quarter due to new leases in 3Bures-1,2 and increased income from parking
- Signed contracts, where tenants not yet moved in, will increase occupancy further in fourth quarter
- Acquisition of S7-2 was completed in October and S7-3 will be completed in early Q1 2020
- Per the end of October E9's Vilnius property portfolio consisted of five properties including ca 79,000 sq.m. and a value of ca EUR 220m

Our properties in Vilnius (1/3)

3Bures-1,2, Vilnius

1



Completion	2008
Property value	EUR 69m
GLA	28,415 sqm
Certification	LEED Platinum
Key tenants	

Swedbank



HUAWEI

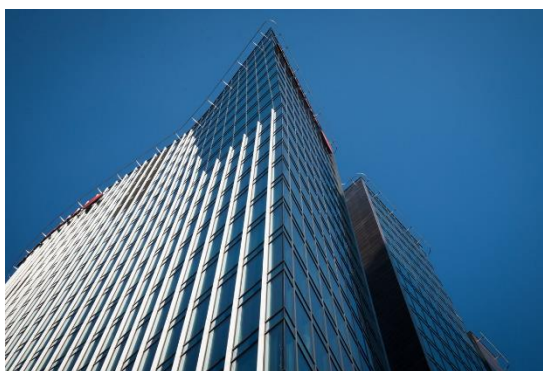
Danske Bank

Uber

Date of acquisition	2014
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3Bures-3, Vilnius

2



Completion	2018
Property value	EUR 35m
GLA, sqm	13,406 sqm
Certification	LEED Platinum
Key tenants	

Swedbank

VISMA

Date of acquisition	2014
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Vertas, Vilnius

3



Completion	2007
Property value	EUR 30m
GLA, sqm	9,405 sqm
Certification	In process
Key tenants	

CITCO



DELFI

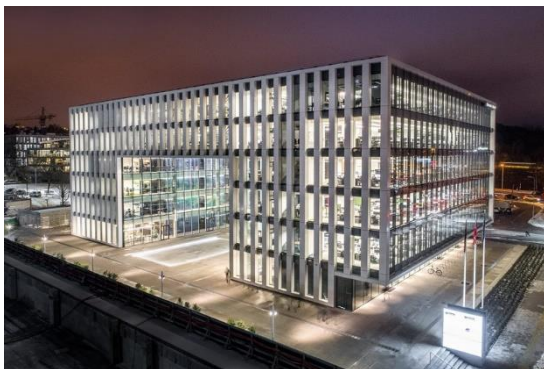
Date of acquisition	Q2 2017
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Our properties in Vilnius (2/3)

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S7-1, Vilnius

4



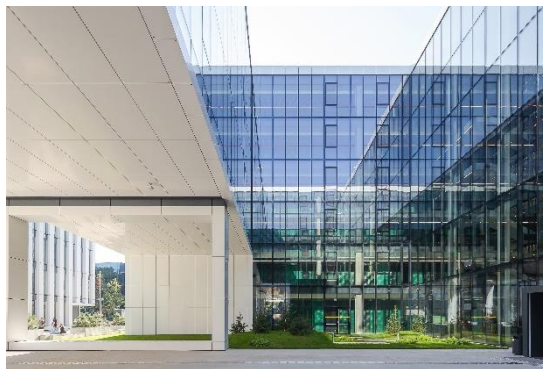
Completion	2017
Property value	EUR 37m
GLA	12,053 sqm
Certification	BREEAM Excellent
Key tenants	



Date of acquisition	Q1 2019
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S7-2, Vilnius

5



Completion	2019
Property value	EUR 48m
GLA, sqm	15,952 sqm
Certification	BREEAM Excellent
Key tenants	



Date of acquisition	Q4 2019
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S7-3, Vilnius

6

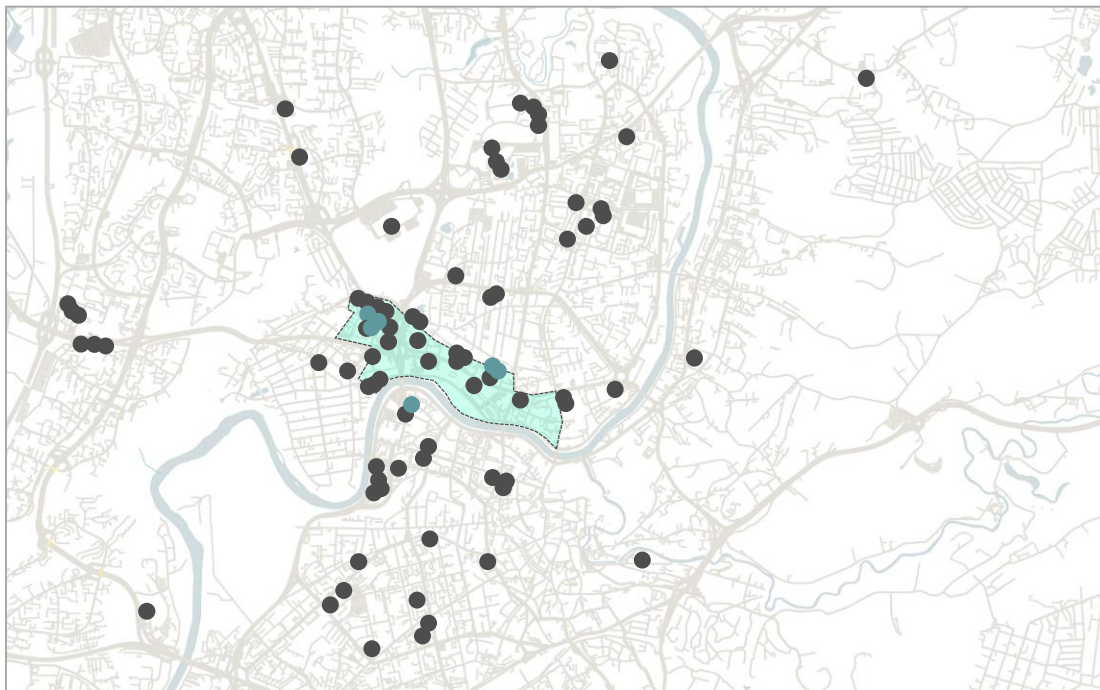


Completion	2019
Property value	EUR 43m
GLA, sqm	14,500 sqm
Certification	BREEAM Excellent (exp.)
Key tenants	



Date of acquisition	Q1 2020
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Vilnius

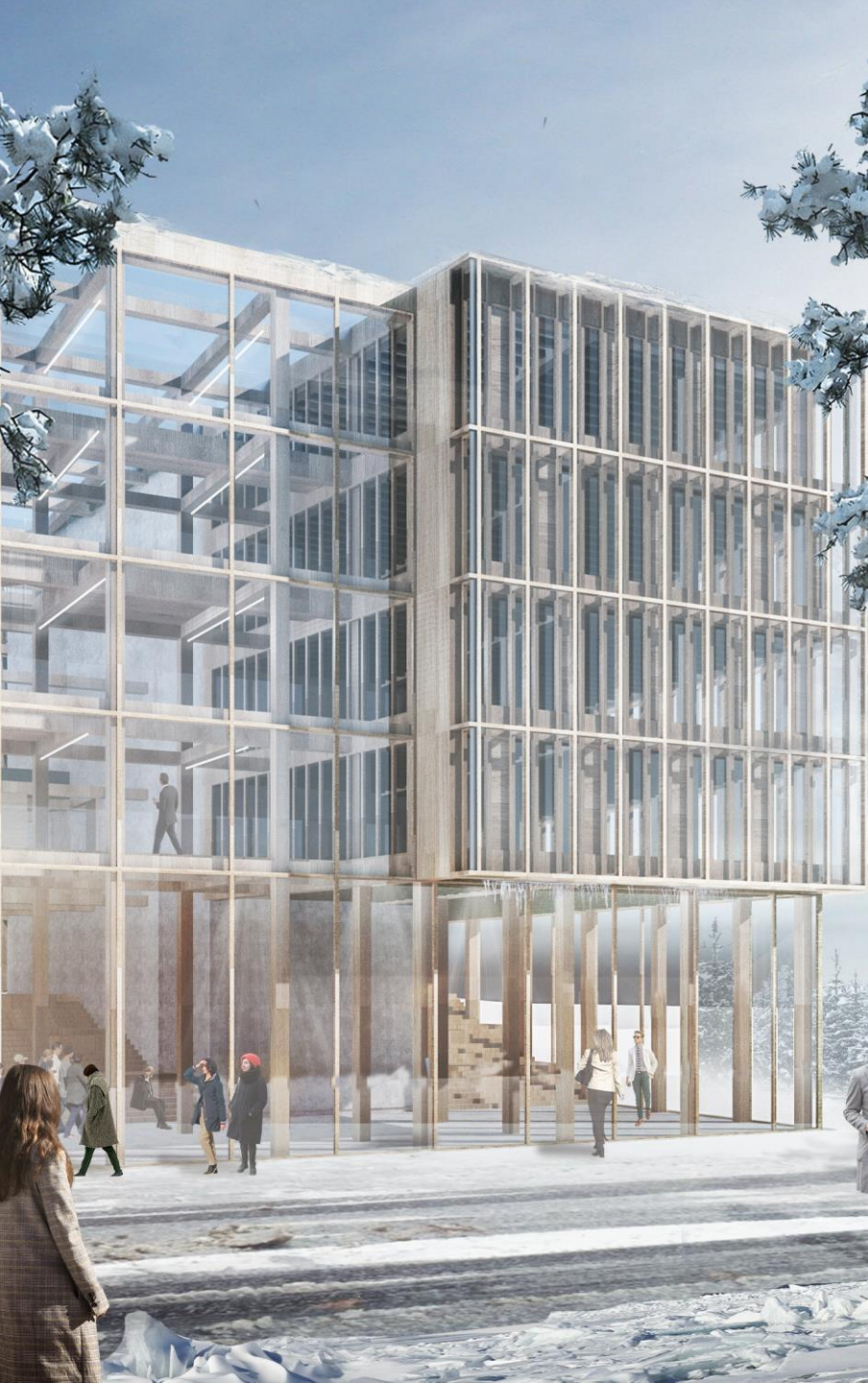


● Office property ● Eastnine

- 95,000 sq.m. of class-A office space in the CBD and city centre
- Largest office landlord in Vilnius CBD
- Intention to strengthen market position

Our properties in Vilnius (3/3)





Riga

- Property portfolio September 30:
 - Two properties
 - 11,271 sq.m.
 - Value EUR 30m
- Occupancy rate increased during the third quarter due to new leases in Alojas Biroji
- Took possession of the newly acquired property Valdemara Centrs in October
- Per the end of October E9's Riga property portfolio consisted of three properties with a total of ca 20,000 sq.m. and a value of ca EUR 55m
- New development of a five floor office building in wood
 - Planning stage
 - ~15,000 sq.m.
 - Dual sustainability certifications: LEED Platinum and WELL

Our properties in Riga

Alojas Biroji, Riga

7



Completion	2009
Property value	EUR 26m
GLA	9,437 sqm
Certification	In process
Key tenants	



Date of acquisition Q2 2018

The Pine, Riga (development in planning process)

8



Completion	2022E
Property value	EUR 4m*
GLA, sqm	15,800 sqm
Certification	LEED Platinum, WELL
Key tenants	n.a.

Date of acquisition Q2 2018

Valdemara Centrs, Riga

9



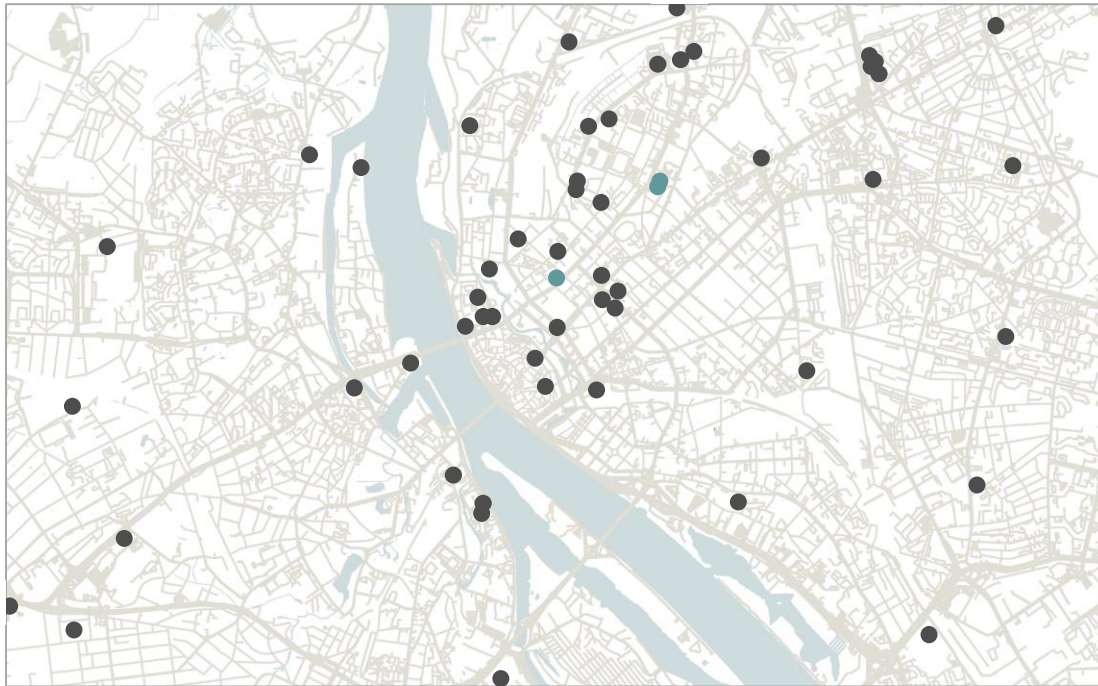
Completion	1999
Property value	EUR 25m
GLA, sqm	8,600 sqm
Certification	-
Key tenants	



Date of acquisition Q4 2019

1) Attributable to the land plot and existing retail property Alojas Kvartals

Riga



● Office property ● Eastnine

- Ca 20,000 sq.m. of class-A office space in and close to the city center
- Intention to reach critical scale of property portfolio through developments and acquisitions



Other investments

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Real Estate Funds

East Capital Baltic Property Fund II

- Total return of 5.9 per cent January-September including changes in value and dividends
- The fund has a total of five properties in office, logistics and retail, of which four are in Tallinn and one in Riga

Eastnine's share of the fund, %	44
Fair value of Eastnine's holding, EURm (Sep 30)	22.7
% of Eastnine's equity	9.1
Unrealised changes in value Jan – Sep, EURm	0.7
Realised changes in value Jan – Sep, EURm	0.6
Total return Jan – Sep, %	5.9

East Capital Baltic Property Fund III

- Total return of 4.9 per cent including changes in value
- The fund has a total of five properties in hotels, logistics and retail, of which three are in Tallinn and two in Riga
- Eastnine's entire holding in the fund has been divested at NAV during October

Eastnine's share of the fund, %	20
Fair value of Eastnine's holding, EURm (Sep 30)	25.1
% of Eastnine's equity	10.1
Unrealised changes in value Jan – Sep, EURm	1.2
Realised changes in value Jan – Sep, EURm	-
Total return Jan – Sep, %	4.9

Melon Fashion Group

MFG

- Total return of 12.5 per cent including changes in value due to strengthening of the ruble and dividends
- MFG's aggregate sale rose by 28 per cent in ruble to 15,755 during the period
- Increase in sales mainly due to strong growth in e-commerce (+105 %) and increased retail area after acquisition of the new brand SELA
- E-commerce was 19 per cent (12) of MFG's total sales during the period
- Comparable¹ EBITDA-margin amounted to 9.7 per cent (10.9) during the period and 16.4 per cent (15.4) during the last quarter

Eastnine's share of the company, %	36
Fair value of Eastnine's holding, EURm	54.1
% of Eastnine's equity	21.8
Unrealised changes in value, Jan – Sep, EURm	5.2
Realised changes in value, Jan – Sep, EURm	0.9
Total return, Jan – Sep, %	12.5

¹ Excluding IFRS 16-effect



Financials

SINGAPORE

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Key figures in brief

Properties	No.of properties 6 (9, Jan 2020)	Area 74,500 sq.m. (~114,000 sq.m., Jan 2020)	Fair value 203 EURm (~320 EURm, Jan 2020)
Efficiency	Property yield 5.5%	Surplus ratio 89.0%	ROE Real Estate Direct 15.7%
Rental leases	Average rent 14.7 EUR/sq.m./month	Wault 3.0 years	Occupancy rate 90.2%
Financials	LTV 42%	Equity ratio 71%	Average interest rate 2.3%
Share-related	Earnings per share 0.74 EUR	NAV/EPRA NAV 126/130 SEK	Share price 114.20 SEK (Sep 30)

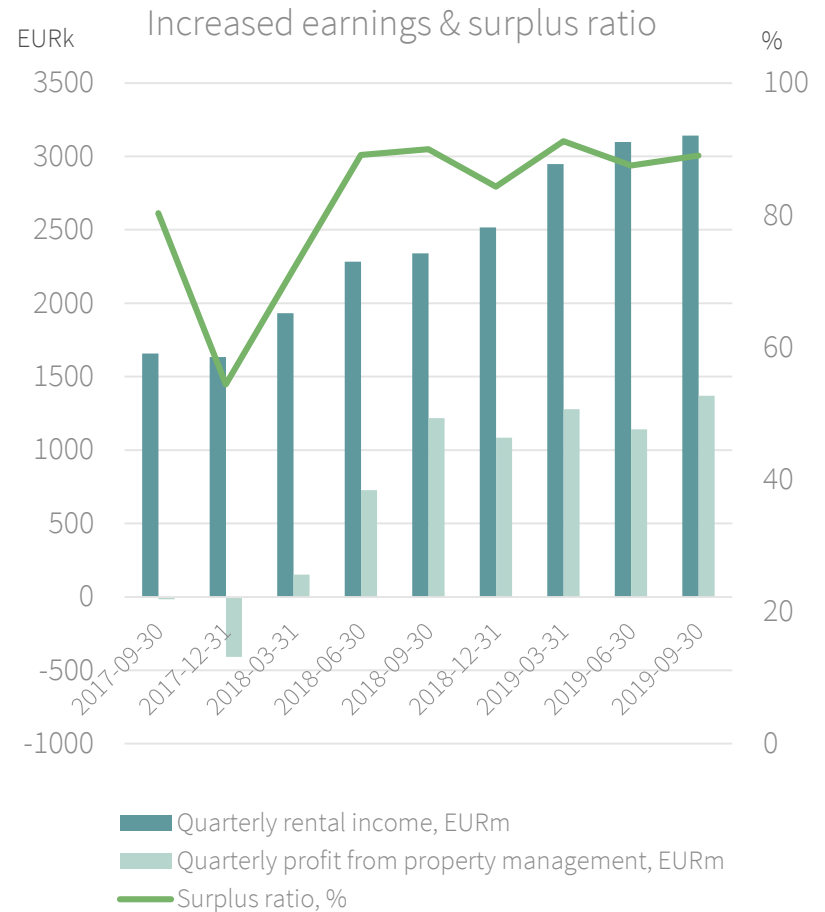
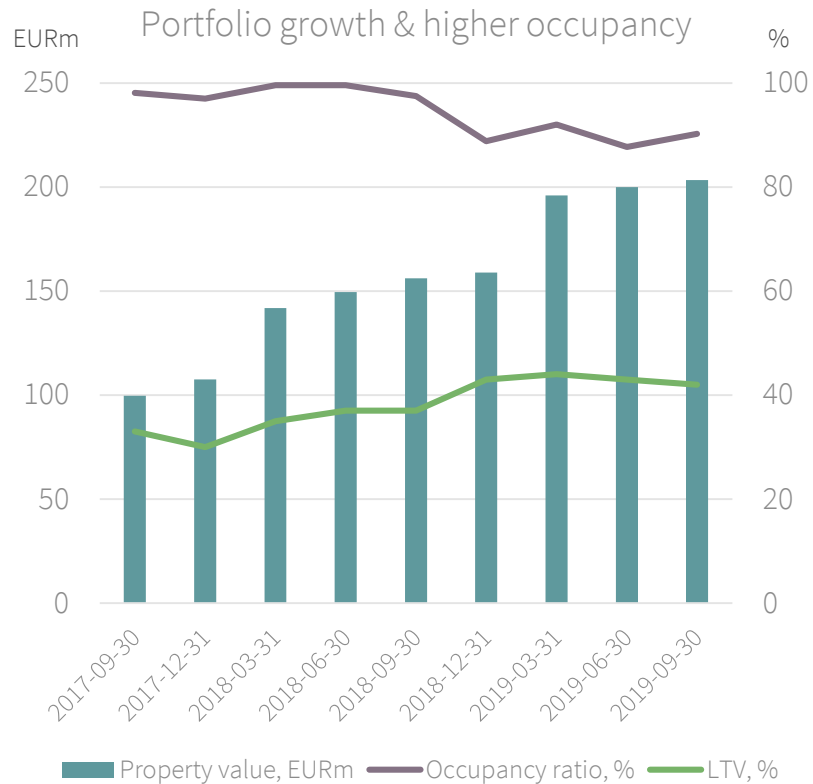
Income statement, pro-forma

EUR thousands	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Rental income	3,142	3,099	2,947	2,516	2,339	2,282	1,993	1,634	1,657
Property expenses	-347	-387	-258	-396	-235	-249	-562	-745	-327
Net operating income	2,795	2,712	2,689	2,120	2,104	2,034	1,431	888	1,330
Central administration expenses	-826	-936	-927	-1,055	-621	-1,008	-702	-991	-1,115
Interest expenses	-498	-526	-411	-350	-266	-319	-278	-219	-216
Other financial income and expenses	-101	-109	-72	369	0	20	-299	-86	-15
Profit from property management	1,370	1,141	1,279	1,085	1,217	727	151	-408	-16
<i>Unrealised change in values:</i>									
- Properties	2,810	3,483	-	863	3,675	945	-	4,546	-
- Derivatives	-311	-740	-656	-618	342	-372	-134	306	474
- Investments	1,782	760	4,459	6,941	-1,060	-2,233	37	10,181	2,263
Realised values and dividends from investments	22	1,595	22	2,928	25	1,668	781	2,368	875
Profit before tax	5,673	6,239	5,103	11,199	4,199	735	836	16,992	3,596
Deferred tax	-604	-575	-146	-273	-748	-182	-125	-739	-95
Net profit/loss for the period	5,069	5,664	4,957	10,925	3,451	553	711	16,253	3,501

Balance sheet, pro-forma

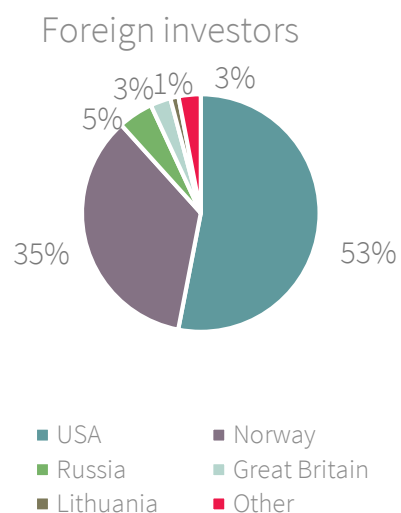
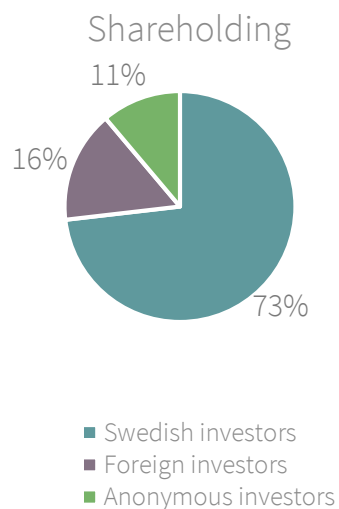
EUR thousands	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017
ASSETS									
Investment properties	203,276	199,882	195,972	158,862	156,102	122,843	121,995	92,395	89,455
Development properties	-	-	-	-	-	26,721	19,768	15,110	10,248
Right-of-use assets, leaseholds	1,086	465	465	-	-	-	-	-	-
Long-term securities holdings	101,881	98,117	97,357	92,898	85,957	86,932	92,769	127,277	129,645
Other non-current assets	297	266	270	313	296	419	430	335	457
Other receivables	1,211	897	813	574	1,105	1,014	5,331	1,652	578
Cash and cash equivalents	40,596	42,772	43,794	65,119	58,515	63,558	56,497	44,991	41,918
TOTAL ASSETS	348,348	342,399	338,670	317,767	301,976	301,487	296,789	281,759	272,301
EQUITY AND LIABILITIES									
Total shareholders' equity	248,583	243,480	242,300	240,819	232,415	232,305	238,122	242,457	232,292
Liabilities to credit institutions	85,188	86,077	86,967	67,550	58,501	55,666	50,067	32,545	33,000
Derivatives	2,665	2,353	1,614	957	339	682	309	176	315
Deferred tax liabilities	5,069	4,465	3,891	3,745	3,472	2,724	2,542	2,417	1,678
Lease liability	1,085	465	465	-	-	-	-	-	-
Other non-current liabilities	1,470	1,567	1,452	1,251	2,338	2,045	1,745	893	595
Other liabilities	4,289	3,991	1,981	3,445	4,911	8,065	4,003	3,270	4,422
TOTAL EQUITY AND LIABILITIES	348,348	342,399	338,670	317,767	301,976	301,487	296,789	281,759	272,301

Important trends



Shareholders

- Total of nearly 5,300 shareholders
- Two major shareholders:
Peter Elam Håkansson and Keel Capital



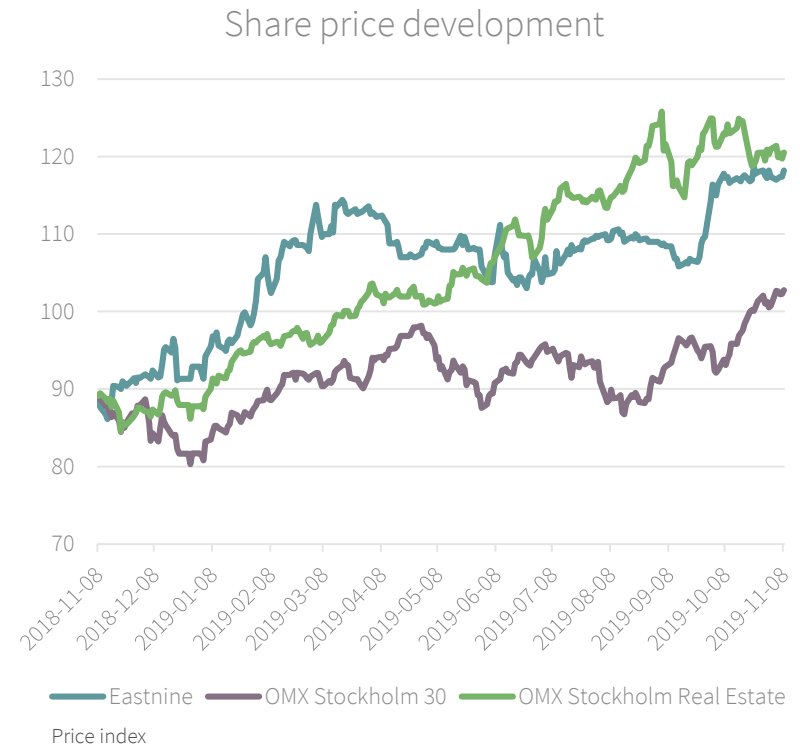
Shareholders	No. of shares	%	Change during last quarter
Peter Elam Håkansson ¹	6,048,551	27.0	=
Keel Capital	2,240,117	10.0	+
Mertiva AB	1,515,205	6.8	+
Lazard Asset Management	1,489,951	6.7	=
Nordnet Pensionsförsäkring	872,017	3.9	+
Norges Bank	688,770	3.1	=
Kestutis Sasnauskas	437,343	2.0	=
Dimensional Fund Advisors	340,193	1.5	-
Prioritet Finans	300,000	1.3	=
Jacob Grapengiesser	167,861	0.8	=
10 largest	14,100,008	63.6	
Eastnine AB (repurchased shares)	1,221,200	5.5	=
Other	7,049,053	31.5	-
Total	22,370,261	100.0	

¹ Private, via companies (East Capital Holding AB and Rytu Invest AB)

Source: Monitor

The share

- Listed at Stockholm Nasdaq, Mid Cap
- Total no. of shares amounts to 22,370,261 of which 5,5 per cent in treasury
- Dividend of SEK 2.30 paid semiannually 2019, SEK 1.15 will be paid in November
- Daily turnover 17,572 shares, equals to SEK 1.8m
- EPRA NAV SEK 130 and NAV SEK 126 compared to share price SEK 114.20





Focus going forward

SWEDBANK

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Future focus

- Complete agreed acquisition of S7 - 3 in Vilnius during Q1 2020
- Divest remaining non core holdings
- Acquire more cash-flow generating properties and future development projects
- Proceed with the plan to develop The Pine in Riga

EO

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