

Eastnine determines new business plan and new targets

Eastnine's Board of Directors has established a new business plan, including overall target and new business, financial and sustainability targets. The company's property value shall be doubled in just over three years and amount to EUR 700 million by the end of 2023.

Business plan 2023 (selection):

Overall target

Eastnine's overall target is to create a sustainable attractive total return for the shareholders. The total return¹ shall over time exceed the median for comparable European real estate companies².

Business targets

- Profitability and return
 - Profit from property management shall increase to EUR 25 million at an annual rate based on Q4 2023.
- Growth and refinement
 - The property portfolio shall increase to EUR 700 million by the end of 2023.
 - Refinement of the business, through sale of investments that do not consist of directly owned properties, shall be carried out as soon as it is deemed to be commercially optimal.

Financial targets

- Profitability and return
 - Return on equity should be at least 10 per cent over time.
 - The dividend shall over time correspond to at least 50 per cent of the profit from property management after deduction of current tax.
- Stability
 - The loan-to-value ratio shall amount to a maximum of 60 per cent.
 - The equity/asset ratio shall be at least 35 per cent.
 - The interest coverage ratio shall amount to at least 2.0 times.



Sustainability targets

- Environment
 - Eastnine's property management shall be carbon neutral by the end of 2030³.
 - The entire property portfolio shall be sustainability certified⁴ at a level corresponding to at least LEED Gold or BREEAM Excellent.
 - Renewable energy shall account for 100 per cent of the properties' energy consumption by 2030.
- Operational
 - Green leases will be gradually introduced from the end of 2020. The share shall increase over time.

¹ Average share price development including dividend.

² The reference group consists of the following companies: Alstria Office, CA Immo, Covivio, Derwent London, Entra, Fabege, Gecina, Klövern, Kungsleden, Workspace Group, Wihlborgs, Globalworth, Globe Trade Center, CLS Holdings, Immofinanz, Norwegian Property, PSP Swiss Property, Aroundtown, DEMIRE Real Estate AG and Atrium Ljungberg. Total return will be measured in euros for all companies in accordance with best practice. Over time refers to five years.

³ Net zero carbon according to the World Green Building Council which allows climate compensation. Refers only to carbon dioxide emissions from property operations and excludes emissions from the construction phase.

⁴ Measured as sq.m. Certification work, for non-certified acquired properties, should begin within six months of access. The goal does not apply to properties that are expected to be the subject of extensive project development.

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Eastnine AB (publ) is a Swedish real estate company with a property value of EUR 336m and a long-term net asset value of EUR 260m as of June 30, 2020. 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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