

Interim Report January–September 2023

Eastnine has a very stable financial position following the sale of the holding in Melon Fashion Group (MFG) in August and the redemption of Eastnine’s sole bond at the beginning of October. Profit from property management for the quarter and the period reached new record highs. Interest income, a larger property portfolio, and a higher average occupancy rate and rent levels impacted positively.

January–September 2023

- Rental income increased by 25 per cent to EUR 27,200k (21,804), as a result of a larger property portfolio as well as a higher average occupancy rate and rent level during the period. In a comparable portfolio, rental income increased by 11 per cent.
- Net operating income increased by 29 per cent to EUR 25,411k (19,650), corresponding to a surplus ratio of 93 per cent (90).
- Profit from property management increased by 35 per cent to EUR 13,215k (9,813), corresponding to EUR 0.59 per share (0.44).
- Unrealised value changes amounted to EUR -37,143k (95,619). Of these changes, EUR -34,706k (7,535) is attributable to real estate, EUR -2,437k (11,564) to derivatives and zero (76,519) to other investments. Unrealised value changes in properties corresponded to -5.7 per cent of the property value at the beginning of the year.

- Realised value changes and dividends amounted to EUR -49,870k (6,813), primarily related to the sale of the holding in MFG.
- Profit/loss for the period amounted to EUR -72,220k (108,837), corresponding to EUR -3.25 per share after dilution (4.90).
- Net letting amounted to EUR -604k (2,336). The economic occupancy rate was 95.3 per cent (96.3).
- Property value amounted to EUR 573m (606) at the end of the period.

Key events during the third quarter

- Eastnine divested its shareholding in MFG for EUR 144m.
- The holders of Eastnine’s bond approved changed terms, enabling the bond to be redeemed early.

Key events after the end of the period

- In October 2023, the bond was redeemed early. The total redemption amounted to around EUR 46m.

SELECTED KEY FIGURES	2023	2022	2023	2022
	Jan-Sep	Jan-Sep	Jul-Sep	Jul-Sep
Rental income, EURk	27,200	21,804	9,056	8,228
Profit from property management, EURk	13,215	9,813	4,564	4,001
Profit from property management per share, EUR	0.59	0.44	0.21	0.18
Net profit/loss for the period, EURk	-72,220	108,837	-25,644	65,526
Earnings per share, diluted, EUR	-3.25	4.90	-1.15	2.95
Return on equity, %	-22.0	33.9	-25.5	58.7
Interest coverage ratio, x	2.3	2.5	2.3	2.6

SELECTED KEY FIGURES	2023	2022
	30 Sep	31 Dec
Net loan-to-value ratio, properties, %	28	51
Long-term NAV per share, SEK	211	243
Share price, SEK	156.8	120.8

1 EUR = 11.50 SEK as of 30 September 2023 (source: Reuters). In this report, comparative figures in brackets refer to the period January–September 2022 for income statement items and as at 31 December 2022 for balance sheet items. “The Company” refers to the Eastnine Group.

This is Eastnine

Eastnine is a Swedish real estate company with modern and sustainable office properties in the Baltics and Poland.

Eastnine is listed on Nasdaq Stockholm Mid Cap and headquartered in Stockholm.

Tenants are primarily large and stable international companies with long leases.

TARGETS IN BUSINESS PLAN 2023

Operational	Status 30 September 2023
Property portfolio of at least EUR 700m by the end of 2023.	EUR 573m
Profit from property management for Q4 2023 (recalculated as annual figure) to amount to EUR 25m.	EUR 18.3m (annualised Q3 2023)
Financial	
Dividends are to correspond in the long term to at least 50 % of profit from property management less applicable taxes.	51 % ¹
Return on equity should be at least 10 % over time.	-16.5 % (twelve months rolling)
The net loan-to-value ratio on properties should be at most 60 %.	28 %
Equity/asset ratio should be at least 35 %.	52 %
Sustainability	
The property portfolio shall be sustainability-certified on the level of LEED Gold, BREEAM Excellent or higher. ²	94 %
The proportion of green financing shall increase.	64 % (64 % on 31 Dec 2022)

¹ Calculated on the basis of a dividend of SEK 3.40 per share. ² Excluding area that may be subject of significant redevelopment.

Vision

Eastnine shall create and provide the best venues where ideas can flow, people meet, and successful business can be developed.



Business concept

Eastnine shall be the leading long-term provider of modern and sustainable office and logistics premises in prime locations in selected markets in the Baltics and Poland.



Business model

Management

Property management shall take place in close cooperation with customers and shall be grounded in professionalism, sustainability and innovation, enabling both Eastnine and customers to reach their respective goals.

Refinement

The property portfolio shall be continually improved, by developing new properties and by investing in existing properties, increasing earning capacity.

Transaction

The property portfolio shall grow and be streamlined when necessary to secure a position as the leading provider of modern and sustainable offices and logistics premises in selected markets in the Baltics and Poland.

An historical quarter

As early as 2017, the decision was made that Eastnine would divest all non-property investments, so as to instead focus on building a portfolio of directly-owned office properties. In August 2023, Eastnine was able, after long and persistent efforts, to finally complete the work by selling the holding in MFG. We are now in the comfortable position of enjoying a healthy cash balance in a market offering good investment opportunities.



Purely a real estate company

Eastnine's Board decided in 2017 that Eastnine was to change focus, from various investments in Eastern Europe, to directly-owned investment properties in the Baltics. Gradually, investments in e.g. energy utilities and banks were sold off, and new, modern office properties were acquired in Lithuania, Latvia and, as of late, Poland as well. Finally, at the turn of the year 2021/2022, only one other investment remained: the holding in the Russian fashion retailer, Melon Fashion Group. After a long process, with many challenges along the way, we managed to complete the divestment in August this year, which changed our financial position in a very positive direction.

Stable financing

This influx of liquidity enabled an early redemption of our nominal EUR 45m bond at the beginning of October, meaning that debt financing now comprises bank loans alone. The redemption of the bond will, ceteris paribus, have a clear positive effect on the financial key figures for the fourth quarter. Already in the third quarter, figures such as the interest coverage ratio improved somewhat, in spite of continued increases in market interest rates. This is because we placed the surplus liquidity from the sale of MFG, in the latter half of the quarter, in bank accounts with relatively high returns.

“With our liquidity position, we have very good opportunities to carry out attractive and value-adding acquisitions.”

Profit from property management at an all time high

A larger property portfolio as well as a higher average rent level and occupancy rate, compared to 2022, means that rental income has increased by 25 per cent during the period. Profit from property management increased by all of 35 per cent during the period, in spite of increasing interest expenses. As a matter of fact, the profit from property management for the period and for the third quarter was the highest measured in Eastnine's history. A contributory factor was the large cash balance, which provides ample interest income. The occupancy rate, though falling somewhat during the quarter and year, is still very high at 95.3 per cent. Net letting was negative during the period, but should be considered in relation to the high occupancy rate. The surplus ratio was at a considerable 93 per cent during the period.

Negative unrealised value change in properties

The property yields in our markets have continued upward throughout the third quarter. This applies to our valuations as well. The average yield requirement used in our valuations increased by 0.1 percentage points during the third quarter, and by 0.6 percentage points year-to-date, to 6.2 per cent. At the same time, market rent has gradually increased during the year. The unrealised value change in properties amounted to EUR -35m during the period, corresponding to -5.7 per cent.

Good liquidity provides opportunities

The sale of the holding in MFG means that we, even after having redeemed the bond, have a large cash balance. This comes at a time when property prices have fallen, and there are more sellers than buyers on the market. With our liquidity position, we have very good opportunities to carry out attractive and value-adding acquisitions.

Kestutis Sasnauskas, CEO



At Uniq, nearly 360 sq.m. has been let out to Lrytas UAB, which operates a popular local news portal.



At Valdemara Centrs, a refurbishment and modernisation of the lifts is underway. One of these new lifts is now operational, and the remaining two will be gradually replaced at the end of 2023 and the beginning of 2024. The property has also obtained energy classification B, which is in line with other newly-constructed office buildings in the city.

Market

The rental market for offices was robust during the third quarter. Geopolitical tensions contributed to globally increased uncertainty about future interest rates and the rate of inflation remained at levels above central bank targets, although the trend is falling. Overall, the general transaction activity was record low. No major office properties changed hands in Eastnine's markets.

Market development

The annual rate of inflation continued to fall during the third quarter. However, economies are relatively strong, and core and service inflation remain at comparatively high levels. Policy rate increases from central banks have therefore continued and the five-year swap, an important metric for the real estate industry, rose by around 20 points in the Euro zone, to around 3.4 per cent. At the same time, long-term interest rates rose, not least in the US, indicating that the market is counting on higher interest for a longer period. The war in Ukraine, meanwhile, has entered a more frozen phase while geopolitical tensions around the world increased as a result of Hamas' attack on Israel at the beginning of October.

It looks like the three liberal opposition parties in Poland will be able to form a coalition government after the parliamentary elections, with record-high turnout, in October. This transition of power would result in a more market-positive government than that under Law and Justice (PiS), which have been ruling for eight years and remains Poland's largest party.

Rental market

New office properties on Eastnine's markets, such as Novira Plaza in Riga, Artery in Vilnius and Nowy Rynek E in Poznan continue to fill up with tenants. Despite uncertainties around future economic development and the actual use of office space, due to the growing popularity of hybrid work, demand for modern office premises is good and the vacancy rates in the aforementioned cities are stable. In cities like

Kraków and Wrocław, vacancy rates are rising due to persistently high development activity. This trend is also expected to manifest in Riga in 2024. However, as no new development projects are being started at the moment, supply of new office space is expected to substantially decline after that.

Rent levels are stable or rising for high-quality offices in good locations on Eastnine's markets, while prices for lower-tier offices are under pressure. Top rents for the former category remains around EUR 20 per square metre per month in Vilnius, EUR 18 in Riga, and EUR 16 in Poznan. Meanwhile, the least attractive offices may struggle to acquire tenants at all.

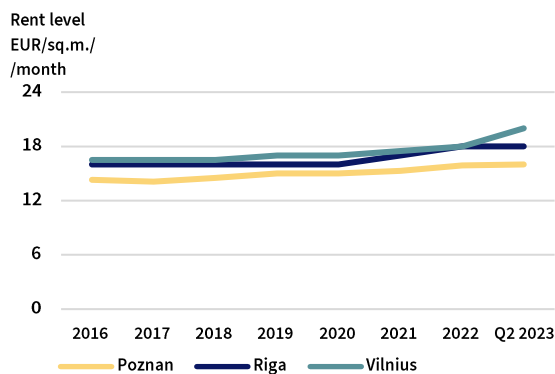
Transaction market

As with all real estate markets, transactions activity for commercial properties in Eastnine's markets is record low at the moment. No major office properties changed hands during the third quarter in the Baltics or in Poland.

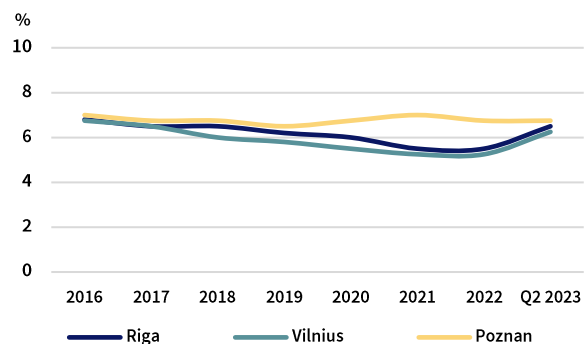
Institutional investors from Germany and elsewhere, which have dominated in Poland and started doing business in the Baltics around five years ago, are still inactive on the transactions market.

Yield requirements for fully-let and high-quality offices in central locations is estimated by real estate agencies to lie around 6.5 per cent in Riga and Vilnius, and close to 7.0 per cent in Poznan, though without any actual evidence from transactions.

RENT LEVELS ON PREMIUM OFFICES¹



YIELD REQUIREMENT PREMIUM OFFICES¹



¹ Data for the third quarter are not available at the time of the preparation of this report. Source: Colliers, JLL, Newsec

January–September 2023

Eastnine delivers a persistently high net operating income and a record high profit from property management in spite of higher financing costs. The sale of MFG has resulted in a strongly positive cash flow, but negative value changes on properties and the divestment of MFG resulted in a negative profit for the period.

Rental income

Rental income increased by 25 per cent to EUR 27,200k (21,804), as a result of a larger property portfolio, higher average occupancy rate and a higher average rent. In a comparable portfolio, rental income increased by 11 per cent. The average rent level increased during the year by 6 per cent to EUR 194 per sq.m. per year.

Property costs

Property expenses have decreased by 17 per cent to EUR -1,788k (-2,154). This decrease is primarily a result of a higher average occupancy rate, but lower electricity and heating costs have also had an impact. A considerable proportion of the costs of property operation is charged to the tenants in accordance with the lease agreements. Only property expenses that are not charged to tenants are included in the Company's property expenses. This means that carried property expenses are affected, among other things, by changes in the vacancy rate.

Net operating income and profit from property management

Net operating income increased by 29 per cent to EUR 25,411k (19,650), and the surplus ratio amounted to 93 per cent (90). Changes in net operating income is attributable both to higher rental income and lower property expenses.

Central administration expenses decreased to EUR -2,774k (-3,051), in part due to lower staff expenses. Interest costs increased to EUR -9,828k (-6,481) due to new loans raised in connection with acquisitions as well as a rising interest rate.

Profit from property management increased by 35 per cent to EUR 13,215k (9,813), corresponding to EUR 0.59 (0.44) per share.

Value changes

Unrealised value changes amounted to EUR -37,143k (95,619). Of these changes, EUR -34,706k (7,535) is attributable to real estate, EUR -2,437k (11,564) to derivatives and zero (76,519) to other investments. Realised value changes and dividends amounted to EUR -49,870k (6,813), including realised value changes after the MFG divestment (including transaction costs) of EUR -50,406k (-), a dividend from MFG of EUR 238k (6,813) and repayment from East Capital Baltic Property Fund II of EUR 298k (-).

In the third quarter, Eastnine entered into an agreement for the sale of its holding in the Russian fashion chain Melon Fashion Group (MFG) for around RUB 15.6 billion to LLC GEM Invest. After completing the sale and currency exchange, the consideration amounted to EUR 144m, subsequently transferred into an account with a Swedish bank.

Tax

Tax for the period amounted to EUR 1,579k (-3,407), of which tax in Lithuania was EUR 1,677k, in Latvia EUR -1k, and in Poland EUR -97k. Current tax amounted to EUR -277k (-197), of which EUR -276k in Poland and EUR -1k in Latvia. The deferred tax liability is primarily attributable to the difference between the stated value of properties and their tax values, as well as tax losses carried forward.

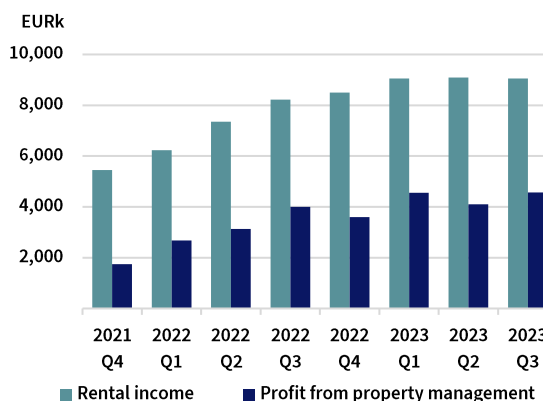
Earnings

Profit/loss for the period amounted to EUR -72,220k (108,837) and the total comprehensive income for the period to EUR -72,517k (108,764).

Segment reporting

Properties in Lithuania generated a profit from property management of EUR 12,815k (11,500) and a profit/loss for the period of EUR -13,160k (24,778). For Properties in Latvia, profit from property management amounted to EUR 1,355k (1,262) and the profit/loss for the period to EUR -5,044k (898). Properties in Poland generated a profit from property management of EUR 4,157k (1,742) and the profit/loss for the period was EUR 966k (4,521). For the segment Other investments, the profit/loss for the period amounted to EUR -49,870k (83,332), of which unrealised value changes amounted to zero EURk (76,519) and realised value changes and received dividends to EUR -49,870k (6,813), primarily related to the divestment of the holding in MFG. Unallocated central administration expenses, interest expenses and other financial income and expenses amounted to EUR -5,112k (-4,691).

RENTAL INCOME AND PROFIT FROM PROPERTY MANAGEMENT



Earnings and financial position in summary

EURk	2023 Jan-Sep	2022 Jan-Sep
Rental income	27,200	21,804
Property costs	-1,788	-2,154
Net operating income	25,411	19,650
Central administration expenses	-2,774	-3,051
Financial income/expenses	-9,422	-6,786
Profit from property management	13,215	9,813
Unrealised value changes	-37,143	95,619
Realised values and dividends from investments	-49,870	6,813
Current/deferred tax	1,579	-3,407
Net profit /loss for the period	-72,220	108,837
Translation differences for overseas operations	-289	-73
Tax on items that may be reversed to profit/loss	-8	-
Total comprehensive income for the period	-72,517	108,764

EURk	2023 30 Sep	2022 31 Dec
ASSETS		
Investment properties	573,082	606,222
Derivative instruments	8,585	11,022
Other assets	8,506	7,055
Cash and cash equivalents	173,209	19,820
Securities held for sale	-	193,355
TOTAL ASSETS	763,382	837,474
EQUITY AND LIABILITIES		
Equity	399,378	478,508
Interest-bearing liabilities	331,447	326,882
Deferred tax liabilities	16,949	18,788
Other liabilities	15,608	13,296
TOTAL EQUITY AND LIABILITIES	763,382	837,474

Summary of earnings by segment

EURk	2023 Jan-Sep	2022 Jan-Sep
Properties in Lithuania		
Profit from property management	12,815	11,500
Unrealised value changes, properties	-25,407	8,583
Unrealised value changes, derivatives	-2,245	7,207
Current/deferred tax	1,677	-2,512
Profit/loss Properties in Lithuania	-13,160	24,778
Properties in Latvia		
Profit from property management	1,355	1,262
Unrealised value changes, properties	-6,315	-1,048
Unrealised value changes, derivatives	-83	686
Current/deferred tax	-1	-2
Profit/loss Properties in Latvia	-5,044	898
Properties in Poland		
Profit from property management	4,157	1,742
Unrealised value changes, properties	-2,984	-
Unrealised value changes, derivatives	-109	3,672
Current/deferred tax	-97	-893
Profit/loss Properties in Poland	966	4,521
Other investments		
Unrealised value changes	-	76,519
Realised value changes and dividends	-49,870	6,813
Earnings Other investments	-49,870	83,332
Unallocated		
Central administration expenses and other operating expenses	-2,774	-2,890
Unallocated net financial income/expense	-2,337	-1,801
Profit Unallocated	-5,112	-4,691
Net profit /loss for the period	-72,220	108,837

Financing

Eastnine’s activities are primarily financed with equity, bank loans and bonds. The net loan-to-value ratio on properties amounted to 28 per cent (51) at the end of the period. This change was due to the sale of the holding in MFG. The equity/asset ratio amounted to 52 per cent (57), with the change mainly attributable to unrealised and realised value changes.

Equity amounted to EUR 399,378k (478,508) and interest-bearing liabilities to EUR 331,447k (326,882), of which the bond comprised EUR 45,000k (45,000). The bond was redeemed after the end of the period. Green financing comprised 64 per cent (64) of total interest-bearing liabilities. During the period, new credits of EUR 10,519k have been raised, and EUR 56,481k has been refinanced. Unutilised overdraft credit facilities amounted to EUR 3,000k (3,000).

The average interest rate was 4.2 per cent (3.4), the average fixed-interest period 1.3 years (1.8) and the average capital tie-up period was 2.0 years (2.3). The interest coverage ratio was 2.3x (2.5). All interest-bearing liabilities, except the unutilised bank overdraft facility, carry variable interest tied to Euribor 3M or 6M. 64 per cent (71) of total interest-bearing liabilities have interest fixed using derivatives.

During the period, liabilities of EUR 5,954k have been repaid. The annual repayment rate under the credit agreements amounted to EUR 7,486k (8,301), corresponding

to 2.3 per cent (2.5) of interest-bearing liabilities. Eastnine’s derivatives comprised EUR 212,623k (230,679) in interest rate swaps. The derivatives are measured at fair value and the change in value is recognised through profit or loss, with no effect on cash flow. The fair value of the derivatives amounted to EUR 8,585k (11,022). At the end of the term, the value of derivatives is always zero.

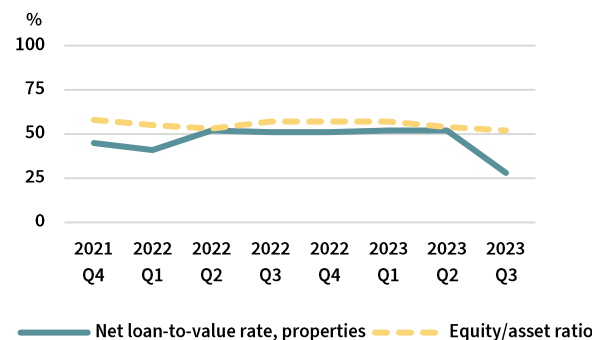
Net asset value and equity per share

Long-term net asset value per share was EUR 18.3 (21.9) at the end of the period, corresponding to SEK 211 per share (243). Equity per share was EUR 18.0 (21.5), corresponding to 207 SEK per share (240).

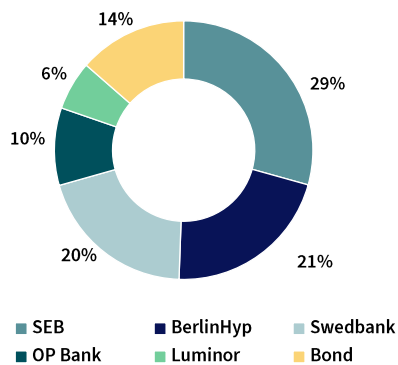
Cash flow

Cash flow from operating activities before changes in working capital amounted to EUR 12,449k (19,386) for the period. Change in working capital was EUR -926k (-3,053). Cash flow from investing activities amounted to EUR 142,310k (-107,755) and from financing activities to EUR -449k (82,722). Cash flow for the period amounted to EUR 153,383k (-8,700) and currency translation differences for the period amounted to EUR 6k (68). Cash and cash equivalents at the end of the period was EUR 173,209k (20,569).

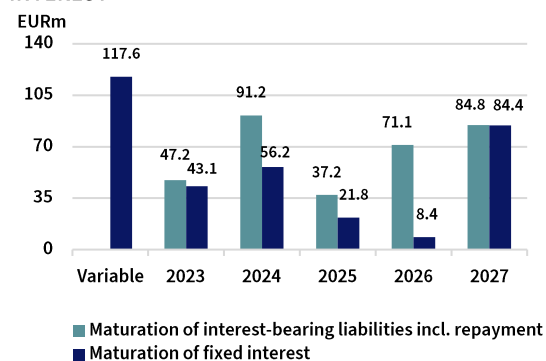
NET LOAN-TO-VALUE RATE AND EQUITY/ASSET RATIO



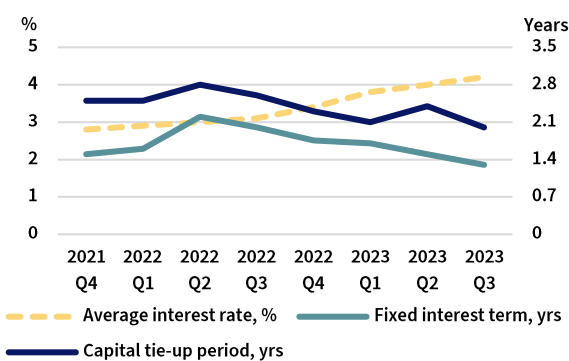
DISTRIBUTION OF INTEREST-BEARING LIABILITIES



MATURITY STRUCTURE INTEREST-BEARING LIABILITIES¹ & INTEREST²



INTEREST RATE LEVEL AND FIXED-INTEREST TERM



¹ Including repayments.

² The bond of EUR 45m was redeemed early in October 2023. The redemption will reduce the interest-bearing liabilities maturity in 2023, and the fixed interest maturing in the variable column, in the chart above.

Property portfolio

Property value has decreased during the period to EUR 573m (606). Unrealised value changes amounted to around EUR -35m, corresponding to -5.7 per cent. The value change is primarily due to higher yield requirements in the valuations, amounting on average to 6.2 per cent at the end of the period.

Property portfolio

As at 30 September 2023, Eastnine's property portfolio comprised 13 modern office properties and one development property with a combined market value of EUR 573.1m (606.2), of which development properties contributed EUR 12.6m (12.6). The properties are located in the inner cities of Riga, Poznan and Vilnius, with excellent transport connections and accessibility. Office premises comprise 96 per cent of the total lettable area. The remaining 4 per cent primarily comprise service and retail premises.

The economic occupancy rate amounted to 95.3 per cent (96.3) and the area-based occupancy rate to 95.0 per cent (96.0). Rental value has increased to EUR 38.0m (35.7). The surplus ratio has improved, amounting to 93 per cent, in comparison to the 2022 figure of 91 per cent. The average age of the property portfolio, excluding buildings on the Kimmel development site, was 9.5 years (8.8) at the end of the period.

Lithuania

In Vilnius, the capital of Lithuania, Eastnine's modern and sustainable office properties are concentrated to three areas: the central business district, the parliamentary quarters and the development area near the central station. The central business district, along the street Konstitucijos prospektas north of the river Neris, is home to a large part of the class A offices in Vilnius. This is where Eastnine's three S7 properties and two 3Bures properties are located. Eastnine's properties Vertas-1, Vertas-2 and UniQ are located in the parliamentary quarters. The property Uptown Park is located in an area with several new developments near the central station, just outside Vilnius' old town.

At the end of the third quarter, Eastnine's combined lettable area in Vilnius amounted to around 120,900 sq.m., corresponding to a market share of around 11 per cent of the office market in the city. The rental value increased during the period to EUR 24.9m (23.7). The property value was EUR 379.5m (403.7), at the end of the period, of which development properties contributed EUR 0.3m (0.3).

Poland

Eastnine's office property Nowy Rynek D is located in Poland's fifth largest city, Poznan. The property is centrally located in Poznan's business district, close to both the central station and the old town. At the end of the third quarter, Eastnine's lettable area in Poznan amounted to around 39,300 sq.m., estimated to correspond to 6 per cent of the office market in the city. The rental value amounted to EUR 8.4m (7.5) and the property value to EUR 118.0m (120.9) at the end of the period.

Latvia

In Riga, the capital of Latvia, there is not as yet a clearly delineated business district, and modern office buildings are being developed in a number of smaller micro-areas. All of Eastnine's properties are centrally located in the city, along one of the city's most important streets Krisjaņa Valdemara iela, and the adjacent street Zala iela. The total lettable area in the property portfolio amounted to around 22,600 sq.m., estimated to correspond to around 4 per cent of the office market in the city. The rental value amounted to EUR 4.7m (4.5). Property value including development properties amounted, at the end of the period, to EUR 75.6m (81.6), of which the value of development properties contributed EUR 12.3m (12.3).

PROPERTY PORTFOLIO BY SEGMENT

Segment	Lettable area, sq.m.				Of which vacant, sq.m.	Economic occupancy rate	Property value, EURm	Share of value, %
	Offices	Retail and service	Other	Total area				
Lithuania	117,371	3,247	294	120,912	6,499	95.0	379.5	66
Poland	38,417	576	265	39,258	-	100.0	118.0	21
Latvia	20,079	2,476	25	22,581	2,713	88.1	75.6	13
Total	175,867	6,299	585	182,751	9,212	95.3	573.1	100

Property development

At the end of the period, Eastnine had three future development projects.

The Pine, a project in Riga, is planned for development in an existing building on the Alojas Biroji property and is estimated to comprise around 15,600 sq.m. of lettable area. The Kimmel development property, comprising land in central Riga, is estimated to around 35,000 sq.m. of lettable area when complete. Eastnine is also planning to construct a new office building on existing land adjacent to the 3Bures properties in the central business district of Vilnius, naming the new building 3Bures-4. The building is expected to comprise around 13,200 sq.m. of lettable area.

All of these projects are currently on hold due to considerable uncertainty relating to new development.

Value changes in properties

The value of the properties decreased during the period to EUR 573.1m (606.2). Investments in existing properties amounted to EUR 1.6m while unrealised value changes had a negative impact on the value of EUR 34.7m, corresponding to -5.7 per cent of the property value at the beginning of the year. Higher market rents as well as rent indexation have

had positive impacts on property value, while increased yield requirements, as a result of sharply increasing interest rates, have had the opposite effect. The weighted yield requirement continued to increase during the third quarter to 6.2 per cent, compared to 6.1 per cent in the second quarter and 5.6 per cent at the turn of the year.

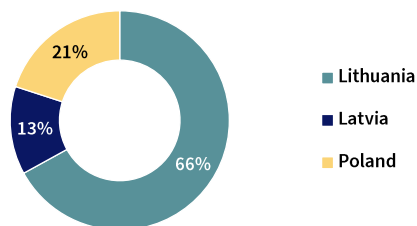
Acquisitions and investments in the property portfolio

There have been no acquisitions during the period. Investments in existing properties have mainly related to investments for existing and new tenants.

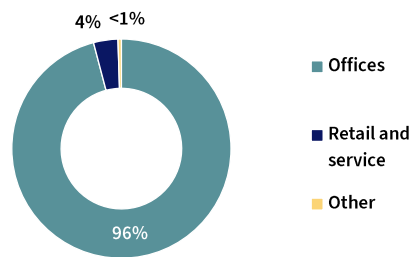
CHANGE IN PROPERTY VALUES

EURk	2023	2022
	Jan-Sep	Jan-Dec
Property values at the beginning of the year	606,222	469,817
Property acquisitions	-	120,906
Investments in existing properties	1,566	6,116
Unrealised value changes	-34,706	9,383
Property values at the end of the period/year	573,082	606,222

PROPERTY VALUE BY SEGMENT



AREA BY CATEGORY



In August 2023, the holding in MFG was sold, meaning that Eastnine is now purely a real estate company.

Modern offices in geographical focus areas

The office is a part of a company’s brand, as well as a venue where the values of companies and people interact. For tenants that place a high value on the indoor climate, working conditions, reception, service availability and sustainability, Eastnine offers modern and sustainable offices in a first-class property portfolio in central locations. Eastnine’s strategy is to hold a considerable market position in order to be able to offer alternatives to tenants wishing to move to larger or smaller spaces. Premises are designed based on the needs and identity of the tenants. The majority of properties have a reception, access to a café, restaurants, gyms, tailoring and dry-cleaning, and parking for cars and bicycles.

Being an Eastnine tenant

In the Baltics and Poland, a majority of leases have defined terms and expire unless renegotiated. Extending the lease agreements therefore require both parties to actively renegotiate. In these agreements, there may also be a unilateral right for the tenant to terminate the lease early.

By being present locally, Eastnine strives for long-term and value-generating relationships characterised by collaboration, engagement and a high degree of service. As a landlord, Eastnine strives to be attentive to its tenants, inviting them to a continual dialogue to discuss their future requirements for premises.

Lease agreements and annual rents

Annual rents under contract amounted to EUR 36.2m at the end of the period, of which annual rents from leases with the ten largest tenants comprised 59 per cent. The remaining average lease term across all leases amounted to 3.9 years.

At the end of the period, the average annual rent for premises amounted to EUR 194 per sq.m. In Lithuania, the average annual rent was EUR 194 per sq.m., in Latvia EUR 183 per sq.m. and in Poland EUR 201 per sq.m. Total rental income, for all lease agreements over the duration of their terms, amounted to EUR 139.1m, of which EUR 70.3m falls due in 2026 or later. For all of Eastnine’s office premises, the rent is paid monthly. As security, Eastnine normally receives 2–3 months’ worth of rent from its tenants in connection with the leases being signed.

Lettings, renegotiations and terminations

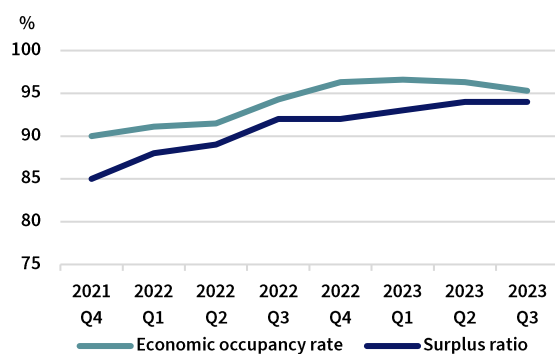
Net letting during the period, i.e. signed agreements less terminated agreements, amounted to -5,527 sq.m., corresponding to annual rents of EUR -604k. Of the net letting during the period, -1,826 sq.m. or EUR -430k took place in the third quarter. The average annual rent on leases newly signed during the third quarter amounted to EUR 205 per sq.m., and leases have been renegotiated at EUR 211 per sq.m., to be compared with the average rent in Eastnine’s property portfolio, which amounts to EUR 194 per sq.m. Of the net letting, around 1,200 sq.m. were due to be occupied after the end of the period, and 5,800 sq.m. to be vacated, all of which in the fourth quarter.

LARGEST TENANTS

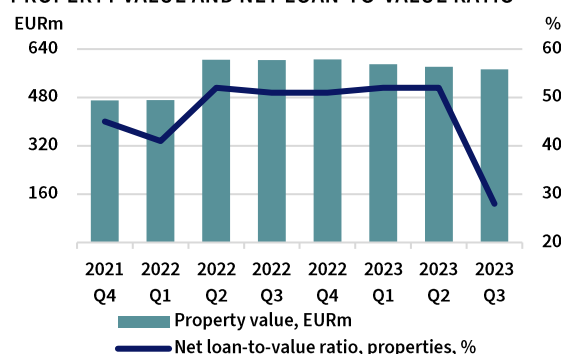
Tenant	Annual rent, EURk ¹	Share of annual rent under contract, %	Sq.m.
Allegro	5,676	16	26,283
Danske Bank	4,973	14	26,588
Telia	3,044	8	15,952
Vinted	1,927	5	9,605
Swedbank	1,628	5	9,030
Rockwool	1,421	4	6,870
Twoday	807	2	3,908
Citco	747	2	3,009
Invalda Technology Group	601	2	3,102
Bentley Systems	484	1	2,802
Total	21,308	59	107,149

¹ Annual rent refers to agreed-upon rents for premises, parking and other space.

ECONOMIC OCCUPANCY RATE AND SURPLUS RATIO



PROPERTY VALUE AND NET LOAN-TO-VALUE RATIO



Market value, property portfolio

The properties are valued every quarter, of which external valuation is performed by a certified valuation institute at least once in a rolling twelve-month period. Up until Q3, 10 of 13 properties have been valued by external valuers.

The market value has declined to EUR 573.1m (606.2) at the end of the period.

For more details on the valuation model, the assumptions made and the property values, please refer to the Annual Report 2022, note 10 (Investment properties).

Valuation model and process

The external valuations are carried out in accordance with international valuation standards (IVS 2020). When external valuations are carried out, the properties are always inspected on site. External valuations during the period were carried out by Colliers International Advisors, Colliers Poland and Newsec.

The market value of acquired properties is initially estimated to correspond to the acquisition cost. The fair value of development properties, where there are uncertainties relating to the total cost of the project and where there are no future lease agreements, is estimated to correspond to accrued costs, unless there is other information available at the time of the valuation that indicates that the value might be lower.

The market valuation is always carried out using an individual assessment of each property's future cash flows.

In the Baltics, a valuation model is used based on the present value of future cash flows for a five or ten-year calculation period, with supplements for the present value of residual values at the end of the calculation period. The cash-flow determinations with a longer calculation period

than five years is normally applied to properties with only one or a handful of tenants with long lease terms, where the cash flow is more predictable.

In Poland, external valuations have been carried out using the "hardcore" method, meaning that the current rent is capitalised with supplements or deductions for the difference between market rents and current rent.

Valuation assumptions

Property valuations are based on assessments and assumptions, made at the time of the valuation, of both observable and non-observable input data.

- **Observable data:** Includes e.g. current rental income, past property expenses and investments as well as the current rate of inflation.
- **Non-observable data:** Includes e.g. yield requirements, the discount rate, future rate of inflation, estimated market rent and the long-term vacancy rate.

Non-observable data in the valuation model

The estimated current market rent in the valuations amounted on average to EUR 16.3 per sq.m per month (15.5). The long-term rate of inflation of market rents has on average been estimated to 1.6 per cent (2.0). The long-term vacancy rate applied is on average 3.5 per cent (4.5). The weighted yield requirement was 6.2 per cent (5.6) and the weighted discount rate was 7.7 per cent (7.6).

VALUATION ASSUMPTIONS

	Latvia	Lithuania	Poland	Average/ interval 30 Sep 2023	Average/ interval 31 Dec 2022
Average market rent, EUR/sq.m./month	15.4	16.6	16.0	16.3	15.5
Investment for new letting, EUR/sq.m., ¹	250	160-250	250	160-250	160-250
Weighted average cost of capital, %	6.3	6.1	6.7	6.2	5.6
Weighted yield requirement, %	8.3	8.1	6.2	7.7	7.6

¹ The Nowy Rynek D property in Poland was valued on 31 December at cost.

RENTAL VALUE AND ECONOMIC OCCUPANCY RATE

Area by category	Sq.m.	Rental value, EURm	Rental value, EUR/sq.m./year	Economic occupancy rate, %
Offices	175,867	34.4	196	95.5
Retail and service	6,299	1.2	187	86.7
Parking	-	2.2	-	94.7
Other ¹	585	0.2	129	100.0
Total	182,751	38.0	195	95.3

¹ Includes rental value for warehouse premises and other agreed-upon rental income in addition to rents for offices retail and service premises, as well as parking.

Current earning capacity, properties

In order to facilitate the assessment of the Company's current position, Eastnine reports on current earning capacity. Earning capacity is a theoretical assessment to describe the Company's current earnings as at 30 September 2023.

Earning capacity provides a snapshot

Earning capacity is not to be regarded as a forecast for the coming twelve months, but as a snapshot of the potential earnings Eastnine can generate under given circumstances. It is based on the property portfolio held on the reporting day. Earning capacity includes current lease agreements but no assessment as relates to the future development of rents and the vacancy rate, or any other future changes of property expenses, interest rates, value changes or other factors that affect earnings.

Eastnine's calculated earning capacity is based on the following assumptions about income and costs:

- Rental income refers to income under contract on the balance sheet date.
- Property expenses and central administration expenses correspond to the actual outcome over the last twelve months preceding the report date.
- Interest expenses have been calculated based on the interest-bearing liabilities as on the balance sheet date and the average interest rate.
- Interest income and other financial income and expenses has been estimated to correspond to the budget, with supplements for future annual income and expenses that have been added during the period.

Below, Eastnine also presents the current earning capacity based on 30 September, but excluding the bond, which was redeemed early on 10 October 2023.

Comment to earning capacity

- Rental income has increased somewhat in comparison to the end of the second quarter, due to indexation of certain leases.
- The vacancy rate has increased due to a lower occupancy rate.
- Property expenses have decreased, primarily due to lower electricity and heating charges.
- Central administration expenses have decreased, primarily due to lower staff expenses.
- Interest income is received from the placement of cash following the divestment of MFG. Redemption of the bond results in lower interest income.
- Interest expenses have increased due to a higher interest rate. Redemption of the bond results in lower interest expenses.
- Other financial income and expenses have decreased as a result of the early redemption of the bond.
- Profit from property management has increased, primarily due to returns on liquid funds.
- The interest coverage ratio has increased due to interest income and will rise further after redemption of the bond.
- The average interest rate has increased due to higher market interest, but will fall after redemption of the bond.

	2023 30 Sep	2023 30 Jun	Change, %	2023 30 Sep excl. bond
Current earning capacity, EURk				
Rental value	38,037	37,807	+1	38,037
Less vacancy values	-1,805	-1,383	+31	-1,805
Sum rental income	36,232	36,424	-1	36,232
Property costs	-2,447	-2,498	-2	-2,447
Net operating income	33,785	33,926	0	33,785
Central administration expenses	-3,948	-4,054	-3	-3,948
Interest income	5,885	-	-	4,488
Interest expenses	-14,056	-13,331	+5	-10,234
Other financial income and expenses	-59	-311	-81	-59
Profit from property management	21,607	16,230	+33	24,032

	2023 30 Sep	2023 30 Jun	Change, unit	2023 30 Sep excl. bond
Key figures, current earning capacity				
Surplus ratio, %	93	93	0	93
Interest coverage ratio, x	2.5	2.2	+0.3	3.3
Debt coverage ratio, x	11.1	11.1	0.0	9.6
Average interest rate, %	4.2	4.0	+0.2	3.6
Prospective yield, %	5.9	5.8	+0.1	5.9
Prospective yield excl. development properties, %	6.0	6.0	0.0	6.0
Investment properties, EURk	573,082	582,482	-9,400	573,082

Other information

General information

Eastnine AB (publ), corporate ID no. 556693-7404, is a Swedish limited company, listed on Nasdaq Stockholm, with its registered office in Stockholm. The Group's real estate operations are administered by wholly-owned subsidiaries in each of the Eastnine Group's countries of operations. At the end of the period, the Eastnine Group had 22 (23) full-time employees, of which nine (9) were employed at the head office in Stockholm, eight (9) in Vilnius and five (5) in Riga. The Company and the Group's interim report concerns the period January–September 2023. All figures are presented in EUR thousands unless otherwise stated. Rounding differences may occur.

Risks and uncertainties

The dominant risks in Eastnine's operations are commercial risks in the form of changes in rent levels, vacancies, interest rates, and changes in the economic or business climate as well as exchange rates in the markets where Eastnine operates. Changes in the business environment, such as changes to the business cycle, local, politics and planning risk, as well as the risk of changes in the value of properties may affect Eastnine's operations.

High inflation have resulted in higher financing expenses and have therefore negatively impacted the business. A generally weaker macroeconomic outlook, with an increased risk of recession, may affect the tenants' ability to pay and their demand for offices. There is a risk of negative changes in value on investment properties. These are recognised through profit or loss.

Input data and assessments may prove incorrect and conditions may come to change, which in turn can cause value changes.

A description of Eastnine's material risks is provided in the Company's Annual Report 2022 on pages 54–60. A current market analysis is provided in the Market section on page 5.

The Parent Company

Net profit/loss for the period amounted to EUR -47,149k (83,290). The profit/loss includes a value change and dividend attributable to MFG of EUR -50,168k (83,569). For the Parent Company's income statement and balance sheet, see p. 25.

Dividend

The 2023 Annual General Meeting, held on 3 May, determined a dividend of SEK 3.40 per share (3.00), to be paid in quarterly instalments (on four occasions) of SEK 0.85 per share each. The dividend comprised 51 per cent of profit from property management after current tax for 2022, translated using the exchange rate at year-end. The first payment took place in May and the second in August 2023.

Outcomes in the LTIP 2020 incentive programme

Eastnine's 2020 AGM decided to introduce a long-term incentive programme for employees of the Company (LTIP 2020). The term of the programme was just about three years. At the end of the programme, the combined fulfilment rate of the conditions was 59.1 per cent. The programme awarded shares in August 2023. In total, 23,262 shares were awarded.



Sustainability can be take several forms. At Eastnine's property Nowy Rynek D in Poznan, Poland, the roof is covered in vegetation to delay and reduce the amount of water run-off during heavy rainfall, solar panels contribute to electricity generation and beehives to the city's biodiversity.

Sustainability

Eastnine undertakes active sustainability efforts. Sustainability disclosures for the period follow below. A more detailed description of the Company's material issues, sustainability goals, GRI indicators are provided in the 2022 Annual Report.

Sustainability information for the period:

- Eastnine's property Valdemara Centrs in Riga was re-classified from energy class C to class B.
- With a 50/50 gender distribution in the Board as well as in executive management, Eastnine is at the top of the Allbright Foundation's comparison of sustainability in the 361 listed companies in Sweden.
- Eastnine's Polish property Nowy Rynek D obtained the WELL Gold certification in the second quarter. This certificate focuses on the health and well-being of the tenants working in the building. The certification is awarded in addition to an existing WELL Health and Safety certificate.
- The property Zala 1 in Riga obtained, during the first quarter, a renewed LEED Platinum certification for existing buildings, which is the same high level of certification as previously.
- At the end of the period, 94 per cent of property area held sustainability certification¹, on at least the level of either LEED Platinum or BREEAM Excellent. 6 per cent of the property area was, at the end of the period, subject to ongoing certification efforts.
- The proportion of green leases amounted to 68 per cent (68).
- Green financing comprised 64 per cent (64) of interest-bearing liabilities.

Accounting principles

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as approved by the European Commission for application within the European Union. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary accounting rule for groups) has been applied. The accounting policies have been consistently applied to all periods presented in the financial statements, unless otherwise stated.

The interim report has been prepared in accordance with the International Accounting Standards (IAS) 34 Interim Financial Reporting and the Swedish Annual Accounts Act (Årsredovisningslagen).

The accounting policies and calculation methods applied are in all material respects unchanged compared to those applied for the 2022 Annual Report. The interim report is to

read together with the annual report. None of the new or amended IFRS standards or interpretations from the IFRS Interpretations Committee are currently considered to impact Eastnine's reporting or financial position.

Investment properties

Investment properties have initially been reported at acquisition value and thereafter at fair value, in accordance with IAS 40. Valuation of the group's investment properties have been made in accordance with Level 3 of IFRS 13.

Interest-bearing liabilities

Eastnine's liabilities to credit institutions and bondholders have been valued at accrued cost.

Derivatives

Derivatives are carried at fair value in accordance with level 2 of IFRS 13.

Parent Company's accounting policies

The Parent Company prepared its accounts in accordance with RFR 2, Reporting of a legal entity, as well as the Swedish Annual Accounts Act (Årsredovisningslagen) and applies the same accounting principles, calculation methods and valuation methods as at the last annual report.

Segment Reporting

Eastnine classifies and evaluates its various segments based on geography as well as the nature of the investments. The Company's senior executives and Board divide the holdings into the following segments: Properties in Lithuania, Properties in Latvia, Properties in Poland, and Other investments.

Related parties

Eastnine AB has a related party relationship with its subsidiaries, see Note 29 in the 2022 Annual Report, as well as with Board members and employees. Eastnine's executive management, Board members and their close relatives and related companies control, at the end of the period, 31 per cent (30) of the votes in the Company.

Key events after 30 September 2023

On 10 October 2023, the early redemption of Eastnine's outstanding green bonds was carried out. The redemption price amounted to 102.25 per cent of the total nominal amount.

Eastnine received 87 of 100 points in GRESB's annual ESG evaluation of real estate companies, resulting in four stars (5).

¹ Sustainability-certified area relates to area that has received a certification on the level of at least LEED Gold or BREEAM Excellent, as a proportion of total area, excluding the property Kimmel, which is expected to be subject to considerable redevelopment.

Assurance from the CEO

The CEO certifies that the interim report presents a true and fair view of the Parent Company's and the Group's operations, financial position and profits and describes the significant risks and uncertainties facing the Company and the Group.

This interim report has been subject to review by the Company's auditor.

Stockholm, 26 October 2023

Kestutis Sasnauskas
CEO

Review Report

To the Board of Eastnine AB (publ)

Corporate id. 556693-7404

Introduction

We have reviewed the condensed interim financial information (interim report) of Eastnine AB (publ) as of 30 September 2023 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of the Review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 26 October 2023

KPMG AB

Peter Dahllöf
Authorized Public Accountant

The share

The Eastnine share has risen by 30 per cent since the turn of the year. During the same nine-month period, the sector index OMX Stockholm Real Estate GI has fallen by 10 per cent. The long-term net asset value per share has decreased since the turn of the year and amounted to SEK 211 at the end of the period.

Share price development and volume

Eastnine’s share price was SEK 156.8 (120.8) at the end of the third quarter, an increase of 30 per cent since the turn of the year. The highest closing price was noted on 25 September, at SEK 163.6, and the lowest closing price of SEK 93.4 was noted on 28 March.

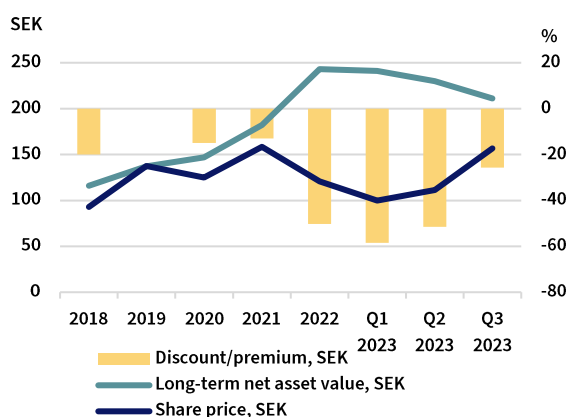
The Company’s market capitalisation amounted as of 30 September to SEK 3.5 billion (2.7). The average daily volume on Nasdaq amounted to 9,364 shares (10,036) during the period January–September. The free float¹ amounted on 30 September to 40.8 per cent (44.8).

Net asset value

The long-term net asset value per share has decreased during the year, amounting at the end of the period to SEK 211 (243) or EUR 18.3 (21.9). Equity per share has fallen to SEK 207 (240) or EUR 18.0 (21.5).

Unrealised value changes in properties and realised value changes in other investments have decreased the net asset value per share during the period, while profit from property management increased the net asset value. The long-term NAV discount has decreased during the period and amounted on 30 September to 26 per cent (50).

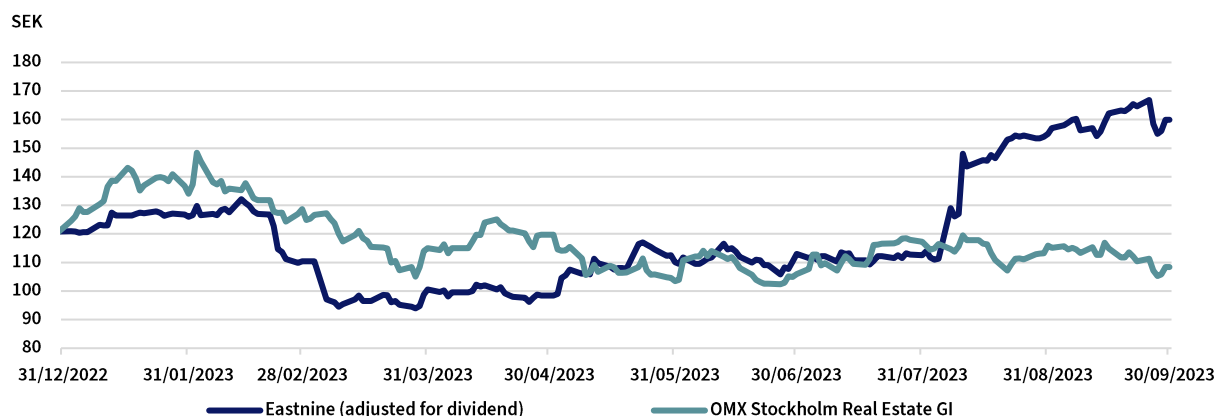
SHARE PRICE AND NET ASSET VALUE



KEY FIGURES

Data per share	2023	2022
	30 Sep	31 Dec
Equity, EUR	18.0	21.5
Long-term net asset value, EUR	18.3	21.9
Share price, EUR	13.6	10.9
Equity, SEK	207	240
Long-term net asset value, SEK	211	243
Share price, SEK	156.8	120.8

SHARE PRICE



¹Free float is based on the definition and methodology defined by Holdings Free Float. Source: Modular Finance.

Number of shares

Eastnine's share is listed on Nasdaq Stockholm Mid Cap, Real Estate. The total number of shares in Eastnine AB (publ) amounted to 22,370,261 at the end of the period. Adjusted for repurchased shares held in treasury, the number of shares amounted to 22,231,008 (22,207,746). In August, shares were awarded in connection with the outcome of LTIP 2020. Read more about this on page 14. The proportion of shares that are Swedish-owned amounted on 30 September to 84.6 per cent (80.0).

The number of known shareholders was, on 30 September, 5,770 (5,662). Three owners, Peter Elam Håkansson, Bonnier Fastigheter Invest and Arbona, each held at least ten per cent of the total number of shares in the Company.

Buy-back

On 30 September 2023, the Company held 139,253 (162,515) own shares in treasury, corresponding to around 0.6 per cent of the total number of shares. Repurchased shares may come to be used in Eastnine's Long-term incentive

programmes (LTIP). The dilution effect of repurchased shares that at the end of the period are expected to be used for current LTIPs is stated for the earnings per share measure. At the AGM 2023, the Board received a new mandate to decide on share buy-back, providing that the Company's holding of treasury shares not exceed at any time 10 per cent of all shares in the Company.

In August 2023, the participants in LTIP 2020 were awarded shares, reducing the number of shares held in treasury by Eastnine by a corresponding amount. More details about this are provided in the section Outcomes of the incentive programme LTIP 2020, on page 14.

Dividend

The 2023 AGM decided on a dividend of SEK 3.40 per share (3.00), to be paid quarterly on four occasions, in payments of SEK 0.85 per share each. The dividend comprised 51 per cent of profit from property management after current tax for 2022, translated using the exchange rate at year-end.

The first payment took place in May and the second in August 2023.

LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2023

Shareholders	Number of shares	%	Change 2023 p.p.
Peter Elam Håkansson ¹	5,837,617	26.1%	+0.2
Bonnier Fastigheter Invest AB ²	3,888,262	17.4%	+4.2
Arbona AB (publ)	2,284,345	10.2%	+0.2
Kestutis Sasnauskas ¹	968,647	4.3%	0.0
Patrik Brummer ¹	832,930	3.7%	0.0
Avanza Pension	508,701	2.3%	0.0
Nordnet Pensionsförsäkring	425,097	1.9%	+0.1
Karine Hirn	411,288	1.8%	0.0
Dimensional Fund Advisors	336,416	1.5%	0.0
Staffan Malmer	298,334	1.3%	+0.2
Gustaf Hermelin	208,000	0.9%	0.0
Albin Rosengren	205,348	0.9%	0.0
CARN Capital	176,268	0.8%	-0.3
David Lindskog	172,000	0.8%	+0.7
Jacob Grapengiesser	167,861	0.8%	0.0
15 largest	16,721,114	74.7%	+5.3
Eastnine AB (repurchased shares)	139,253	0.6%	-0.1
Other	5,509,894	24.6%	-5.2
Total	22,370,261	100.0%	0.0

¹ Privately and via companies. Source: Modular Finance.

Summary financial reports



The entrance to Eastnine's property 3Bures-3 in the central business district of Vilnius.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousands	2023	2022	2023	2022	2022	2022/2023
	Jan-Sep	Jan-Sep	Jul-Sep	Jul-Sep	Jan-Dec	Oct-Sep
Rental income	27,200	21,804	9,056	8,228	30,299	35,695
Property expenses	-1,788	-2,154	-576	-636	-2,812	-2,447
Net operating income	25,411	19,650	8,481	7,592	27,487	33,248
Central administration expenses	-2,774	-3,051	-851	-957	-4,224	-3,948
Interest income	833	-	786	-	23	855
Interest expenses	-9,828	-6,481	-3,643	-2,506	-9,374	-12,721
Other financial income and expenses	-427	-305	-209	-128	-498	-620
Profit from property management	13,215	9,813	4,564	4,001	13,413	16,815
Unrealised changes in value of properties	-34,706	7,535	-10,004	-2,467	9,383	-32,858
Unrealised changes in value of investments	-	76,519	-	58,108	70,789	-5,730
Unrealised changes in value of derivatives	-2,437	11,564	-1,264	6,521	12,417	-1,585
Realised value changes and dividends from investments	-49,870	6,813	-18,913	260	7,075	-49,609
Profit/loss before tax	-73,799	112,244	-25,617	66,423	113,076	-72,967
Current tax	-277	-197	-95	-148	-209	-290
Deferred tax	1,856	-3,210	68	-749	-4,307	760
Net profit/loss for the period/year¹	-72,220	108,837	-25,644	65,526	108,560	-72,497
Other comprehensive income – items that may be reversed to profit or loss:						
Translation differences for foreign operations	-289	-73	-621	-73	147	-77
Tax on items that may be reversed to profit or loss	-8	-	-8	-	-	-8
Total comprehensive income for the period/year¹	-72,517	108,764	-26,274	65,453	108,707	-72,574
Number of shares issued, adjusted for repurchased shares, thousand	22,231	22,208	22,231	22,208	22,208	22,231
Weighted average number of shares before dilution, thousand	22,212	22,208	22,221	22,208	22,208	22,211
Weighted average number of shares after dilution, thousand	22,236	22,211	22,236	22,217	22,226	22,236
Earnings per share before dilution, EUR	-3.25	4.90	-1.15	2.95	4.89	-3.26
Earnings per share after dilution, EUR	-3.25	4.90	-1.15	2.95	4.88	-3.26

¹ Comprehensive income for the period/year is entirely attributable to the parent company's shareholders.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousands	2023	2022	2022
	30 Sep	31 Dec	30 Sep
ASSETS			
Investment properties	573,082	606,222	603,873
Right-of-use assets, leaseholds	2,151	2,234	2,258
Derivatives	8,287	10,037	10,169
Other non-current assets	198	263	306
Total non-current assets	583,718	618,756	616,607
Other current assets	6,455	5,543	5,686
Cash and cash equivalents	173,209	19,820	20,569
Securities holdings held for sale	-	193,355	198,586
Total current assets	179,665	218,718	224,840
TOTAL ASSETS	763,382	837,474	841,447
EQUITY AND LIABILITIES			
Equity	399,378	478,508	478,564
Interest-bearing liabilities	278,961	263,552	320,403
Deferred tax liabilities	16,949	18,788	17,660
Lease liability	2,132	2,216	2,240
Other non-current liabilities	3,102	3,037	4,746
Total non-current liabilities	301,144	287,594	345,050
Interest-bearing liabilities	52,486	63,330	8,301
Other current liabilities	10,375	8,043	9,531
Total current liabilities	62,861	71,373	17,832
TOTAL EQUITY AND LIABILITIES	763,382	837,474	841,447

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousands	Share capital	Other contributed capital	Reserve, translation differences	Retained earnings	Total equity
Opening equity 1 January 2022	3,660	251,567	-	120,766	375,994
Net profit/loss for 1 January-30 September	-	-	-	108,764	108,764
Other comprehensive income for 1 January-30 September	-	-	73	-	73
Dividend to shareholders	-	-6,377	-	-	-6,377
Long-term incentive program	-	111	-	-	111
Closing equity 30 September 2022	3,660	245,301	73	229,530	478,564
Net profit/loss for 1 October-31 December	-	-	-	-204	-204
Other comprehensive income for 1 October-31 December	-	-	74	-	74
Long-term incentive program	-	74	-	-	74
Closing equity 31 December 2022	3,660	245,375	147	229,326	478,508
Net profit/loss for 1 January-30 September	-	-	-	-72,220	-72,220
Other comprehensive income for 1 January-30 September	-	-	-297	-	-297
Dividend to shareholders	-	-6,673	-	-	-6,673
Long-term incentive program	-	61	-	-	61
Closing equity 30 September 2023	3,660	238,762	-150	157,107	399,378

CONSOLIDATED STATEMENT OF CASH FLOW

EUR thousands	2023 Jan-Sep	2022 Jan-Sep	2023 Jul-Sep	2022 Jul-Sep	2022 Jan-Dec	2022/2023 Oct-Sep
Operating activities						
Profit/loss before tax	-73,799	112,244	-25,617	66,423	113,076	-72,967
Adjustments for items not included in cash flow	86,525	-92,661	29,152	-62,072	-92,608	86,577
Income tax paid	-277	-197	-95	-149	-209	-290
Cash flow from operating activities before changes in working capital	12,449	19,386	3,440	4,202	20,259	13,321
Changes in cash flow from changes in working capital						
Increase (-)/decrease(+) in other current receivables	-1,580	5,265	268	-584	6,423	-422
Increase (+)/decrease(-) in other current payables	654	-8,318	553	1,083	-7,132	1,840
Cash flow from operating activities	11,523	16,333	4,261	4,701	19,550	14,739
Investing activities						
Investments in existing properties	-1,566	-5,615	-604	-1,699	-6,116	-2,067
Acquisition of properties	-	-120,906	-	-	-120,906	-
Purchase of equipment	-14	-26	-3	-4	-34	-22
Divestment of other financial assets	143,890	18,792	143,592	2,710	18,792	143,890
Cash flow from investing activities	142,310	-107,755	142,985	1,007	-108,264	141,801
Financing activities						
New loans	10,519	93,340	-	-	93,340	-
Repayment of loans	-5,954	-5,719	-1,618	-2,075	-7,542	-7,777
Payment of lease liabilities	-84	-80	-28	-25	-104	-108
Dividend to shareholders	-4,930	-4,819	-1,669	-1,594	-6,413	-6,524
Cash flow from financing activities	-449	82,722	-3,314	-3,694	79,281	-3,891
Cash flow for the period/year	153,383	-8,700	143,931	2,014	-9,434	152,649
Cash and cash equivalent, opening balance	19,820	29,201	29,287	18,521	29,201	20,569
Exchange rate differences in cash and cash equivalents	6	68	-9	34	53	-9
Cash and cash equivalent, closing balance	173,209	20,569	173,210	20,569	19,820	173,209

KEY FIGURES

	2023 Jan-Sep	2022 Jan-Sep	2023 Jul-Sep	2022 Jul-Sep	2022 Jan-Dec	2022/2023 Oct-Sep
Surplus ratio, %	93	90	94	92	91	93
Interest coverage ratio, multiple	2.3	2.5	2.3	2.6	2.4	2.3
Return on equity, %	-22.0	33.9	-25.5	58.7	25.4	-16.5
Cashflow per share from operating activities, EUR	0.52	0.74	0.19	0.21	0.88	0.66
Cashflow per share, EUR	6.91	-0.39	6.48	0.09	-0.42	6.87
Profit from property management per share, EUR	0.59	0.44	0.21	0.18	0.60	0.76
Earnings per share before dilution, EUR	-3.25	4.90	-1.15	2.95	4.89	-3.26
Earnings per share after dilution, EUR	-3.25	4.90	-1.15	2.95	4.88	-3.26

SEGMENT REPORTING

Eastnine classifies and evaluates the various segments based on geography and the nature of the investments. Segments are presented from the point of view of management and are divided into following: Properties in Lithuania, Properties in Latvia, Properties in Poland and Other investments.

EUR thousands	Properties in Lithuania	Properties in Latvia	Properties in Poland	Other investments	Unallocated	Total
1 Jan–30 Sep 2023						
Rental income	17,859	3,036	6,304	-	-	27,200
Property expenses	-1,044	-628	-116	-	-	-1,788
Net operating income	16,815	2,409	6,188	-	-	25,411
Central administration expenses	-	-	-	-	-2,774	-2,774
Interest income	48	-	-	-	785	833
Interest expenses	-4,028	-1,054	-1,885	-	-2,860	-9,828
Other financial income and expenses	-19	-	-146	-	-262	-427
Profit from property management	12,815	1,355	4,157	-	-5,112	13,215
Unrealised changes in value of properties	-25,407	-6,315	-2,984	-	-	-34,706
Unrealised changes in value of derivatives	-2,245	-83	-109	-	-	-2,437
Realised value changes and dividends from investments	-	-	-	-49,870	-	-49,870
Profit/loss before tax	-14,837	-5,043	1,063	-49,870	-5,112	-73,799
Current/deferred tax	1,677	-1	-97	-	-	1,579
Net profit/loss for the period	-13,160	-5,044	966	-49,870	-5,112	-72,220
Investment properties	379,516	75,615	117,951	-	-	573,082
<i>of which investments/acquisitions during the period</i>	<i>1,220</i>	<i>316</i>	<i>30</i>	-	-	<i>1,566</i>
Interest-bearing liabilities	185,036	31,031	70,380	-	45,000	331,447

EUR thousands	Properties in Lithuania	Properties in Latvia	Properties in Poland	Other investments	Unallocated	Total
1 Jan–30 Sep 2022						
Rental income	16,222	2,533	3,048	-	-	21,804
Property expenses	-1,428	-719	-7	-	-	-2,154
Net operating income	14,794	1,815	3,041	-	-	19,650
Central administration expenses	-	-	-161	-	-2,890	-3,051
Interest expenses	-3,271	-553	-1,076	-	-1,581	-6,481
Other financial income and expenses	-23	-	-63	-	-220	-305
Profit from property management	11,500	1,262	1,742	-	-4,691	9,813
Unrealised changes in value of properties	8,583	-1,048	-	-	-	7,535
Unrealised changes in value of investments	-	-	-	76,519	-	76,519
Unrealised changes in value of derivatives	7,207	686	3,672	-	-	11,564
Realised values and dividends from investments	-	-	-	6,813	-	6,813
Profit/loss before tax	27,290	899	5,414	83,332	-4,691	112,244
Deferred tax	-2,512	-2	-893	-	-	-3,407
Net profit/loss for the period	24,778	898	4,521	83,332	-4,691	108,837
Investment properties	402,363	80,604	120,906	-	-	603,873
<i>of which investments/acquisitions during the period</i>	<i>4,646</i>	<i>969</i>	<i>120,906</i>	-	-	<i>126,521</i>
Securities holdings	-	-	-	198,586	-	198,586
Interest-bearing liabilities	180,227	32,017	71,460	-	45,000	328,704

ASSETS HELD FOR SALE

Table below reports the securities holdings that at the end of the period is measured at fair value in level 2. The holdings in MFG was divested during the period.

Changes in securities holdings held for sale measured at fair value in level 2, EUR thousands	Other investments	
		MFG
Opening balance 1 January 2022		121,830
Unrealised changes in values recognised net in profit/loss		71,525
Closing balance 31 December 2022		193,355
Divestments/Reductions		-143,592
Realised changes in values recognised net in profit/loss		-49,763
Closing balance 30 September 2023		-

VALUATION ASSUMPTIONS

Investment properties	2023 30 Sep	2023 30 Jun	2023 31 Mar	2022 31 Dec	2022 30 Sep
Weighted yield requirement, %	6.2	6.1	5.9	5.6	5.6
Average market rent, EUR/sq.m./month	16.3	16.0	15.9	15.5	15.4
Average discount rate, %	7.7	7.6	7.9	7.6	7.5
Long-term inflation market rent, %	1.6	1.6	2.0	2.0	2.0
Long-term vacancy rate, %	4.5	4.5	4.5	4.5	4.5

SENSITIVITY ANALYSIS

30 September 2023

Investment properties, EUR thousands	Assumptions	Properties in Lithuania		Properties in Latvia		Properties in Poland		Total	
Market rental level, %	+/- 5.0	16,190	-16,073	2,964	-2,941	4,178	-4,179	23,332	-23,193
Occupancy rate, percentage points	+/- 1.0	4,821	-4,838	813	-812	-	-	5,634	-5,650
Yield requirement, percentage points	+/- 0.25	-9,970	10,832	-1,645	1,775	-4,809	5,223	-16,424	17,830

MARKET RISKS, EUR thousands

Effect on profit/loss and equity	Change, %	2023		2022	
		30 Sep	31 Dec	30 Sep	31 Dec
Currency rate, EUR/PLN	+/- 10	4,712	5,507		
				Cash flow and current earning	
				30 Sep	31 Dec
				-602/+602	-488/+488
				-1,205/+1,205	-975/+975

ASSETS AND DEBTS OF FOREIGN CURRENCY, EUR thousands

Cash and liabilities	2023		2022	
	30 Sep	31 Dec	30 Sep	31 Dec
Currency in SEK	511	83		
Currency in PLN	746	370		
Lease liabilities in SEK	211	294		
			Securities holdings	
			30 Sep	31 Dec
			-	193,355

PARENT COMPANY INCOME STATEMENT

EUR thousands	2023	2022	2023	2022	2022	2022/2023
	Jan-Sep	Jan-Sep	Jul-Sep	Jul-Sep	Jan-Dec	Oct-Sep
Other income	1,481	1,397	494	466	1,933	2,017
Central administration expenses	-2,576	-2,527	-840	-791	-3,542	-3,590
Operating profit/loss	-1,095	-1,131	-347	-325	-1,609	-1,573
Dividend received from group companies	3,607	-	-	-	-	3,607
Unrealised changes in value of investments	-	76,756	-	58,363	42,509	-34,246
Realised value changes and dividends from investments	-50,168	6,813	-18,913	260	3,266	-53,715
Financial income	7,194	2,771	1,698	960	2,477	6,900
Financial expenses	-6,687	-1,919	-2,115	-646	-1,340	-6,107
Profit/loss before tax	-47,149	83,290	-19,676	58,612	45,304	-85,134
Tax	-	-	-	-	-	-
Net profit/loss for the period/year	-47,149	83,290	-19,676	58,612	45,304	-85,134

CONDENSED PARENT COMPANY BALANCE SHEET

EUR thousands	2023	2022	2022
	30 Sep	31 Dec	30 Sep
ASSETS			
Right-of-use asset, leaseholds	230	312	337
Shares in group companies	126,298	138,680	138,662
Loans to group companies	78,777	78,777	78,777
Short-term securities holdings	-	193,355	198,586
Other assets	3,345	1,617	2,892
Cash and cash equivalents	159,546	7,620	7,703
TOTAL ASSETS	368,195	420,363	426,957
EQUITY AND LIABILITIES			
Equity	317,640	371,402	377,061
Interest-bearing liabilities	45,000	45,000	45,000
Lease liability	211	294	319
Other liabilities	5,344	3,666	4,577
TOTAL EQUITY AND LIABILITIES	368,195	420,363	426,957

QUARTERLY OVERVIEW

INCOME STATEMENT

EUR thousands	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Rental income	9,056	9,092	9,051	8,495	8,228	7,350	6,226	5,451
Property expenses	-576	-537	-676	-650	-636	-797	-729	-839
Net operating income	8,481	8,555	8,376	7,845	7,592	6,553	5,497	4,612
Central administration expenses	-851	-1,015	-908	-1,175	-957	-1,075	-1,019	-1,000
Interest income	786	27	19	23	-	-	-	-
Interest expenses	-3,643	-3,290	-2,895	-2,893	-2,506	-2,229	-1,746	-1,749
Other financial income and expenses	-209	-175	-43	-200	-128	-118	-51	-122
Profit from property management	4,564	4,102	4,549	3,600	4,001	3,131	2,680	1,742
<i>Unrealised changes in values:</i>								
Properties	-10,004	-7,891	-16,811	1,848	-2,467	10,031	-34	13,957
Investments	-	-31,296	-	-5,730	58,108	62,756	-44,344	31,995
Derivatives	-1,264	131	-1,304	852	6,521	2,757	2,287	689
Realised values and dividends from investments	-18,913	-106	444	262	260	92	6,461	861
Profit before tax	-25,617	-35,060	-13,122	832	66,423	78,766	-32,950	49,244
Tax	-27	192	1,414	-1,109	-897	-2,262	-296	-1,995
Net profit/loss for the period	-25,644	-34,867	-11,708	-277	65,526	76,603	-33,246	47,249
Translation differences for foreign operations	-629	110	222	220	-73	-	-	-
Total comprehensive income for the period	-26,274	-34,757	-11,486	-57	65,453	76,603	-33,246	47,249

BALANCE SHEET - CONDENSED

EUR thousands	2023 30 Sep	2023 30 Jun	2023 31 Mar	2022 31 Dec	2022 30 Sep	2022 30 Jun	2022 31 Mar	2021 31 Dec
Investment properties	573,082	582,482	589,922	606,222	603,873	604,640	471,196	469,817
Long-term securities holdings	-	-	-	-	-	140,222	77,467	121,830
Short-term securities holdings	-	-	-	-	-	2,984	4,172	19,028
Other assets	17,091	18,062	17,482	18,076	18,419	11,356	6,876	12,642
Cash and cash equivalents	173,209	29,287	18,739	19,820	20,569	18,521	67,505	29,201
Securities holdings held for sale	-	162,059	193,355	193,355	198,586	-	-	-
TOTAL ASSETS	763,382	791,890	819,499	837,474	841,447	777,724	627,217	652,518
Shareholders' equity	399,378	425,649	467,042	478,508	478,564	412,965	342,766	375,994
Long-term interest-bearing liabilities	278,961	325,580	261,847	263,552	320,403	322,631	253,634	234,574
Current interest-bearing liabilities	52,486	7,486	62,707	63,330	8,301	8,149	7,162	6,510
Other liabilities	32,558	33,176	27,904	32,084	34,179	33,979	23,654	35,441
TOTAL EQUITY AND LIABILITIES	763,382	791,890	819,499	837,474	841,447	777,724	627,217	652,518

QUARTERLY KEY FIGURES

PROPERTY-RELATED	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Leasable area, sq.m. thousand	182.8	183.0	183.0	182.9	182.9	183.0	143.2	143.2
Number of properties	14	14	14	14	14	14	13	13
Investment properties, EURk	573,082	582,482	589,922	606,222	603,873	604,640	471,196	469,817
Surplus ratio, %	94	94	93	92	92	89	88	85
Economic occupancy rate, %	95.3	96.3	96.6	96.3	94.3	91.5	91.1	90.0
Average rent, EUR/sq.m./month	16.2	16.1	16.1	15.3	15.3	15.2	15.2	14.8
Average rent, EUR/sq.m./year	194	193	193	183	183	183	183	178
WAULT, year	3.9	4.1	4.2	4.4	4.4	4.7	4.1	4.3
Weighted yield requirement, properties, %	6.2	6.1	5.9	5.6	5.6	5.6	5.5	5.6
Environmentally certified properties, % of sq.m.	94	94	94	94	89	63	81	81

FINANCIAL	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Rental income, EURk	9,056	9,092	9,051	8,495	8,228	7,350	6,226	5,451
Net operating income, EURk	8,481	8,555	8,376	7,845	7,592	6,553	5,497	4,612
Profit from property management, EURk	4,564	4,102	4,549	3,600	4,001	3,131	2,680	1,742
Loan-to-value ratio, properties, %	58	57	55	54	54	55	55	51
Net loan-to-value ratio, properties, %	28	52	52	51	51	52	41	45
Capital tie-up period, year	2.0	2.4	2.1	2.3	2.6	2.8	2.5	2.5
Interest tie-up period, year	1.3	1.5	1.7	1.8	2.0	2.2	1.6	1.5
Debt ratio, multiple	11.7	11.8	12.4	14.1	16.3	18.5	15.9	15.7
Net debt ratio, multiple	5.6	10.7	11.6	13.2	15.3	17.5	11.8	13.8
Equity/asset ratio, %	52	54	57	57	57	53	55	58
Interest coverage ratio, multiple	2.3	2.2	2.6	2.2	2.6	2.4	2.5	2.0
Average interest rate, %	4.2	4.0	3.8	3.4	3.1	3.0	2.9	2.8
Return on equity, %	-25.5	-31.1	-9.7	0.0	58.7	81.1	-37.0	53.6

SHARE-RELATED	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Equity, EURk	399,378	425,649	467,042	478,508	478,564	412,965	342,766	375,994
Long-term net asset value, EURk	407,743	432,834	474,611	486,274	486,055	426,241	356,635	391,853
Market capitalisation, EURk	303,049	209,936	197,122	241,250	178,152	178,326	229,161	341,658
Market capitalisation, SEK thousand	3,485,822	2,473,943	2,220,775	2,682,696	1,936,515	1,909,866	2,376,229	3,517,707
Number of shares issued at period end, thousand	22,370	22,370	22,370	22,370	22,370	22,370	22,370	22,370
Number of shares issued at period end, adjusted for repurchased shares, thousand	22,231	22,208	22,208	22,208	22,208	22,208	22,208	22,208
Weighted average number of shares, adjusted for repurchased shares, thousand	22,221	22,208	22,208	22,208	22,208	22,208	22,208	22,169
Cashflow per share from operating activities, EUR	0.19	0.19	0.14	0.14	0.21	0.22	0.31	0.27
Cashflow per share, EUR	6.48	0.47	-0.05	-0.03	0.09	-2.21	1.72	-1.55
Profit from property management per share, EUR	0.21	0.18	0.20	0.16	0.18	0.14	0.12	0.08
Earnings per share before dilution, EUR	-1.15	-1.57	-0.53	-0.01	2.95	3.45	-1.50	2.13
Earnings per share after dilution, EUR	-1.15	-1.57	-0.53	-0.01	2.95	3.45	-1.50	2.12
Equity per share, EUR	18.0	19.2	21.0	21.5	21.5	18.6	15.4	16.9
Equity per share, SEK	207	226	237	240	234	199	160	174
Long-term net asset value per share, EUR	18.3	19.5	21.4	21.9	21.9	19.2	16.1	17.6
Long-term net asset value per share, SEK	211	230	241	243	238	206	167	182
Share price, EUR	13.6	9.5	8.9	10.9	8.0	8.0	10.3	15.4
Share price, SEK	156.80	111.40	100.00	120.80	87.20	86.00	107.00	158.40

OTHER	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
EUR/SEK	11.50	11.78	11.27	11.12	10.87	10.71	10.37	10.30
EUR/PLN	4.64	4.43	4.68	4.69	4.87	4.82	-	-

INTERPRETATION OF KEY FIGURES

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Rental income	9,056	9,092	9,051	8,495	8,228	7,350	6,226	5,451
Net operating income	8,481	8,555	8,376	7,845	7,592	6,553	5,497	4,612
Surplus ratio, %	94	94	93	92	92	89	88	85
Investment properties	573,082	582,482	589,922	606,222	603,873	604,640	471,196	469,817
Interest-bearing liabilities	331,447	333,065	324,554	326,882	328,705	330,780	260,796	241,084
Loan-to-value ratio, properties, %	58	57	55	54	54	55	55	51
Investment properties	573,082	582,482	589,922	606,222	603,873	604,640	471,196	469,817
Interest-bearing liabilities	331,447	333,065	324,554	326,882	328,705	330,780	260,796	241,084
Cash and cash equivalents	173,209	29,287	18,739	19,820	20,569	18,521	67,505	29,201
Net loan-to-value ratio, properties, %	28	52	52	51	51	52	41	45
Equity	399,378	425,649	467,042	478,508	478,564	412,965	342,766	375,994
Add back derivatives	-8,584	-9,849	-9,718	-11,022	-10,169	-3,648	-892	1,395
Add back deferred tax	16,949	17,034	17,288	18,788	17,660	16,925	14,760	14,464
Long-term net asset value, EURk	407,743	432,834	474,611	486,274	486,055	426,241	356,635	391,853
Net operating income	32,294	32,368	30,366	27,487	24,253	21,748	20,121	19,237
Central administration expenses	-3,891	-4,056	-4,115	-4,226	-4,050	-3,888	-3,749	-3,853
Total	28,402	28,312	26,251	23,261	20,203	17,861	16,372	15,384
Interest-bearing liabilities	331,447	333,065	324,554	326,882	328,705	330,780	260,796	241,084
Debt ratio, multiple	11.7	11.8	12.4	14.1	16.3	18.5	15.9	15.7
Net operating income	32,294	32,368	30,366	27,487	24,253	21,748	20,121	19,237
Central administration expenses	-3,891	-4,056	-4,115	-4,226	-4,050	-3,888	-3,749	-3,853
Total	28,402	28,312	26,251	23,261	20,203	17,861	16,372	15,384
Interest-bearing liabilities	331,447	333,065	324,554	326,882	328,705	330,780	260,796	241,084
Cash and cash equivalents	173,209	29,287	18,739	19,820	20,569	18,521	67,505	29,201
Net debt ratio, multiple	5.6	10.7	11.6	13.2	15.3	17.5	11.8	13.8
Profit from property management	4,564	4,102	4,549	3,600	4,001	3,131	2,680	1,742
Interest expenses	3,643	3,290	2,895	2,893	2,506	2,229	1,746	1,749
Profit before interest expenses	8,207	7,392	7,444	6,493	6,506	5,360	4,426	3,490
Interest coverage ratio, multiple	2.3	2.2	2.6	2.2	2.6	2.4	2.5	2.0
Total comprehensive income, annualised	-105,094	-139,029	-45,945	-228	261,812	306,413	-132,983	188,996
Average equity	412,513	446,345	472,775	478,536	445,764	377,866	359,380	352,343
Return on equity, %	-25.5	-31.1	-9.7	0.0	58.7	81.1	-37.0	53.6

Definitions and glossary

Eastnine applies the European Securities and Markets Authority (ESMA) guidelines on alternative performance measures. The Company considers that these measures provide valuable information to investors and the Company's management as they enable evaluation and comparison of the Company's financial position, financial results and cash flow. These financial measures and key figures shall be regarded as a complement to the measures defined in compliance with IFRS. The following key figures are not defined according to IFRS unless otherwise stated.

PROPERTY-RELATED KEY FIGURES

Average rental income

Contracted rental income for premises in relation to leased premises at the end of the period.

Environmentally certified properties

Proportion of sustainability certified (the level of at least LEED Gold or BREEAM Excellent) property area in relation to total property area, excluding properties expected to undergo significant redevelopment.

Lettable area

Total area available for letting.

Occupancy rate, by area

Occupancy rate in relation to lettable area.

Occupancy rate, economic

Contracted annual rent at the end of the period in relation to the rent value.

This indicator is used to facilitate the estimation of rental income for vacant premises and other financial vacancies.

Rental value

Contracted annual rents which are current at the end of the period with supplements for discounts and estimated market rent for vacant premises.

Surplus ratio

Net operating income in relation to rental income.

Triple net agreement

Lease agreement where the tenant, in addition to the base rent, also pays costs related to the leased area. These costs include operational and maintenance costs, property taxes, site leasehold fees, insurance and property upkeep.

Vacancy rate, by area

Vacancy rate in relation to lettable area.

Vacancy rate, financial

Annual rent for vacant premises at the end of the period in relation to the rent value at the end of the period.

WAULT

Average remaining agreement term of rental agreements at end of period, weighted according to contracted rental income.

The indicator shows the weighted risk of future vacancies.

Yield requirement, earning capacity

Net operating income in relation to investment properties.

Yield requirement, properties

The yield requirement is used in valuations and relate to the yield requirement at the end of the calculation period. The yield requirement is based on the market return requirement for similar investment objects, with the addition of risks related to real estate, such as geographical location, the condition of the properties and future vacancy risk.

FINANCIAL KEY FIGURES

Average interest rate

Average interest rate on interest-bearing liabilities at the end of the period.

Capital tie-up period

Average remaining term for interest-bearing liabilities by the end of the period.

Debt ratio

Interest-bearing liabilities at the end of the period in relation to the rolling twelve-month net operating income less deductions for the rolling twelve-month central administration expenses.

EBITDA

Earnings before interest, tax, depreciation and amortisation.

Equity/asset ratio

Equity in relation to total assets.

Fixed interest term

Average remaining fixed interest term for interest-bearing liabilities by the end of the period.

Interest coverage ratio

Profit from property management, with reversal of interest expenses, in relation to interest expenses.

The indicator shows the extent to which cash flow covers interest expenses.

Loan-to-value ratio, properties

Interest-bearing liabilities in relation to investment properties.

Net debt ratio

Interest-bearing liabilities at the end of the period after deduction for cash and cash equivalents, in relation to the rolling twelve-month net operating income less deductions for the rolling twelve-month central administration expenses.

Net loan-to-value ratio, properties

Interest-bearing liabilities after deduction for cash and cash equivalents, in relation to investment properties.

Net operating income

Rental income less property expenses.

Profit from property management

Earnings before value changes, dividends received and taxes.

Rental income

Debited rents, rent supplements, and rental guarantees less rental discounts.

Return on equity

Total comprehensive income for the period, recalculated on a 12-month basis, in relation to average equity.

SHARE-RELATED KEY FIGURES**Cash flow from operating activities per share**

Period's cash flow from operating activities divided by the weighted average number of shares during the period.

Cash flow per share

Period's cash flow divided by the weighted average number of shares during the period.

Earnings per share (definition according to IFRS)

Net profit/loss for the period attributable to the Parent Company's owners in relation to the average number of shares issued (excluding repurchased shares held in treasury).

Equity per share

Total equity in relation to the number of shares issued (excluding treasury shares).

Long-term net asset value

Equity with reversal of derivatives and deferred tax liabilities according to the balance sheet.

Long-term net asset value per share

Long-term net asset value in relation to the number of shares issued (excluding treasury shares).

Profit from property management per share

Profit from property management divided by the average number of shares during the period.

GLOSSARY**Break option**

Unilateral option allowing the tenant to terminate the lease agreement prematurely. The clause may include a right on the part of the tenant to terminate a lease without additional rent payments.

ESG

Abbreviation for Environmental, Social and corporate Governance.

Fair value

Fair value is the price at which a property transfer may take place between independent and informed parties which have an interest in the transaction taking place. Fair value is considered to be equal to the acquisition value at the acquisition date, after which the fair value may change over time.

Green lease agreements

Lease agreements where Eastnine and the tenant has agreed on proactive efforts to promote and improve the sustainability of the property/premises.

GRESB

Abbreviation for Global Real Estate Sustainability Benchmark.

Gross area

Gross area is the sum of the area of all the floors up to the exterior of the surrounding building sections. The term is used e.g. with regards to property valuations.

ICT

Abbreviation for Information and Communication Technology.

IFRS

Abbreviation for International Financing Reporting Standard. IFRS is an international reporting standard for the preparation of group statements.

Interest rate derivatives

Agreements for the purchase and sale of interest, the price and conditions of which depend on factors such as time, inflation rates, and market. Derivative agreements are usually entered into in order to ensure predictable interest rate levels for some part or the entirety of the interest-bearing loans. Interest rate swaps are a type of derivative where the value on balance day is zero and which expires without further payment flows.

Net asset value discount/premium

The difference between net asset value and market capitalisation. If market cap is lower than net asset value the shares are traded at a net asset value discount; if market cap is higher, shares are traded at a premium.

Net letting

Annual rent income from contracts signed during the period less that of contracts terminated during the period.

Property

Relates to real estate in possession through ownership or site leaseholds.

Share buy-back

Purchasing of own shares on the stock market. Swedish companies have the option to own up to 10 per cent of the total number of shares they have issued, given approval from the AGM.

Sustainability certification frameworks

BREEAM is an abbreviation of Building Research Establishment Environmental Assessment Method.

LEED is an abbreviation of Leadership in Energy and Environmental Design.

Fitwel is an international certification framework for buildings that promotes people's health and well-being at work.

WACC

Abbreviation for Weighted Average Cost of Capital.

Financial calendar

Year-end report 2023	7 February 2024
Interim report January–March 2024	25 April 2024
Annual General Meeting 2024	25 April 2024
Interim report January–June 2024	5 July 2024
Interim report January–September 2024	25 October 2024
Year-end report 2024	6 February 2025

Dates for payments of shareholder dividend:

Dividend record date	14 November 2023
Expected date of payment	17 November 2023
Dividend record date	23 January 2024
Expected date of payment	26 January 2024

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