

eastnine ©

Annual Report 2023

Venues for creative ideas and successful business



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108

3

This is Eastnine

The year in brief	4
An investment into a unique property portfolio	5
Interview with the CEO	6
Goals and outcomes	9
New business plan, vision and business concept	12
New goals	13
Business model	14
Strategies	15
Values	16

17

Sustainability in focus

Sustainability efforts	18
Certification of buildings	19
Spotlight on 2023	20
How we reduce emissions	22
Climate risk analysis	23
Sustainability goals and outcomes	25

29

Our business

Markets	30
Property portfolio	33
Development projects	36
Poland	37
Lithuania	39
Latvia	44
Tenants	47
Current earning capacity	49

50

Financial information and governance

Table of contents	50	Auditor's Report	96
Administration Report	51	Interview with the Chairman of the Board	100
Financing	55	Corporate Governance Report	101
Risks	57	Board of Directors	106
Financial Reports	65	Management	107
Notes to the financial statements	72		
Five-year overview of key figures	93		
Assurance from the Board and CEO	95		

108

Other information

The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

↓ Download printable pdf

Eastnine's statutory annual report is given on pgs. 51–95 and 101–105.



→ This is Eastnine	3
The year in brief	4
An investment into a unique property portfolio	5
Interview with the CEO	6
Goals and outcomes	9
New business plan, vision and business concept	12
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108

This is Eastnine

Eastnine invests in modern, sustainable and high-yielding office properties in Poland and the Baltics. Our ambition is to deliver a competitive total return to shareholders and offer customers a high-quality service beyond expectations.

Profit from property management per share

0.80

EUR (0.60)

Total return on share

46

% (10)

Long-term NAV per share

207

SEK (243)

Surplus ratio

93

% (91)

LTV ratio

27

% (51)

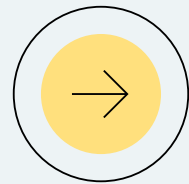
↓ Download printable pdf



This is Eastnine	3
→ The year in brief	4
An investment into a unique property portfolio	5
Interview with the CEO	6
Goals and outcomes	9
New business plan, vision and business concept	12
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108

The year in brief

In 2023, Eastnine reached its goal of becoming a pure real estate company following the sale of the holding in Melon Fashion Group, MFG. The Company's bond was redeemed early, bank loans were refinanced, and the real estate business continued to perform at a high level. Eastnine closed the year with healthy liquidity in a market offering interesting investment opportunities.



94%

of the property portfolio is sustainability-certified.



3Bures-1,2 in Vilnius

In October, the property's LEED Platinum certification was renewed.



Zala 1 in Riga

The property received a renewed LEED Platinum certification in April.



50/50 women and men

Eastnine ranked first in the Allbright Foundation's annual comparison of gender equality in the upper management and Boards of Directors of the 361 companies on Nasdaq Stockholm. Eastnine's Board and management team both consist of equal numbers of men and women.

“Our intention is to manage our current acquisition capacity in the best possible way. There are several very interesting investment options in the current market.”

Statement from the CEO, Kestutis Sasnauskas, following the sale of the holding in MFG in August 2023, which provided Eastnine with EUR 144m in cash.

Key events

- Hanna Loikkanen was elected as a new Board member at the AGM in May 2023.
- In August, Eastnine sold its entire holding in the fashion chain MFG for around EUR 144m. Eastnine thereby achieved its goal of becoming a pure real estate company.
- In October, the Company's sole bond, issued in 2021, was redeemed early. The total redemption amounted to around EUR 46m.
- In December, the Board adopted a new business plan, with new and updated goals. Eastnine shall continue to grow with a focus on profitability.
- In connection with the publication of the year-end report in February 2024, the Board proposed increasing the dividend by 36 per cent, to SEK 4.64 per share.

Download printable pdf



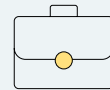
This is Eastnine	3
The year in brief	4
→ An investment into a unique property portfolio	5
Interview with the CEO	6
Goals and outcomes	9
New business plan, vision and business concept	12
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108

An investment into a unique property portfolio

An investment in Eastnine’s share means having an ownership in a Swedish listed real estate company with office properties in the best locations in Poland, Lithuania, and Latvia. Eastnine combines Swedish corporate governance with local property management and market knowledge. Eastnine’s strategic approach and goals create added value for shareholders, tenants, employees and the community.



Plentiful opportunities to relax can be found in the square between the two buildings on the property Nowy Rynek D in Poznan.



Growing property portfolio and markets

Eastnine’s property portfolio comprises premium offices, centrally located in Poznan, Vilnius, and Riga. The goal is that the property portfolio shall grow with profitability. The rate of economic growth on Eastnine’s markets have, for a long time, been higher than the average rate of growth in Europe. The properties are sustainability-certified at a high level. Eastnine’s ambition is to be a leading real estate company in sustainability in our regions and be one of the best among real estate companies globally.



Stable customer base and long-term relationship

Eastnine shall do its utmost to generate a competitive advantage for its customers, by offering a level of service beyond all expectations and provide offices that contribute to good business. Large and stable international companies in finance, information and communications technology (ICT), e-commerce, legal services and accountancy make up most of the customers. Good access to modern premises and well-educated talent, at relatively low cost, attracts international companies to our markets.



A sustainable and attractive total return

Eastnine’s overarching goal is to create a sustainable, attractive total return for its shareholders’ investments. The profit from property management per share shall grow. Return on equity shall amount to at least 10 per cent and dividends to shareholders to at least 50 per cent of the profit from property management after current tax, in both cases over time. Eastnine has a stable financing situation with high liquidity and a low loan-to-value ratio.

↓ Download printable pdf



This is Eastnine	3
The year in brief	4
An investment into a unique property portfolio	5
→ Interview with the CEO	6
Goals and outcomes	9
New business plan, vision and business concept	12
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108

↓ Download printable pdf



Kestutis Sasnauskas, CEO at Eastnine.

Interview with the CEO

A pure real estate company with record profit

Eastnine presented a record profit from property management for 2023. Contributory factors included a larger property portfolio, a higher average occupancy rate and rent level. But the greatest effect comes from, however, the improved net interest following the sale of MFG. The company's solid liquidity enables continued growth in the property portfolio.



This is Eastnine	3
The year in brief	4
An investment into a unique property portfolio	5
→ Interview with the CEO	6
Goals and outcomes	9
New business plan, vision and business concept	12
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108

Interview with the CEO

You have described 2023 as a historic year. What motivates that description?

Many positive things happened in 2023: not least we reported the highest profit from property management ever, following an increase of 32 per cent. What I was primarily referring to, though, is that we reached our goal of becoming a pure real estate company, which has been the plan since 2016. Having gradually divested other investments, and reinvested the resulting capital in properties, there remained only the MFG holding. This was an event of historic importance for Eastnine as the value of our holding was so large, as the transaction was very complex, and as we finally attained this goal after such a long time. The Company now only has investments in properties. This makes it easier for investors generally, and for real estate investors specifically, to evaluate the return on their investments. This also means that we can present our business and our ambitions to investors whose mandate only allows investments in real estate.

Give us a deeper look into the process when the holding in MFG was being sold. What were the challenges, and how did you handle them?

Obviously, selling a Russian asset is complex at a time when Russia has invaded a neighbouring country and there is an ongoing full-scale war, at the same time as EU and the Western world have naturally introduced economic sanctions and restrictions on Russia. Russia is also a country where the rules of business can change from one day to the next, and the

changes that are happening are hardly to the advantage of those who do not share the views of the regime or support its actions. So in addition to finding a buyer who is willing to pay an acceptable price, there are also incredibly many other things that have to be checked and verified to ensure compliance with laws and regulations. Also, the Russian exchange rate fluctuated wildly throughout the process as well, which affected our valuation of the holding at different times. Finally, there was the question of the payment itself and how we would be able to ensure that the purchase consideration would land in our bank accounts in Sweden. We have benefited from our ability to speak the language, experience of doing business in Eastern Europe, access to good advisers, and not least the requisite stamina and trust in that the deal would work out.

Eastnine is reporting, as you say, its highest profit from property management ever. Could you describe what is behind this positive earnings development, while many companies report falling profits from property management due to rising interest expenses?

We have naturally also been affected by rising interest rates. Fortunately, there are other, positive, factors that weigh more heavily. In short, there are two parts to consider: on the one hand, the property business itself, where net operating income rose due to higher average rental level, occupancy rate and property portfolio. The other hand is related to the sale of the holding in MFG, where



“We achieved our goal of becoming a pure real estate company, which has been the plan since 2016.”

the purchase consideration was used in part to repurchase our sole bond, which carried fairly high variable interest, and the remaining liquidity has been placed in bank accounts in Sweden with good interest on deposits.

How do you view your financial situation and what is the plan for liquidity and borrowing going forward?

As a matter of fact, our financial situation is very stable. Interest-bearing liabilities comprise solely bank financing from five different banks in three different countries. We have a considerable cash

balance and a low loan-to-value ratio. If you consider other factors, such as the interest coverage ratio, that figure will most likely be improved in 2024, since it was affected by one-off items in connection with the early bond redemption in the autumn of 2023. In addition, the risk of an increase in the average interest level has decreased, as old loans have been refinanced and as the rate of inflation and the long-term interest rate has fallen. The majority of the liquidity will be invested into properties with good cash flows. The loan-to-value ratio will be higher, but not high.

↓ Download printable pdf



“Today, we are well-prepared with a strong cash balance and the ability to make deals in regions that have considerably higher yield requirements than Sweden.”

This is Eastnine	3
The year in brief	4
An investment into a unique property portfolio	5
→ Interview with the CEO	6
Goals and outcomes	9
New business plan, vision and business concept	12
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108

Eastnine has tripled its property portfolio in five years, and the new business plan states that growth shall continue with a focus on profitability. What do Eastnine’s growth opportunities look like, and on which of your markets do you see the greatest opportunities?

For us, the important thing is not how large the Company is, but that it is profitable. Therefore, Eastnine shall not grow for the sake of growing. Instead, acquisitions should be made if they confer a greater return to the shareholders. Thus far, we have seen considerable economies of scale by adding additional properties to the portfolio. Rising interest rates meant that new acquisitions were less attractive for a while, as property prices were not adjusted downwards at the same pace. Now we see that the difference between what acquired properties can yield and our financing cost once more makes acquisitions very advantageous, not least in Poland, where we see the greatest opportunities right now. We opened with the acquisition of one property in Poznan in the spring of 2022, but have also been clear that we believe Warsaw to be an interesting market. In addition, competition on the Polish market is more limited as the majority of foreign investors, primarily German funds, for a period have been more focused

on other types of investments. At present, we have around EUR 125m in cash balance, and of these, we are ready to use around EUR 100m for acquisitions, meaning that we can acquire for a value of around EUR 200m.

EU has invested considerable funds into Rail Baltica, which is due for completion in 2030. Could you tell us a little bit more about that project and how it may come to affect Eastnine?

Rail Baltica is a collaboration between the EU and the Baltic countries. In total, it is estimated that around EUR 5.8 billion will be invested into a double-track railway, seven international passenger train stations, three freight terminals as well as connecting spurs to airports and sea ports. Passenger services will run between Tallinn and Warsaw, and it will be possible to take a night train all the way to Berlin. Goods trains are planned to go all the way from Helsinki, through the Baltics and Poland, and onwards to Rotterdam, Duisburg and Milan. When Rail Baltica is complete, it will connect the Baltics with Western Europe, which in the end will contribute to greater efficiency and enable economic development. In the short term, the project will generate 13,000 jobs directly and more than 23,000 indirectly. As we are already

established at the present in several large cities along the route of this new railway, this will be valuable both for our customers and for us. We will benefit from improved mobility over the borders as our properties become more attractive from a communications standpoint.

In the new business plan, you promise your tenants to do your utmost to offer them a competitive edge. What does this mean and how do you plan to do it?

By offering office premises and service exceeding the customer’s expectations. The premises shall be not only modern and of technical top quality when it comes to the architectural design and function, but also be located in places that buzz with activity and creativity. We must stay one step ahead and understand our customers’ needs, and be flexible and prioritise long-term, climate-friendly solutions. In this way, our customers can attract the best and most demanding talent, which will contribute to their success.

About a year ago, you announced an investment in PropTech. What has happened with this, and what is the plan?

Technology has been a low-priority area in the real estate industry, but there are interesting things being developed and

implemented that we wish to partake in and benefit from. Our customers are becoming ever more digital and we have to develop our services and the premises. The latter includes making efficiency improvements to property operation and in that regard, digital tools can do wonders. In 2023, we have collected a number of larger property owners and joined the Lithuanian PropTech association so that we can contribute to bringing startups closer to the property business. These companies may test various solutions in our properties, and benefit from having partners that help them develop needed solutions. The event, The Built Environment Decarbonisation Bootcamp, which is expected to attract international players, takes place in Vilnius, March 2024. Our ambition is to support initiatives that, with the help of technology, can make properties more accessible, efficient to operate, and future-proof.

The total return on the share amounted to 46 per cent in 2023, the second-best among real estate companies on Nasdaq Stockholm. Eastnine’s overarching target to create an attractive and sustainable total return for its shareholders was thus, without question, achieved for the year. Which are the greatest risks and opportunities that

might affect the company’s profitability and shareholder return in 2024?

Eastnine’s transformation journey began in 2016 and was completed in 2023. Anyone who invested in Eastnine at the beginning of this journey had tripled their investment by the end of 2023. During the same period, Nasdaq’s real estate index was doubled, while European real estate indices barely grew at all. The focus now is to continue growing our real estate business with high profitability. Today, we are well-prepared with a strong cash balance and the ability to make deals in regions that have considerably higher yield requirements than Sweden, in connection with similar financing expenses. Taken together with the fact that we are located in one of the structurally fastest-growing regions in the EU, the conditions are there for a beneficial development of property values. But there are risks. The war in Ukraine and other geopolitical tensions have created the highest level of uncertainty in two decades. The AI revolution will also affect the market, Eastnine, and our customers. Higher demands will be placed on those who want to navigate in a rapidly changing world.



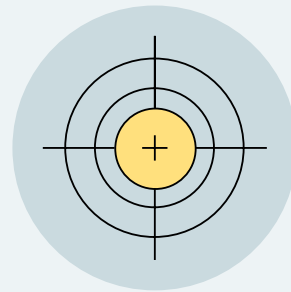
- This is Eastnine** 3
- The year in brief 4
- An investment into a unique property portfolio 5
- Interview with the CEO 6
- [Goals and outcomes](#) 9
- New business plan, vision and business concept 12
- Sustainability in focus** 17
- Our business** 29
- Financial information and governance** 50
- Other information** 108

Goals and outcomes

Eastnine’s Business Plan 2023 was in force up until the end of 2023. Below, and on the following pages, we present the goals and outcomes of the business plan. Eastnine met the majority of its goals on schedule. In December 2023, the Board adopted a new business plan. For more information about the new business plan, refer to page 12 and following pages.

Overarching target

Average annual total return 2021–2023



Eastnine	Competitors ¹
33	-16
per cent	per cent

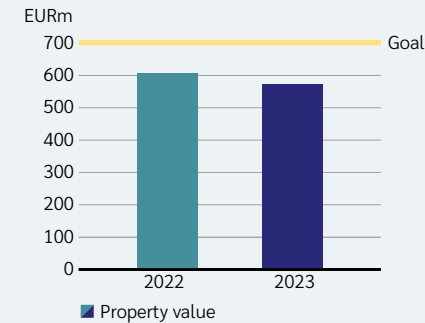
Eastnine’s overarching target has been to create a sustainable, attractive total return on investment for its shareholders. The average annual total return (dividend plus share price development) was to, over time, exceed the median average of comparable European real estate companies. Eastnine exceeded this goal for the period 2021–2023.

¹ Comparable European real estate companies.

This is Eastnine

Investments

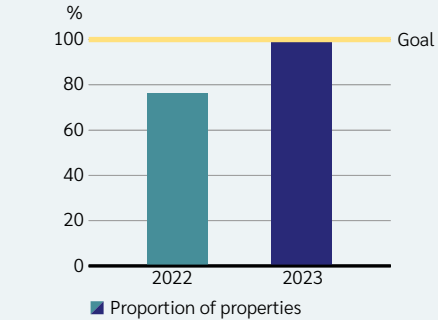
Property portfolio



Goal 2023	Outcome 2023
700	574
EURm	EURm

The goal was that the property portfolio should grow to EUR 700m by the end of 2023. This goal was not met, but has been possible to reach thanks to the sale of the investment in MFG in August.

Streamlining



Goal	Outcome 2023
100	100
per cent	per cent

Eastnine met its goal to streamline the portfolio so that it only included directly-owned real estate. In August 2023, Eastnine divested its holding in MFG, after which 100 per cent of the investments constituted real estate.

Download printable pdf



The property S7-3 in Vilnius

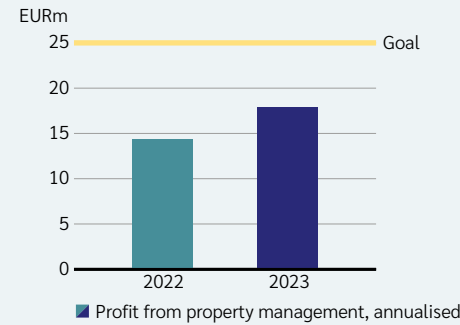


Goals and outcomes

- This is Eastnine** 3
- The year in brief 4
- An investment into a unique property portfolio 5
- Interview with the CEO 6
- **Goals and outcomes** 9
- New business plan, vision and business concept 12
- Sustainability in focus** 17
- Our business** 29
- Financial information and governance** 50
- Other information** 108

Profitability & yield

Profit from property management, annualised¹

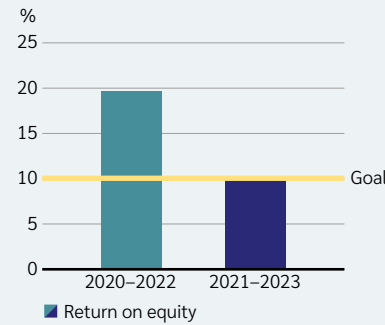


Goal 2023	Outcome 2023
25	17.9
EURm	EURm

Annual profit from property management was to increase to EUR 25m, as calculated based on Q4 2023. A larger property portfolio improves profitability, as fixed expenses normally rise more slowly than income. This goal was not reached, but will be possible to achieve after the sale of the investment in MFG.

¹ Annualised, based on Q4, 2023.

Return on equity over time²

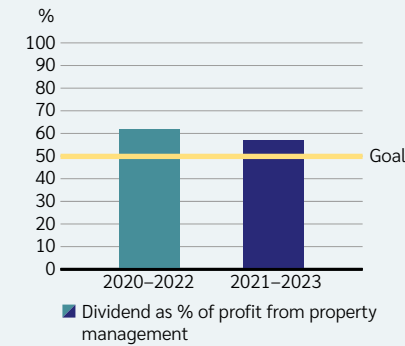


Long-term goal	Outcome 2021–2023, average
≥10	10.1
per cent	per cent

Return on equity was to be at least 10 per cent over time. A high return on equity supports dividends and the development of the share price. The return on equity has been above 10 per cent on average during the last three years.

² Three year average.

Dividend over time³

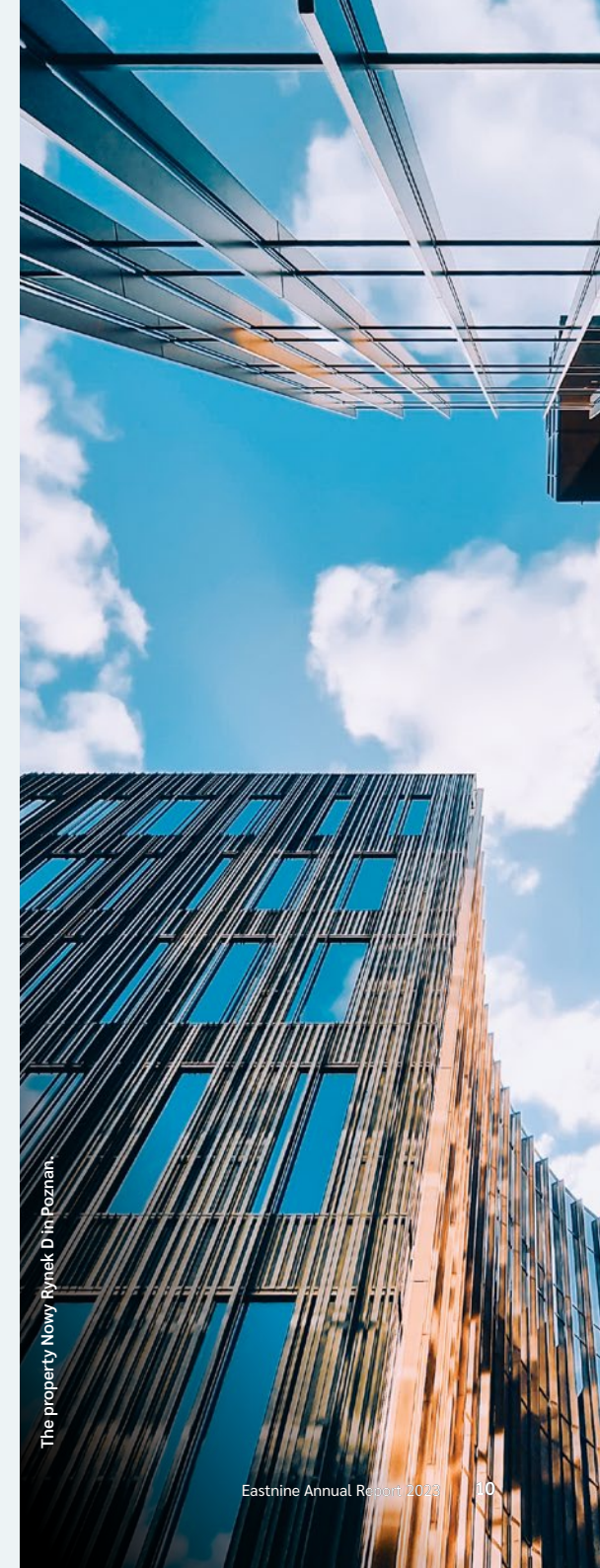


Long-term goal	Outcome 2021–2023, average
≥50	57
per cent	per cent

The dividend to shareholders shall over time amount to at least 50 per cent of the profit from property management after current tax. The Board has proposed increasing the dividend to SEK 4.64 per share (3.40) for 2023, corresponding to 53 per cent (51) of the profit from property management. This would make the three-year average 57 per cent.

³ Three year average.

Download printable pdf



The property Nowy Rynek D in Poznań.

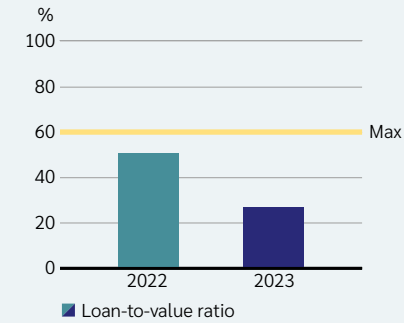


This is Eastnine	3
The year in brief	4
An investment into a unique property portfolio	5
Interview with the CEO	6
→ Goals and outcomes	9
New business plan, vision and business concept	12
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108

Goals and outcomes

Financial stability

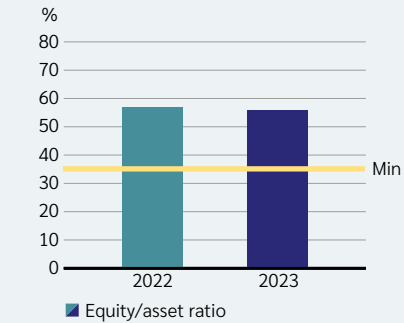
Loan-to-value ratio¹



Goal	Outcome 2023
≤60	27
per cent	per cent

The loan-to-value ratio was to amount to at most 60 per cent. A balanced loan-to-value ratio ensures long-term stable financing in combination with good returns. This goal was met with a considerable margin following the sale of the investment in MFG, which was unburdened.

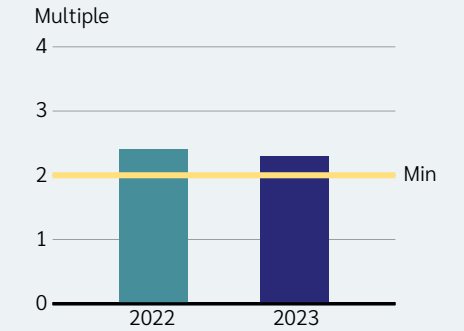
Equity/asset ratio



Goal	Outcome 2023
≥35	56
per cent	per cent

The equity/asset ratio was to amount to at least 35 per cent. A medium high equity/asset ratio ensures long-term stable financing and good returns. The equity/asset ratio was 56 per cent at year-end 2023.

Interest coverage ratio



Goal	Outcome 2023
≥2.0	2.3
times	times

The interest coverage ratio was to amount to at least 2.0x. A satisfactory level secures the ability to pay interest expenses over time. The goal was met at year-end 2023, even though the key figure was affected by one-off items in connection with the early redemption of the bond during the autumn of 2023.

The sustainability goals are presented on pg. 25-28 in the section Sustainability in focus.

¹ Previously referred to as Net loan-to-value ratio, properties.

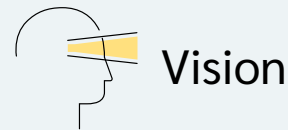
Download printable pdf



This is Eastnine	3
The year in brief	4
An investment into a unique property portfolio	5
Interview with the CEO	6
Goals and outcomes	9
→ New business plan, vision and business concept	12
New goals	13
Business model	14
Strategies	15
Values	16
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108

New business plan

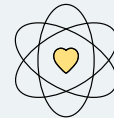
In December 2023, Eastnine's Board adopted a new business plan. The new plan retains the same prioritised markets, namely Poland and the Baltics, and overarching goal of a sustainable, attractive total return for shareholders. The property portfolio, comprising office properties, shall grow with a focus on profitability. The Company shall do its utmost to create a competitive advantage for its customers.



Vision

“Eastnine shall create and provide the best venues where ideas can flow, people meet, and successful business operations develop.”

Eastnine's office premises shall be attractive, inspiring and efficient, support our tenants' businesses and constitute a competitive advantage for companies in relation to staff and customers. Modern, flexible and sustainable premises and concentrated property portfolios in the best locations, in combination with a considerable market share, gives Eastnine the opportunity to be an important player in the development of properties and urban districts.



Business concept

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

The business concept entails that Eastnine shall capture a considerable market share and achieve high customer satisfaction. Eastnine shall be a growing business with close and long-term customer relationships. Eastnine shall offer high-quality service exceeding customer expectations, and the buildings and premises shall promote social interaction and well-being. The properties shall be located in the best locations in each city, and the buildings shall meet high environmental standards.



Soft, billowing shapes characterises the Danske Bank meeting place in the lobby of the property S7-3 in Vilnius.

The property portfolio as of today

Eastnine owns modern properties in central locations in Poland and the Baltics. The portfolio comprises 14 properties, of which 13 are office buildings and one is a land site. In the Polish regional capital Poznan, Eastnine has one larger office property in the central business district. Nine properties are distributed in three central areas in the Lithuanian capital Vilnius. In the capital of Latvia, Riga, Eastnine owns three office properties and one centrally located development property, primarily comprising land. Eastnine is the largest owner of offices in Vilnius, while the

portfolios in Riga and Poznan comprise a smaller share of the total lettable office areas. The properties are on average barely ten years old and are designed to offer a good environment for the people in the buildings. For the purpose of fostering long-term relationships Eastnine is continuously in dialogue with its tenants and arranges various events in the properties. As much as 94 per cent of the property portfolio is sustainability-certified with either LEED Gold, LEED Platinum or BREEAM Outstanding.

↓ Download printable pdf



This is Eastnine	3
The year in brief	4
An investment into a unique property portfolio	5
Interview with the CEO	6
Goals and outcomes	9
New business plan, vision and business concept	12
→ New goals	13
Business model	14
Strategies	15
Values	16
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108

New business plan

New goals

Eastnine’s new business plan contains both new goals and some goals that are unchanged. The new goals are characterised by a greater focus on profitability, risk minimisation, sustainability, and customers.

Eastnine aims to grow the property portfolio, provided that this growth contributes to increased profitability. The focus is on office properties in the best locations. Eastnine also commits to do its utmost to create a competitive advantage for its customers. A summary of the goals and risk-limiting measures in the new business plan follow below.



In the central business district in Vilnius Eastnine owns, among other, property S7-2 with Telia as tenant.

Overarching target

To create a sustainable, attractive total return on investment for its shareholders investments.

Growth goal

Eastnine’s long-term ambition is to grow the property portfolio in order to increase profitability.

Financial targets

- The return on equity should be at least 10 per cent over time.
- The profit from property management per share should grow.
- Dividends should, over time, correspond to at least 50 per cent of the profit from property management, after deductions for current tax.

Financial limits

- Eastnine strives for a loan-to-value ratio¹ of around 50 per cent over a business cycle. The loan-to-value ratio shall not exceed 60 per cent.
- The interest coverage ratio shall amount to at least 2.0x.

Overarching sustainability goal²

- Eastnine’s ambition is to be a leader in sustainability within our regions, by striving for the following targets:
- 100 per cent of the property business shall be EU-taxonomy aligned.
 - Climate-neutral property operations by 2030 and reduced emissions from new construction and tenant improvements.
 - 100 per cent sustainability-certified property portfolio.
 - Five star rating from GRESB.

Download printable pdf

¹ Previously referred to as the net loan-to-value ratio, properties.

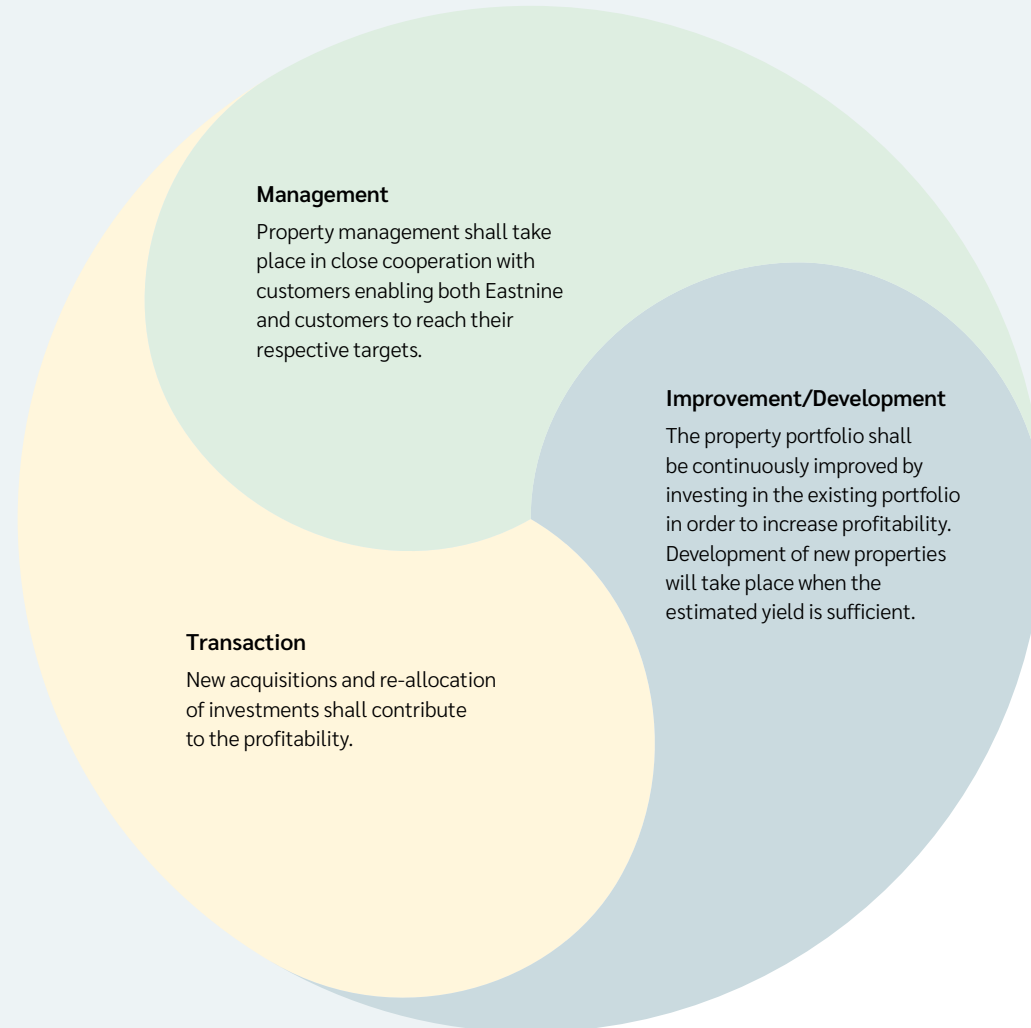
² In addition to these overall goals, we also have area-specific goals and key figures that are monitored as part of the Company’s sustainability strategy; see pgs. 25–28.



New business plan

Business model – three different areas of operations

The business is conducted in three areas: Management, Improvement/Development and Transaction. The focus is on a high level of service, good customer relationships and profitability.



Eastnine’s colleagues Irmantas and Tatjana at the office in the skyscraper 3Bures-1,2 in the Vilnius central business district.

- This is Eastnine** 3
- The year in brief 4
- An investment into a unique property portfolio 5
- Interview with the CEO 6
- Goals and outcomes 9
- New business plan, vision and business concept 12
- New goals 13
- **Business model** 14
- Strategies 15
- Values 16
- Sustainability in focus** 17
- Our business** 29
- Financial information and governance** 50
- Other information** 108

The business model in practice

Management

Eastnine strives for a high level of service, to understand the needs of its customers and be proactive in the interaction with our tenants. To gather information about how Eastnine is perceived as a landlord, and for the purpose of improving our customer’s experience, we conduct regular meetings and surveys with our customers.

Improvement/Development

Investments in our properties are continually made to enable lettings at higher rent levels and thereby achieve increased property value. During the year, investments in existing properties amounted to EUR 2.2m. Eastnine’s three major projects, all in the planning phase, are on hold.

Transaction

Eastnine has not made any acquisitions in 2023. However, the last remaining non-real estate investment has been sold. The Company has a solid base of liquidity in a market offering good investment opportunities.

Download printable pdf



This is Eastnine	3
The year in brief	4
An investment into a unique property portfolio	5
Interview with the CEO	6
Goals and outcomes	9
New business plan, vision and business concept	12
New goals	13
Business model	14
→ Strategies	15
Values	16
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108

↓ Download printable pdf

New business plan

Strategies – pathways toward the goals

Eastnine’s strategies provide guidance about the various parts that will contribute and lead to fulfillment of established goals.

Growth and property portfolio

Eastnine has a long-term ambition to grow the property portfolio for increased profitability. Any acquisition shall have strong business reasons, both in terms of the choice of geographical location as well as property type at any given time. Acquired properties shall be unique in terms of their quality and attractiveness.

In order to be an effective and important market player, it is important to hold a considerable volume in each city. The first acquisition in a new city, or a new country, should therefore be of considerable size and have a strong cash flow. Cash-flow properties should constitute the majority of the property portfolio, while development projects should be a smaller part with higher returns. The properties shall be modern, sustainable and well located.

Financing

Eastnine’s financing strategy shall support the overarching goal of creating a sustainable, attractive total return for shareholders. Included in this goal is that the return should be relevant in relation to the shareholders’ investment. Financing should be optimised for the lowest possible financial expense, within the framework of the determined risk limits and the financing policy. The business may be financed using equity, interest-bearing debt and other debt. Debt financing may be composed of bank loans, capital market financing as well as direct loans from institutional actors.

Customers and service

Eastnine strives to create good and long-term relationships with its customers, i.e. the tenants, leading to lower tenant turnover and positive earnings contributions. The tenants should be financially stable and well-reputed companies, often characterised by high ambitions and a clear focus on brand and identity. A well diversified tenant mix is the ambition.

Eastnine’s internal guideline, Guidelines for tenants, serves as a basis of the relationship and the dialogue with tenants, who are our most important ambassadors. The level of service we strive for is best provided by our own employees. Customer surveys shall be conducted annually among tenants in all directly-managed properties. After follow-up and analysis, requisite interventions are to be carried out.

Organisation and staff

Eastnine shall build a customer-oriented organisation with a focus on creating a competitive advantage for our customers. The head office shall be in Stockholm and there shall be country offices in those markets where we operate, as soon as it is financially defensible. Eastnine shall contribute to positive social development.

The Company strives for equality, diversity and well-being among its employees. The working climate shall be inclusive and encouraging, and promote innovation. Employees shall support Eastnine’s core values. Employees are to be provided opportunities for adequate training and receive competitive

employment conditions in order to promote good health and well-being. Whenever recruiting or promoting, any underrepresented gender and other diversity aspects shall be prioritised, provided equal competence and training. Eastnine has zero tolerance for corruption and conduct an annual training to ensure that this goal is met.

Sustainability

Conducting long-term business also means monitoring the sustainability requirements that are being placed on businesses. Eastnine has the ambition to be a leader in sustainability in our regions. Sustainability is integrated into the operations, in every aspect from supplier monitoring, ESG due diligence in acquisitions, resource optimisation and anti-corruption training for the staff, to name but a few examples. Eastnine shall strive to use resources in an efficient and optimal way, to continually improve our properties and prioritise climate-friendly and long-term solutions. Eastnine closely monitors the sustainability trends in the real estate industry, which is frequently in a spotlight of climate policy due to the high impact of the construction of buildings on global emissions. When necessary, Eastnine shall bring in external competence to ensure that we are at the forefront in environmental performance and in terms of how we govern our business and interact with our business partners. Best practices, awareness, innovation and commitment shall govern our efforts toward becoming a leader in our regions.



The entrance to S7-1 in Vilnius.



New business plan

This is Eastnine	3
The year in brief	4
An investment into a unique property portfolio	5
Interview with the CEO	6
Goals and outcomes	9
New business plan, vision and business concept	12
New goals	13
Business model	14
Strategies	15
→ Values	16
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108



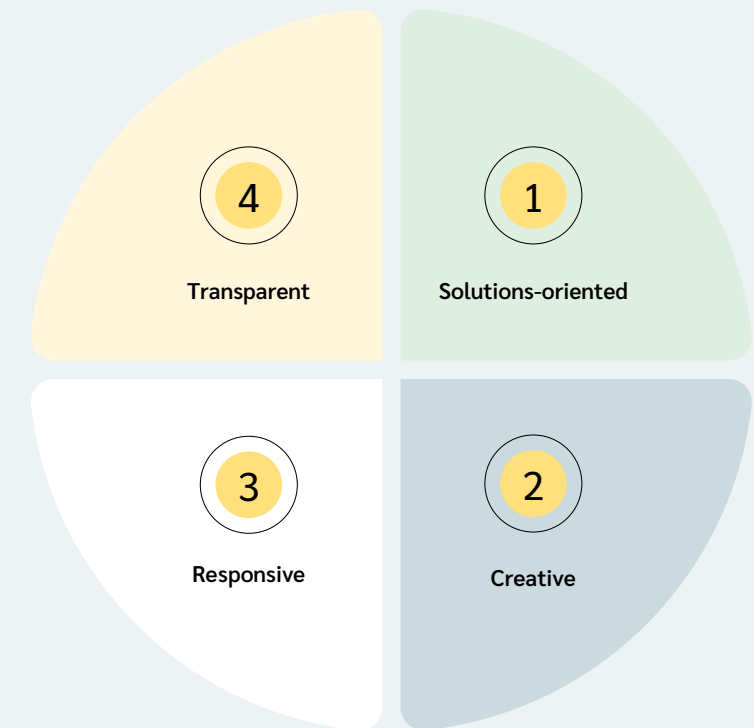
Meeting in progress at 3Bures, -1.2 in Vilnius.

This is Eastnine

Download printable pdf

Values – the employees’ shared foundation

Eastnine’s employees work with four fundamental and cohesive values: Solutions-oriented, Creative, Responsive and Transparent.



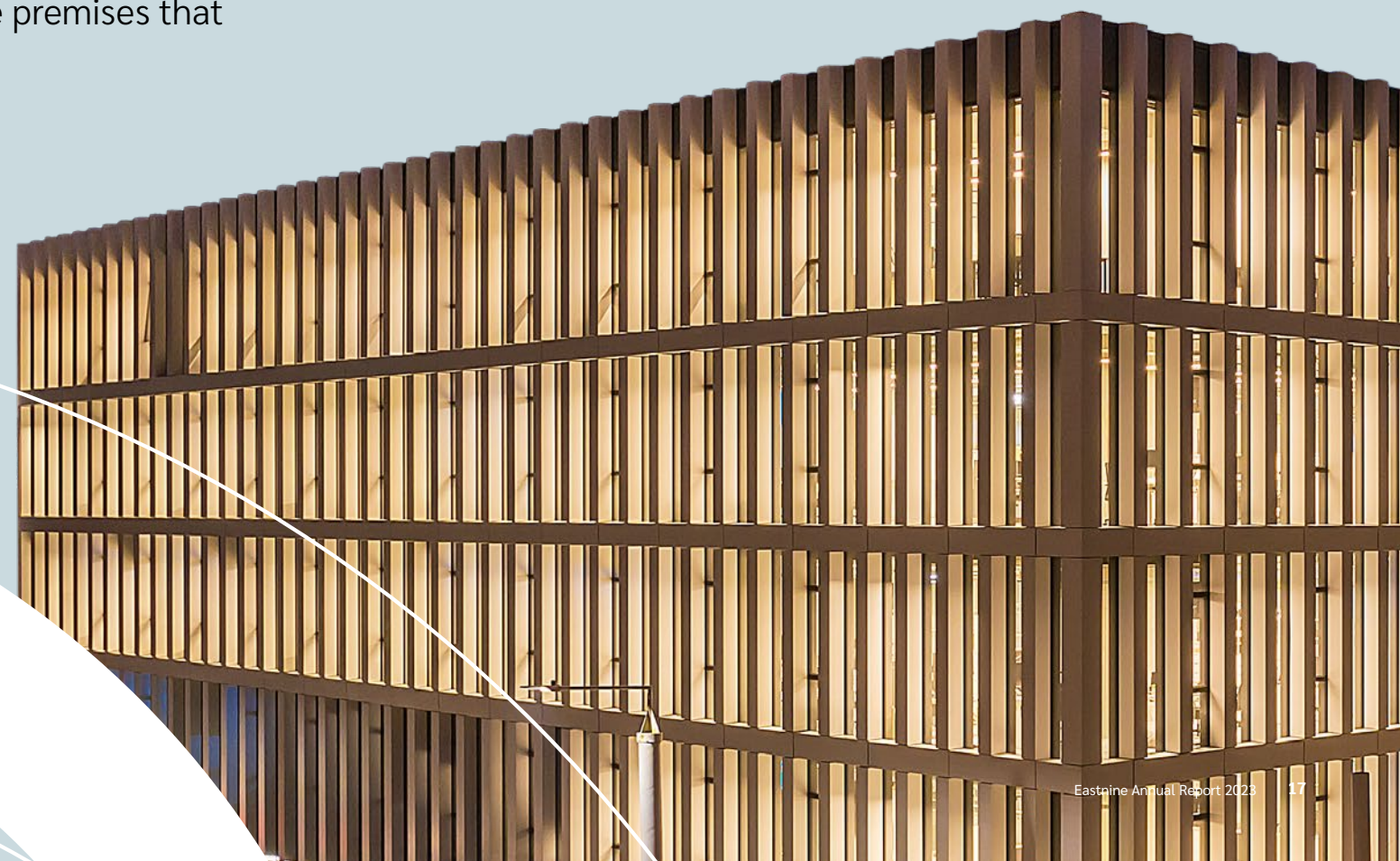


This is Eastnine	3
→ Sustainability in focus	17
Sustainability efforts	18
Certification of buildings	19
Spotlight on 2023	20
How we reduce emissions	22
Climate risk analysis	23
Sustainability goals and outcomes	25
Our business	29
Financial information and governance	50
Other information	108

Sustainability in focus

No one can escape climate change anymore. One after the other, the world is experiencing global heat records, forest fires, torrential rains, and flooding. The climate transition results in growing demand for fossil-free energy, and new regulations for the environment and net zero emissions are being introduced. Tenants demand modern and climate-friendly office premises that

contribute to well-being and productivity among the employees. Investors and financiers prioritise efficient properties and good corporate governance. It is both our responsibility, and an opportunity, to adapt the business to the conditions and circumstances today.



↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
→ Sustainability efforts	18
Certification of buildings	19
Spotlight on 2023	20
How we reduce emissions	22
Climate risk analysis	23
Sustainability goals and outcomes	25
Our business	29
Financial information and governance	50
Other information	108

Sustainability efforts

Eastnine’s sustainability efforts are based on the material topics identified in collaboration with the Company’s stakeholders, which resulted in two focus areas: future-proof properties and future-proof organisation.

Continual improvement

At Eastnine, we work systematically to find ways to run our business in a resource-efficient way, reduce impact on the environment, and create positive impacts on the societies in which we operate. The focus is on continually improving our properties, offering a high level of service, and creating good relationships with our tenants, employees, and suppliers. The Company has zero tolerance for corruption and sets high expectations on regulatory compliance, working conditions, and respect for human rights – within Eastnine as well as in our supply chain.

Future-proof properties

To stop global warming, world emissions of carbon-dioxide must be net zero by 2050 at the latest. Since the real estate industry is globally responsible for around 40 per cent of total emissions, it is of utmost importance that the whole industry shoulder their responsibility to reduce emissions in their business.

Eastnine’s goal is to achieve climate-neutral property operations (defined as emissions in Scope 1 and 2) by 2030 at the latest, and reduce other indirect emissions in the value chain (Scope 3). For Eastnine, this primarily means improving the energy performance of the properties and maximising the use of fossil-free energy sources. The Company shall also reduce emissions from refurbishment and tenant improvements by using more efficient construction methods and by choosing materials with lower emissions. On pg. 22, an

illustration shows where our emissions stem from and our efforts to reduce them. To support these efforts and ensure that we are in line with industry best practices, we started the application process to SBTi (the Science Based Targets initiative), an organisation which helps companies to set scientific climate targets in line with the Paris Agreement, this year.

We have also deepened our efforts during the year to conduct climate risk analyses in accordance with the provisions in the EU Taxonomy, and conducted extensive analyses of four properties in Vilnius. Read more about this on pgs. 23–24.

Overarching sustainability goals

At the end of 2023, Eastnine updated its strategic sustainability goals. Eastnine wants to be a leader in sustainability in our regions, by striving for the following environmental targets:

- 100 per cent of the property business shall be EU-taxonomy aligned.
- Climate-neutral property operations by 2030 and reduced emissions from new construction and tenant improvements.
- 100 per cent sustainability-certified property portfolio
- Five stars in GRESB, top 20 per cent

The overarching goals are supported by area-specific targets and key performance indicators that are monitored as part of the Company’s sustainability strategy. These are described on pgs. 25–28.



Our material topics

Future-proof properties

- Sustainability-certifying properties
- Energy performance and renewable energy
- Reduced climate impact
- Efficient use of resources
- Circular use of resources
- Sustainable construction materials and installations

Future-proof organisation

- High business ethics and zero tolerance for corruption
- High customer satisfaction
- Attract and retain talent
- Health and well-being of our employees
- Equality and diversity
- Sustainable supply chains

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Sustainability efforts	18
→ Certification of buildings	19
Spotlight on 2023	20
How we reduce emissions	22
Climate risk analysis	23
Sustainability goals and outcomes	25
Our business	29
Financial information and governance	50
Other information	108

Certification of buildings – a mark of quality

Using sustainability certification of the properties, we can ensure sustainable use of resources, limited environmental impact, and high standards for the working environment of our tenants. This is a method to help us reach our environmental goals, and for tenants a mark of quality on our offering.

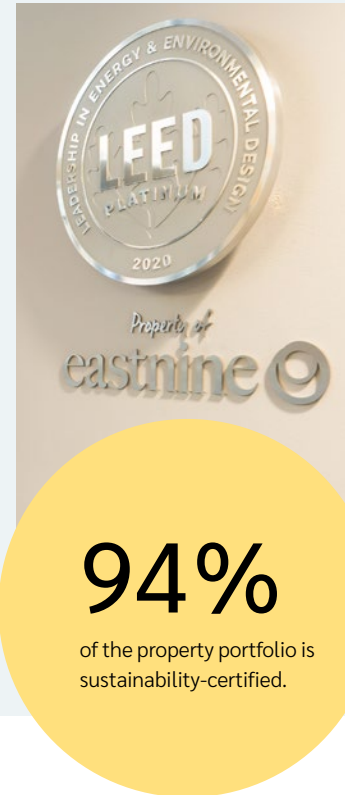
Before Eastnine acquires a property an ESG due diligence, that includes a preliminary evaluation of the building as well as level of certification that may be achieved, is always conducted. Using certifications systematically ensure that our properties fulfill the ever-stricter requirements from investors, tenants, and financiers.

In 2023, the properties Zala 1 in Riga and 3Bures-1,2 in Vilnius obtained renewed LEED Platinum certifications for existing building, which is the same high certification level as previously, and an important quality control. Zala 1 was

placed in the spotlight this year by Green Building Council Europe, who featured the property, in their social media channels, as one of the highest-ranking LEED projects in Europe during the year.

Eastnine's Polish property Nowy Rynek D obtained the WELL Gold during the year. This certification emphasises health and well-being of the tenants working in the building. This standard differs from BREEAM and LEED by placing the humans at the centre, and evaluates the building on the basis of the quality of the working environment with a focus on aspects such as health promotion, nutrition and aesthetically pleasing working areas.

At year-end, 94 per cent (94) of property area was sustainability-certified with at least LEED Gold or BREEAM Excellent. 6 per cent of the property area was subject to ongoing certification efforts.



New construction

Type of certification	Level	Number	Gross floor area, sq.m.	Proportion of total, %
LEED	Platinum	3	76,187	33 %
BREEAM	Excellent	3	56,461	24 %
Total		6	132,648	57 %

Building operation and maintenance

Type of certification	Level	Number	Gross floor area, sq.m.	Proportion of total, %
LEED	Platinum	5	74,539	32 %
	Gold	1	11,446	5 %
BREEAM	Outstanding	3	56,461	24 %
Total		9	142,446	61 %

Health and well-being

Type of certification	Level	Number	Gross floor area, sq.m.	Proportion of total, %
Well	Gold	1	50,590	22 %
Fitwel	★★	1	11,446	5 %
Total			62,036	27 %
Properties with at least one certificate		12	218,633	94 %
Properties undergoing certification		1	14,224	6 %

What do the various certifications mean?

When certifying newly constructed buildings using BREEAM and LEED, it is the construction phase itself which is being evaluated based on dimensions such as sustainable transports, choice of efficient energy solutions, and environmentally-friendly materials. This type of certification does not expire and is valid for the entire life-cycle of the building. Certifications of existing properties using BREEAM and LEED, on the other hand, refer to the usage phase and consider operation and maintenance. In these cases, there is a focus on

energy-efficiency, indoor climate, and other aspects that relate to property management. This certification must be regularly renewed and is valid for a period of 3–5 years. Even though some aspects are in common for these two types of certifications, there are many differences between certification of new construction and of building operation and maintenance. New construction certification can show the potential provided by a building, but does not prove that it will be efficiently operated at a usage stage. For this reason, it can

often be an advantage to obtain both types of certification. Another certification type, health and wellbeing certification, are becoming more popular among tenants and may also offer a supplement for the more traditional building certifications like LEED or BREEAM. WELL and Fitwel certifications focus on the human being using the building and take into consideration such aspects as comfort, exercise, mental health and the aesthetic aspects of the working environment.

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Sustainability efforts	18
Certification of buildings	19
→ Spotlight on 2023	20
How we reduce emissions	22
Climate risk analysis	23
Sustainability goals and outcomes	25
Our business	29
Financial information and governance	50
Other information	108

Spotlight on 2023

In this section, we would like to focus on a handful of selected sustainability areas that have been of particular importance during the year. Eastnine’s continual sustainability efforts, including goals and outcomes, are described on pgs. 25–28.

Efficient buildings



Sustainability certifications

94 per cent of Eastnine’s property area is sustainability-certified. In 2023, Nowy Rynek D in Poznan obtained the health certification WELL Gold. In Riga, Zala 1 obtained a renewed LEED Platinum certification, as did 3Bures-1,2 in Vilnius. The certification process is ongoing for the remaining 6 per cent of the property area, which corresponds to one property in the portfolio. Eastnine’s goal is that 100 per cent of the property area shall be certified.

Energy



Energy in focus

Energy use was in focus during the winter 2022/2023. A new energy monitoring system has been developed and launched during the year, in order to analyse the energy consumption of individual properties. On the same theme, we have held informational meetings with our tenants during the year to emphasise energy-saving measures.

Properties of the future



Proptech

In 2023, Eastnine has continued to support entrepreneurs and new property technology through its partnership with the PropTech Association in Vilnius, Lithuania.

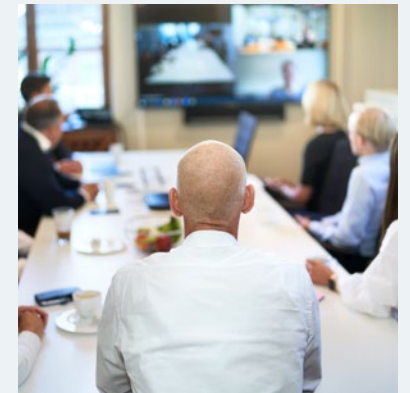
Tenants



Service and tenants’ well-being

Well-being and a high level of service are always at the centre of our work with tenant satisfaction. During the year, we have arranged a range of activities to improve the experience around the office and encourage exercise. Tenants in our Polish property have, inter alia, had the opportunity to mix their own vitamin smoothie using an exercise bike (a Blenders Bike event). In Vilnius, all tenants have had the opportunity to participate in the annual step-counting competition, which is arranged for the purpose of encouraging exercise. There has also been a complementary St. Lucia treat and choir recital, a pleasant start on a December morning.

Competence development



Lunch & Learn

During the year, we have introduced the “Lunch & Learn” concept to Eastnine’s employees, where we have watched training materials as a group and discussed various themes, such as diversity, equality and inclusion, and personal development. This has also been offered as a training portal, through which employees can access training material online.

Download printable pdf



Spotlight on 2023

This is Eastnine	3
Sustainability in focus	17
Sustainability efforts	18
Certification of buildings	19
→ Spotlight on 2023	20
How we reduce emissions	22
Climate risk analysis	23
Sustainability goals and outcomes	25
Our business	29
Financial information and governance	50
Other information	108

Employees



Great Place to Work

Collating the responses to this year’s employee survey into a Trust Index, Eastnine received 94 per cent of the possible 100. The survey is conducted with the help of Great Place to Work, and offers employees an opportunity to anonymously express their opinion about which areas work well and which need improvement.

Gender equality



A gender equal organisation

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 equality in Sweden’s 361 listed companies in 2023.

Social sustainability



Social engagement

Together with PwC Latvia and the charity Palidzesim.lv, Eastnine organised a charity event at Eastnine’s property Valdemara Centrs in Riga. During the event, participants could donate Christmas presents to children in disadvantaged families. The event also hosted a market where visitors could buy clothes, books and toys, with the proceeds donated to charity. In addition, visitors could donate blood or apply to become blood donors. As a way of saying thanks to our tenants for their engagement, we held a give-away raffle for tickets to a Sofar concert held at the same property.

“Organising charity events at our properties is a fantastic way to gather people from different offices and contexts. This not only develops a sense of camaraderie among colleagues, but also promotes a friendly environment and is a good way to use our premises from time to time. Above all, we are able to make a significant difference for individuals and families who need more support.”

Janis Meiers
Country manager in Latvia



↓ Download printable pdf



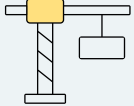


This is Eastnine	3
Sustainability in focus	17
Sustainability efforts	18
Certification of buildings	19
Spotlight on 2023	20
→ How we reduce emissions	22
Climate risk analysis	23
Sustainability goals and outcomes	25
Our business	29
Financial information and governance	50
Other information	108

How we reduce emissions in different parts of the business

Eastnine has adopted a goal of making its property operations climate-neutral by 2030 and reduce emissions in its value chain. Our reporting is based on the Greenhouse Gas (GHG) Protocol, a global standard for measuring and reporting on emissions. Emissions are categorised into three scopes, depending on where the

emissions take place in the value chain. To develop our climate goals, we plan to align Eastnine's goals with the Science Based Targets initiative (SBTi), once SBTi's sector-specific recommendations are issued in 2024. More information about our work to reduce emissions is provided on pgs. 118–119.

		2023 tonnes CO ₂ e (% of total emissions)	Source of emissions	 Existing properties	 Acquisitions	 New construction
Scope 1	Direct emissions from Eastnine	484 (6 %)	Refrigerant leakage Combustion of fossil fuels in properties	Regular maintenance of equipment for comfort cooling, converting to using refrigerants with less climate impact as well as phasing out gas combustion for heating.	Properties with modern and efficient cooling equipment are prioritised. The investment calculation includes costs to phase out the use of fossil combustion in the buildings, if such equipment is in use.	Installation of efficient comfort cooling equipment with reduced climate impact required. New projects must not include fossil fuel burning.
Scope 2	Indirect emissions from Eastnine	3,363 (43 %)	Energy consumption (purchased electricity and district heating)	Optimisation of energy use through digitalisation and automation as well as continually increasing the proportion of renewable energy. See related goals on pg. 25.	Energy mapping is part of the due diligence process. Only properties that fit a desired energy profile, or could potentially achieve this standard, are acquired.	Highly efficient and climate-smart energy solutions required. Total energy intensity may not exceed 50 kWh/sq.m.
Scope 3	Other indirect emissions in Eastnine's value chain	3,996 (51 %)	Purchased goods and services when developing properties, refurbishing, waste, and business travel	Climate-smart refurbishment and tenant improvements. An LCA analysis is conducted for all projects above EUR 100,000. The goal is to establish requirements on carbon intensity for all forms of refurbishment.	Requirements on reporting of carbon footprint from construction phase when acquiring newly constructed buildings.	Climate-smart construction processes and choice of materials. LCA analysis and certification required. Upper limit on carbon emissions per sq.m. will be applied in future new construction projects.

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Sustainability efforts	18
Certification of buildings	19
Spotlight on 2023	20
How we reduce emissions	22
→ Climate risk analysis	23
Sustainability goals and outcomes	25
Our business	29
Financial information and governance	50
Other information	108

Climate risk analysis – how properties are affected by climate change

According to estimates from climate research¹, 2023 is likely to be the warmest year in the last 125,000 years. At the same time parts of the world has experienced terrible drought, while other places have been inundated with more rain than ever. Extreme weather events have become more common globally and increase the risks for property owners and property investors, even in places that have historically been regarded as relatively safe from extreme weather. In 2023, Eastnine has carried out climate risk analysis for four properties located in Vilnius.

Extreme weather

The real estate industry is one of the sectors that may be the hardest-hit by consequences of climate change. Climate change, and extreme weather as a side effect, can negatively impact the condition of properties, result in rising operating costs, and may make properties less attractive to tenants. In the worst case scenario, a property may become entirely unusable, e.g. as a consequence of rising water levels for properties near the water.

Climate risk analyses of Uniq and S7

To understand the increased physical risks that climate change entails, so called climate risk analyses are conducted for real estate properties. These are combined analyses of the properties as well as of the physical climate-related conditions in the area where the properties are located.

With increased requirements on climate risk analysis, we engage various external experts to ensure that our internal work is in line with best

practice. In 2023, to supplement previously conducted risk analyses, we hired the consulting firm WSP to conduct climate risk analyses for the three S7-properties and Uniq, all in Vilnius. During the project, we conducted two internal workshops for Eastnine’s Lithuanian and Swedish colleagues, and invited our local consultants to join us for physical visits on location to illustrate different aspects of the properties’ resilience to climate change. Climate risk analyses of S7 and Uniq have been conducted using the EU taxonomy with the aid of a ‘desktop analysis’, interviews and on-site observations. Data from SustainAccount, the Lithuania environmental protection agency (Aplinkos apsaugos agentūra), Geoportal.lt GIS, and other open sources were used to assess the relevance of each risk.

To assess the importance and effect of each risk, and identify appropriate risk mitigation measures,

¹ Article in Reuters published on 8 November 2023, written by Kate Abnett and Gloria Dickie.

Download printable pdf



S7 buildings in Vilnius.



Climate risk analysis

This is Eastnine	3
Sustainability in focus	17
Sustainability efforts	18
Certification of buildings	19
Spotlight on 2023	20
How we reduce emissions	22
→ Climate risk analysis	23
Sustainability goals and outcomes	25
Our business	29
Financial information and governance	50
Other information	108

the analysis was supplemented with documentation of each property's design as well as on-site visits. The climate scenarios RCP 2.6, 4.5, and 8.5 were considered. RCP 2.6 is a best case scenario, assuming that carbon-dioxide emissions reach zero by 2100, whereas RCP 8.5 represents the generally accepted worst-case scenario, where emissions continue to rise throughout the 21st century. Even though RCP 8.5 is the worst case scenario, it should be noted that current global emissions are tracking close to this scenario.

Climate risks are typically divided into two categories: recurring/chronic and immediate/acute risks. Immediate risks refer, inter alia, to extreme events such as drought, flooding, forest fires, or landslides, while chronic risks arise from changes over time, such as changes in temperatures, heat stress, changed wind and precipitation patterns, and water stress.

Results of the analyses

The results of this assessment suggest that none of the risks set out above are deemed to have any significant impact on the properties included in the assessment. The four buildings have proven to be sufficiently resilient to withstand the chronic and acute risks relating to changes in temperature conditions. In the future, annual average temperatures in Vilnius are forecast to rise somewhat above present levels, with maximum summer temperatures expected to be 5.3 °C higher by 2080. For the coming 30 years (the time-scale likely relevant for replacements of relevant mechanical installations), the 99th percentile of air temperatures in the RCP 8.5 scenario is expected to increase from 30 °C to around 33 °C. As for heat waves, the number of days with at least three consecutive days with abnormally hot weather is expected to rise from 5 to 20 by 2080, according to the RCP 8.5 scenario. The cooling systems are presently being used at 80 per cent (Uniq) and 55 per cent (S7), respectively, of their current

capacity; indicating that there is sufficient room for adaptation as temperatures rise. Some further adaptation measures have been planned, including more frequent maintenance of external sunshades and annual maintenance of roof membranes to retain a high SRI value.

Additional security, in terms of the risk profile for the analysed properties, comes from an expected decline in average wind speeds over time, no material change in precipitation intensity compared to present levels, and no indication of water stress based on today's situation.

Measures following the climate risk analysis

- Ensure that emergency management plans cover climate-related incidents, e.g. heat-waves, pluvial flooding etc.
- Consider painting or implementing other actions to increase reflectivity of roofing, counteracting heating of the building during periods of high temperatures.
- Ensure the functioning of external sun shades. Maintenance inspections shall take place twice annually.
- Ensure that roof terrace seats, benches, and sun shades are properly secured in case of winds/storms. Inspections to be made once every month.
- Scheduled cleaning of white roof membrane to maintain a high SRI¹ value, counteracting heating of the building during high outdoor temperatures. This shall be performed once annually.

¹ SRI – Solar Reflectance Index.

Analysis outcome

Type of risk	Temperature-related	Wind-related	Water-related	Related to fixed mass
Chronic	<input type="checkbox"/> Temperature changes	<input type="checkbox"/> Changes in wind patterns	<input type="checkbox"/> Changes in precipitation patterns and precipitation types	<input type="checkbox"/> Coastline erosion
	<input checked="" type="checkbox"/> Heat stress (Uniq)		<input type="checkbox"/> Variations in precipitation and/or hydrology	<input type="checkbox"/> Ground destruction
	<input type="checkbox"/> Temperature variations		<input type="checkbox"/> Oceanic acidification	<input type="checkbox"/> Land erosion
	<input type="checkbox"/> Thawing permafrost		<input type="checkbox"/> Salt-water incursion	<input type="checkbox"/> Soil settling
			<input type="checkbox"/> Rising sea levels	
Acute risks		<input type="checkbox"/> Cyclones, hurricanes, typhoons	<input type="checkbox"/> Drought	<input type="checkbox"/> Avalanches
	<input checked="" type="checkbox"/> Heat waves (Uniq)		<input checked="" type="checkbox"/> Heavy precipitation (rain, hail, snow/ice) (Uniq)	<input type="checkbox"/> Landslides
	<input checked="" type="checkbox"/> Cold snaps/frost (S7, Uniq)	<input type="checkbox"/> Storms	<input type="checkbox"/> Flooding (coastal water, fluvial, pluvial, aquifers)	<input type="checkbox"/> Ground subsidence
	<input type="checkbox"/> Uncontrolled area fires	<input type="checkbox"/> Tornadoes	<input type="checkbox"/> Flooding of glacial lakes	

<input checked="" type="checkbox"/>	Very high
<input checked="" type="checkbox"/>	High
<input checked="" type="checkbox"/>	Medium
<input checked="" type="checkbox"/>	Medium/Low
<input type="checkbox"/>	Low
<input type="checkbox"/>	Not relevant

↓ Download printable pdf



- This is Eastnine 3
- Sustainability in focus 17
 - Sustainability efforts 18
 - Certification of buildings 19
 - Spotlight on 2023 20
 - How we reduce emissions 22
 - Climate risk analysis 23
 - Sustainability goals and outcomes 25
- Our business 29
- Financial information and governance 50
- Other information 108

Sustainability goals and outcomes

In this section, we present goals and outcomes from the systematic efforts to improve building efficiency, be a good employer, and a good landlord.

	Area	Purpose	Goal	Key figure	Outcome 2023	Governance/measures/comments	Opportunities/value created	UN SDG*		
Future-proof properties	Certification	Sustainability certification of buildings.	100 % of the properties shall be sustainability-certified at the level of at least LEED Gold or BREEAM Excellent.	Proportion of the property portfolio that is certified, %.	94 % (94) of the gross floor area is certified. 6 % of the area is undergoing certification, corresponding to one building, which is expected to obtain a LEED Platinum certification during the first half of 2024. More on pg. 19.	<ul style="list-style-type: none"> At each acquisition of a non-certified property, an assessment is made of the measures and costs involved to attain a desired certification level. The certification process is initiated within twelve months of acquisition of a non-certified property. Existing New Construction certifications may in some cases be supplemented with an In Use certification or a health-related certification like WELL or Fitwel. Development potential: Monitor new certification frameworks and evaluate their relevance to Eastnine's portfolio. 				
		Emissions	Reduce carbon dioxide footprint.	Property operations to be climate neutral by 2030 (Scope 1 and Scope 2) and emissions from other activities (Scope 3) to be reduced.	Emission intensity, kg CO ₂ e/sq.m./yr.	Emissions intensity amounted to 21 (23) kg CO ₂ e/sq.m. in Scope 1 and 2. Emissions in Scope 3 amounted to 22 kg CO ₂ e/sq.m. More on pgs. 118–119.	<ul style="list-style-type: none"> Scope 3 reporting has been expanded and now includes emissions from tenant improvement and refurbishment. In 2023, we have begun preparing for joining the Science Based Targets initiative, using SBTi guidelines developed for the real estate industry. This includes a verification of the existing climate report and the development of an emission reduction roadmap in the medium and long term. We have begun implementing a system to manage and analyse emissions data. More information about how we manage emissions through energy-efficiency measures can be found under Energy. Development potential: Continually improve measurement methods for emissions in Scope 3. Improve digital solutions to improve collection and management of emissions data. 			
			Energy	Use renewable energy.	100 % of energy consumed should be sourced from renewable energy by 2030.	Renewable energy as proportion of total energy mix, %.	The proportion of renewable energy amounted to 78 % (77) in 2023. More on pg. 117.	<ul style="list-style-type: none"> Solar panels are evaluated for every suitable roof. In 2023, solar panels have been installed on the roof of Uptown Park. Requirement that all electricity contracts refer to renewable electricity. The energy origin is considered in every decision relating to the installation or upgrade of energy solutions in new and existing properties. Development potential: Collaboration and engagement in local projects targeting climate-smart district heating in our markets. 		
				Improve energy efficiency.	Reduce energy usage by 25 % from 2019 to 2025.	Energy usage (property energy), kWh/sq.m./yr.	Average normalised energy intensity (excl. tenant electricity use) decreased by 14 % (12) to 109 (127) kWh/sq.m. in 2023 compared to 2022 (directly-managed properties). Total energy use including tenant electricity use has decreased by 12 % during the same period. Since 2019, the actual use of energy per sq.m. in directly-managed properties has decreased by 22 % . More on pg. 117.	<ul style="list-style-type: none"> To ensure that energy performance is improving, our goal is to achieve at least 80 % of the total number of points available for the energy category in LEED/BREEAM certifications. Energy audits are regularly carried out. In 2023, energy systems have been implemented in all properties, enabling continuous monitoring and analysis of energy performance on a property and country level. Development potential: Continually develop and improve internal competencies in property energy. Collaborate with tenants on energy-related questions. Develop green leases with a focus on energy. 		

* Sustainable Development Goals

Finance

- Increased property value
- Access to green financing (EU taxonomy)
- Lower operating costs in systems with carbon-dioxide pricing
- Customers prefer sustainable products

Reputation

- Reputation in the market as a responsible player
- Increased engagement among staff
- Increased engagement with our customers
- Business-critical

Risk reduction

- Decreased risk of "stranded assets"
- Decreased risk relating to deficient compliance with regulatory requirements (EU taxonomy)

Download printable pdf



Sustainability goals and outcomes

This is Eastnine	3
Sustainability in focus	17
Sustainability efforts	18
Certification of buildings	19
Spotlight on 2023	20
How we reduce emissions	22
Climate risk analysis	23
→ Sustainability goals and outcomes	25
Our business	29
Financial information and governance	50
Other information	108

	Area	Purpose	Goal	Key figure	Outcome 2023	Governance/measures/comments	Opportunities/value created UN SDG*
Future-proof properties	Water consumption	Improve efficiency in water consumption.	Reduce water consumption by at least 2 % per year, as an average over a 5-year period.	Water consumption, litres/sq.m./yr.	Water consumption per sq.m. increased by 9 % (14) in directly-managed properties. Across all properties, the increase was 15 % (25). In spite of increased water consumption over the last two years, the average consumption per sq.m. since 2019 has decreased by an average of 10 % per year across the entire portfolio. More on pg. 118.	<ul style="list-style-type: none"> This year's outcome is attributable to an increased presence in offices after the pandemic, as well as a higher average occupancy rate in 2023. The average decrease in water consumption since 2019 can be explained by acquisitions of more water-efficient properties, as well as the installation of water-saving equipment such as low-flow taps and toilets. Eastnine's properties undergo a mandatory certification process, which contributes to the use of best practices in water consumption. Development potential: Set specific targets for water consumption in individual properties. 	
	Waste management	Circular use of resources.	Increase the proportion of recycled waste.	Proportion of recycled waste, %	The proportion of waste recycled amounted to 43 % (38) in directly-managed properties and to 40 % (33) in all properties. More on pg. 120.	<ul style="list-style-type: none"> Evaluate the waste management of newly acquired properties and follow up with action plans. At refurbishment or new development power towel dispenser are normally replaced with hand driers to decrease paper waste. Collaborate with, and educate, tenants. Development potential: Improve the quality of collected data by conducting direct measurement in more properties instead of estimation. 	
	Material usage	Use materials with low carbon-dioxide emissions.	Increase the use of sustainable materials when constructing and refurbishing properties.	–	Eastnine does not have any ongoing new construction projects. Planned new construction projects are on hold, in part due to high construction costs.	<ul style="list-style-type: none"> Eastnine's policy for new construction and refurbishment includes recommendations on sustainable materials selection. For example, one of Eastnine's new construction projects, The Pine, for which timber from sustainable forestry will be used as its primary construction material. As part of an ongoing development of emissions measurement in tenant adaptation projects, an internal database of emissions factors is being developed. This database includes various materials so that it can be used in the future to better guide the choice of materials during refurbishment. Development potential: Continually develop and improve processes and routines to monitor the use of construction materials with low carbon footprint. 	

* Sustainable Development Goals

↓ Download printable pdf

Finance

- Increased property value
- Access to green financing (EU taxonomy)
- Lower operating costs in systems with carbon-dioxide pricing
- Customers prefer sustainable products

Reputation

- Reputation in the market as a responsible player
- Increased engagement among staff
- Increased engagement with our customers
- Business-critical

Risk reduction

- Decreased risk of "stranded assets"
- Decreased risk relating to deficient compliance with regulatory requirements (EU taxonomy)



Sustainability goals and outcomes

This is Eastnine	3
Sustainability in focus	17
Sustainability efforts	18
Certification of buildings	19
Spotlight on 2023	20
How we reduce emissions	22
Climate risk analysis	23
→ Sustainability goals and outcomes	25
Our business	29
Financial information and governance	50
Other information	108

Area	Purpose	Goal	Key figure	Outcome 2023	Governance/measures/comments	Opportunities/value created	UN SDG*																		
Company culture	Transparency and business ethics.	Zero incidents of corruption	No. of incidents.	No incidents or suspected transgressions reported in 2023.	<ul style="list-style-type: none"> Anti-corruption training takes place annually. The anti-corruption policy, codes of conduct for suppliers and staff, and the whistle-blower channel serves as governance mechanisms and prevents behaviours that are incompatible with ethics and good business practice. Development potential: Broaden the training to also be available to tenants and suppliers. 	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																			
	High customer satisfaction.	The customer satisfaction shall improve; the goal is to exceed 50 % on the NPS scale.	NPS in annual customer survey, %	<p>The NPS result improved to 61 % in the 2023 survey, in comparison to 44 % the previous year. In a comparable portfolio, this result has improved by 7 percentage points to 51 % (44).</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>2022</p> <p>+44</p> </div> <div style="text-align: center;"> <p>2023</p> <p>+61</p> </div> </div>	<ul style="list-style-type: none"> The customer survey is carried out annually in all directly-managed properties. In this year's survey, the property Nowy Rynek D was included for the first time, scoring a very good result of 80 %. The results from the customer survey are used as a basis to improve the service and maintenance in our properties. In 2023, extra focus has been placed on the meetings with customers in Vilnius, which resulted in around 100 customer meetings, including 22 welcoming meetings for new tenants. We have also refurbished the common toilets in the property Vertas-1 and parts of the common areas, installed solar filters in selected window areas at Uniq to improve in-door comfort, arranged a step-counting competition, and celebrated St. Lucia. In Riga, we have refurbished toilets and lifts in the common areas, installed electric car chargers, and arranged a charity event. In Poznan, we regularly arrange events around the property. Two of the most popular of these were St. Martin's Croissant Day and Blenders Bike. Development potential: Develop alternative ways to measure tenant engagement. 	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																			
Future-proof organisation	Attract and retain talent.	Trust index according to Great Place to Work Trust among all employees of at least 90 % .	Trust Index, %	<p>The Trust index remains high in 2023, exceeding the goal set for the staff survey.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Goal</th> <th>2023</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>90 %</td> <td>94 %</td> <td>95 %</td> </tr> </tbody> </table>	Goal	2023	2022	90 %	94 %	95 %	<ul style="list-style-type: none"> Extra parental leave compensation is provided in Sweden. All employees are encouraged to seek and are offered opportunities for further training. Other benefits vary by country, but may include such things as subsidised lunches and wellness allowance grants. During the year, employees have had access to a web-based service offering training content in different areas for their personal and professional development. Development potential: Continually develop alternative ways of measuring and improving employee engagement. 	<input checked="" type="checkbox"/> <input type="checkbox"/>													
	Goal	2023	2022																						
	90 %	94 %	95 %																						
	Health and well-being of our employees.	Absence due to illness to not exceed 3 % .	The number of hours of absence due to illness as a proportion of total working hours per year, %.	Absence due to illness amounted to 0.9 % (0.6), of which short-term absence was 0.9 % (0.6) and long-term absence 0.0 %.	<ul style="list-style-type: none"> Wellness allowance grants are offered to staff. Eastnine's staff and tenants are encouraged to get frequent physical exercise. As a reminder of the health benefits, we arrange an annual step-counting competition, in which tenants as well as Eastnine employees may take part. Development potential: Identify further key figures that reflect staff health and well-being. 	<input checked="" type="checkbox"/> <input type="checkbox"/>																			
Equality and diversity.	Strive for equal distribution of men and women at all management levels in the company.	% women/ % men.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Women</th> <th colspan="2">Men</th> </tr> <tr> <th>Number</th> <th>%</th> <th>Number</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Board of Directors</td> <td>3</td> <td>50 %</td> <td>3</td> <td>50 %</td> </tr> <tr> <td>Management</td> <td>1</td> <td>50 %</td> <td>1</td> <td>50 %</td> </tr> </tbody> </table>		Women		Men		Number	%	Number	%	Board of Directors	3	50 %	3	50 %	Management	1	50 %	1	50 %	<ul style="list-style-type: none"> Gender distribution is taken into account when making recruitment decisions. During the year, all employees have participated in a DEI training (diversity, equality, and inclusion). Hanna Loikkanen was elected as a new member of the Board in 2023. Since then, Eastnine's Board has an even number of men and women. The same is true for the Group management team. Therefore, Eastnine ranked first place in the 2023 edition of the Allbright Foundation's assessment that annually compares the listed companies on the Stockholm stock exchange based on the gender equality in senior positions. Development potential: Identify further ways to work with DEI issues in the organisation that promote a healthy working climate and well-being among Eastnine's staff. 	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	
	Women		Men																						
	Number	%	Number	%																					
Board of Directors	3	50 %	3	50 %																					
Management	1	50 %	1	50 %																					

* Sustainable Development Goals

Download printable pdf

Finance

- Increased property value
- Lower operating costs in systems with carbon-dioxide pricing
- Access to green financing (EU taxonomy)
- Customers prefer sustainable products

Reputation

- Reputation in the market as a responsible player
- Increased engagement among staff
- Increased engagement with our customers
- Business-critical

Risk reduction

- Decreased risk of "stranded assets"
- Decreased risk relating to deficient compliance with regulatory requirements (EU taxonomy)



Sustainability goals and outcomes

This is Eastnine	3
Sustainability in focus	17
Sustainability efforts	18
Certification of buildings	19
Spotlight on 2023	20
How we reduce emissions	22
Climate risk analysis	23
→ Sustainability goals and outcomes	25
Our business	29
Financial information and governance	50
Other information	108

Area	Purpose	Goal	Key figure	Outcome 2023	Governance/measures/comments	Opportunities/value created	UN SDG*
Future-proof organisation	Suppliers	Increased transparency in the supply chain.	All strategic suppliers to be evaluated from a sustainability perspective.	Proportion evaluated, %.	All qualified strategic suppliers have undergone a sustainability evaluation. More on pg. 120.	<ul style="list-style-type: none"> All new suppliers are encouraged to fill out a web-based self evaluation. If any risks are discovered, these are followed up on with the supplier. The sustainability evaluation of any new construction includes physical on-site audits. Development potential: Extend the evaluation to further areas. Collaborate more actively with suppliers on material issues. 	
	Financing	Ensure long-term access to capital.	The proportion of green financing shall increase .	Proportion of green financing, %.	The proportion of green financing decreased to 60 % in 2023, from 64 % in 2022. More on pg. 56.	<ul style="list-style-type: none"> In 2023, Eastnine's green bond, issued in 2021, was redeemed early. Redemption was the main cause of the decrease in the proportion of green financing. In 2023, a smaller volume of bank loans were reclassified as green loans, while another volume of bank loans was reclassified from green loans to regular bank loans. Taken together, the combined effect was part of the decrease in the proportion of green financing. Development potential: Establish long-term goals for green financing apace with improved access to green financing. 	
	GRESB	Be a regional leader in sustainability.	Obtain the grade 5 stars in GRESB (count among the top 20 % in GRESB's global benchmark).	GRESB points.	Eastnine obtained 87 (92) of 100 points, and obtained 4 stars (5) in the 2023 assessment. This was lower than the previous year.	<ul style="list-style-type: none"> Our most recently acquired properties have had a negative impact on the outcome compared to the previous year, but our objective remains to place among the best in GRESB's global property benchmark. The decrease is primarily due to a smaller proportion of available comparative data on properties that were included in the reporting for the first time, increased water consumption in a comparable portfolio compared to the previous year due to more tenants being back in the office than during the pandemic, and higher emissions coefficients for district heating in Lithuania resulting in higher emissions in spite of lower energy consumption. 	
	Green leases	Collaborate with tenants for a sustainable society.	Increase the use of green leases.	Proportion of the lettable area where green leases are used, %.	Green leases are used in 11 of 13 properties, corresponding to 68 % (68) of the properties' gross floor area.	<ul style="list-style-type: none"> In 2023, we have continued to offer green leases to tenants in Latvia and Lithuania, enabling tenants to have insight and engagement with the environmentally-friendly operation of the premises being let. Development potential: Develop the collaboration with tenants and jointly develop and implement measures. Develop new clauses for green leases. Develop the contents of the green leases to improve engagement among tenants. 	

* Sustainable Development Goals

Download printable pdf

Finance

- Increased property value
- Access to green financing (EU taxonomy)
- Lower operating costs in systems with carbon-dioxide pricing
- Customers prefer sustainable products

Reputation

- Reputation in the market as a responsible player
- Increased engagement among staff
- Increased engagement with our customers
- Business-critical

Risk reduction

- Decreased risk of "stranded assets"
- Decreased risk relating to deficient compliance with regulatory requirements (EU taxonomy)



This is Eastnine	3
Sustainability in focus	17
→ Our business	29
Markets	30
Property portfolio	33
Development projects	36
Poland	37
Lithuania	39
Latvia	44
Tenants	47
Current earning capacity	49
Financial information and governance	50
Other information	108

Our business

Eastnine owns modern, sustainable, and high-yielding office properties in Poland, Lithuania, and Latvia. Our tenants include many stable, international companies. The business is operated efficiently with an aim to achieve high profitability.

↓ Download printable pdf



- This is Eastnine 3
- Sustainability in focus 17
- Our business 29
 - Markets 30
 - Property portfolio 33
 - Development projects 36
 - Poland 37
 - Lithuania 39
 - Latvia 44
 - Tenants 47
 - Current earning capacity 49
- Financial information and governance 50
- Other information 108

Markets

The year has been marked by raised policy rates following high inflation, economic downturn, and geopolitical uncertainty. On the real estate market, yield requirements have risen, there have been record low levels of transaction activity, and focus squarely on refinancing existing portfolios rather than acquisitions. In Riga and Poznan, the vacancy rates for offices has risen, although rent levels remain stable. There is a continued trend of choosing more high-quality offices. Vilnius, however, proves to be an exception with falling vacancy rates and rent levels reaching new record highs.

Macroeconomics

2023 was a year marked by high inflation, contractionary monetary policy, and an economic downturn, with continued geopolitical tension around the world. The average inflation for the year amounted to 10.9 per cent in Poland, 9.1 per cent in Latvia, 8.7 per cent in Lithuania, and 5.4 per cent in the eurozone, which was considerably lower than the year prior but still above central bank targets. The ECB and other central banks have therefore continued to raise policy rates throughout the year, as a consequence of which most economies have stagnated. Real GDP growth was close to zero on Eastnine's markets and in the eurozone as a whole.

Although the Russian war in Ukraine continues and the war between Israel and Hamas in Gaza emerges as a new geopolitical hot spot, inflation is expected to continue downward in 2024, meaning that there may be lowered interest rates and a probable economic recovery in the near future.

Interest and credit markets

The European central bank raised its most important policy rate, the deposit rate, to four per cent during the year. The rate level, which has remained, has resulted in sharply increased financing costs for real estate companies. At the end of 2023, the market began pricing in lowered interest rates. The five-year swap, a very important measure for the real estate market representing the cost of fixing interest on a five-year loan, fell to around 2.50 per cent for loans denominated in EUR, after having lingered in the range 3.00-3.50 per cent for about a year.

The access to bank financing has been good, at least for high-quality properties. Refinancing of lower-quality properties may be challenging, while lenders are being restrictive about development projects.



All of the Baltic countries, and Poland, have major ports on the Baltic shore that focus on logistics transports. Work continues on the Rail Baltica railway, which will connect the Baltics to the European railway network and is expected to be complete in 2030. The project is partially financed by the EU and estimated to amount to EUR 5.8 billion.

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
→ Markets	30
Property portfolio	33
Development projects	36
Poland	37
Lithuania	39
Latvia	44
Tenants	47
Current earning capacity	49
Financial information and governance	50
Other information	108

Download printable pdf

Markets

The transaction market

Record-high interest rate levels dampened transaction activity on the real estate market to record-low levels in 2023 – globally as well as in eastern Europe. Many investors stayed away entirely due to the considerable uncertainty on the interest market, while the few investors that were active had difficulties finding the right price level. Meanwhile, many investors were focused on refinancing existing portfolios rather than acquisitions.

In Poland, properties for a total of two billion euro changed hands in 2023. This is the lowest level recorded since the global financial crisis fifteen years ago, and about a third of the average in the last few years. About ten transactions were conducted in the office segment, nearly exclusively in Warsaw and primarily by regional investors such as Trigea, Adventum International, and Eika Asset Management, from Czechia, Hungary and Lithuania, respectively. The traditional German and institutional investors were absent, and activity in the ‘core’ segment of high-quality offices in central locations was nearly non-existent.

In the Baltics, transaction volumes were not as heavily affected. Properties for around EUR 700m changed hands in 2023, compared to the billion euro that the smaller Baltic market had transacted in recent years. This is partly explained by the fact that the statistics are affected to a greater degree by a handful of individual transactions, and partly by the

smaller dependence in those markets on foreign capital. There are a number of regionally focused fund managers that continued making investments in 2023. In the office segment, a larger acquisition was made by the Lithuanian company Lords L.B. Asset Management, acquiring an office park in Vilnius of around 100,000 sq.m. from the Nordic office owner Technopolis. After the end of the year, Technopolis further divested its majority share in their office park in Tallinn to the Estonian minority owner Mainor.

Yield requirements on properties rose broadly in 2023, in all property segments and in all markets. In Eastnine’s region, the yield requirement on the best office properties is estimated to have risen by 100–150 points, since interest rates began rising steeply in 2022, to 6.00 per cent in Warsaw, 6.50 per cent in both Vilnius and Riga, and 7.25 per cent in Poznan.

The rental market

While yield requirements are undergoing a correction, rent levels have also risen on Eastnine’s markets. This is the case not only for existing leases that are indexed based on inflation data. New leases are also being signed at ever higher levels, albeit only in modern office properties in central locations. Less qualitative properties in less attractive locations are being squeezed, as tenants began prioritising quality and accessibility after the pandemic, and often choose to move to smaller but better premises.

In Riga, this effect is illustrated by how top rents were unchanged, at 18 EUR per sq.m. and month, while the vacancy rate on the market rose from 15.5 per cent to 21.6 per cent in 2023. In Poznan, top rents rose above EUR 16, while the vacancy rate increased from 10.5 per cent to 14.7 per cent. In Vilnius, the vacancy rate, in spite of an equally large growth in the supply of office space during the year, sank from 7.6 per cent to 7.1 per cent and top rents rose from EUR 18 to EUR 21. A growth in the rent level of this magnitude has not been recorded in any other city in the region during the last decade.

Other major owners of offices	City
Hanner	Vilnius
Lords L.B. Asset Management	Vilnius, Riga
Eften Capital	Riga, Vilnius
Capitalica Asset Management	Riga, Vilnius
Skanska	Poznan
Vastint	Poznan, Riga, Vilnius
Von der Heyden Group	Poznan

The central business district in Vilnius, where Eastnine’s 3Bures-properties are located.

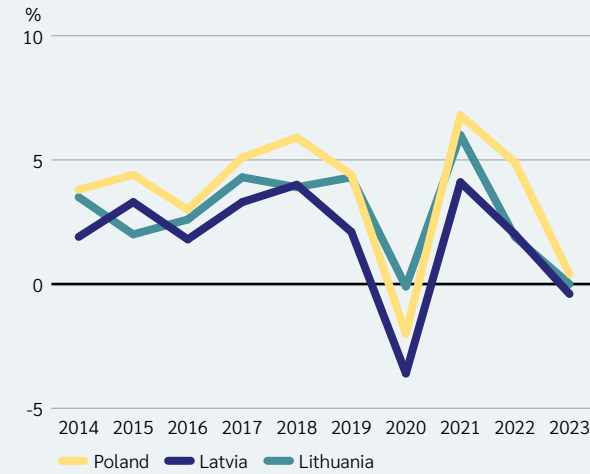




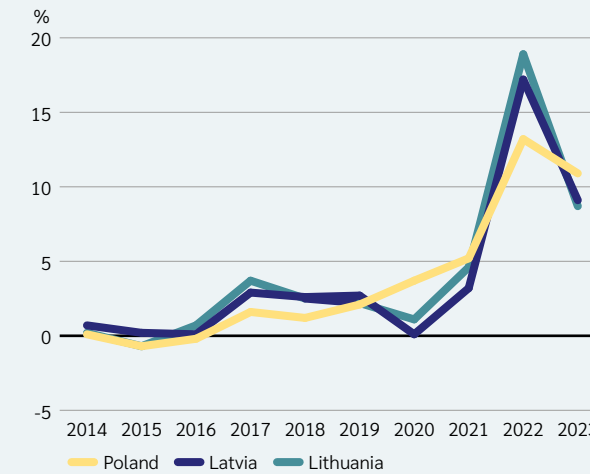
- This is Eastnine** **3**
- Sustainability in focus** **17**
- Our business** **29**
- **Markets** **30**
- Property portfolio 33
- Development projects 36
- Poland 37
- Lithuania 39
- Latvia 44
- Tenants 47
- Current earning capacity 49
- Financial information and governance** **50**
- Other information** **108**

Markets

GDP growth

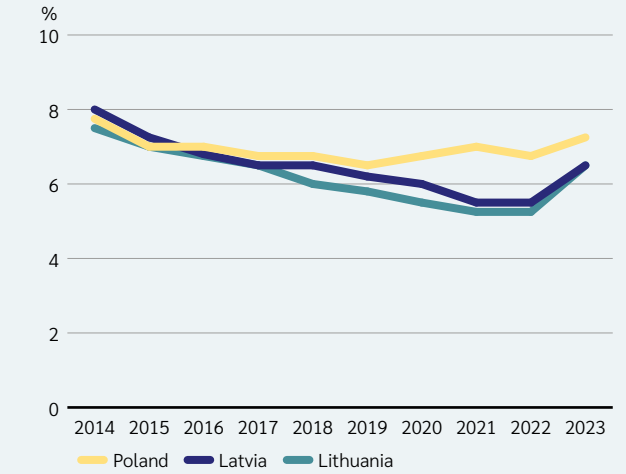


Inflation



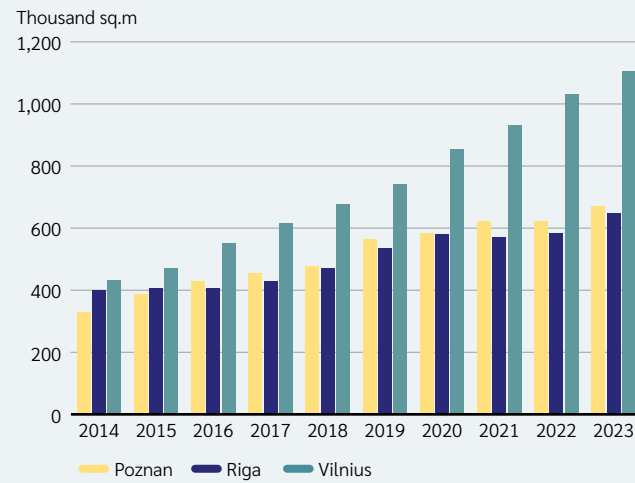
Harmonised consumer price index

Yield requirement – offices



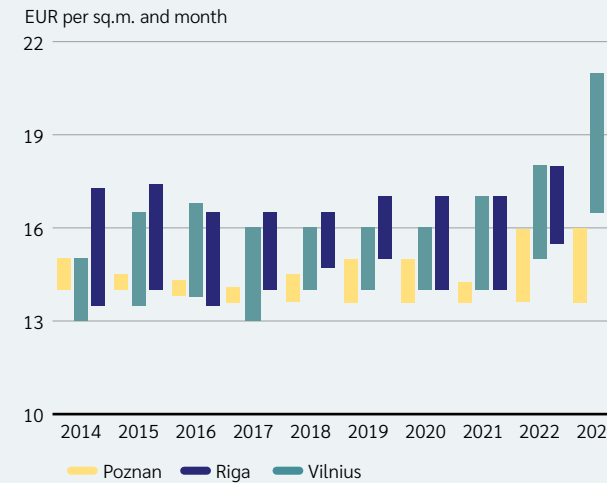
Yield requirement offices CBD

Office supply



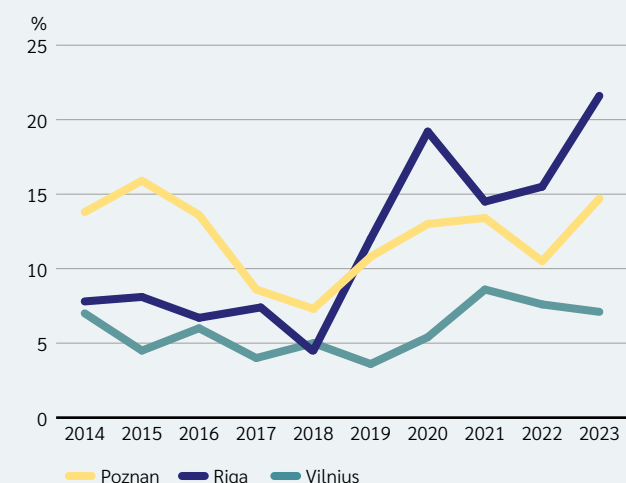
Source: Colliers, JLL, Eurostat, Swedbank

Rent level – offices



Market rent, class A offices

Vacancy rate – offices



Total vacancy rate

Download printable pdf



- This is Eastnine 3
- Sustainability in focus 17
- Our business 29
 - Markets 30
 - Property portfolio 33
 - Development projects 36
 - Poland 37
 - Lithuania 39
 - Latvia 44
 - Tenants 47
 - Current earning capacity 49
- Financial information and governance 50
- Other information 108

Property portfolio

The property value fell during the year to EUR 574m at year-end. The decline is due to unrealised negative value changes, primarily as a consequence of rising yield requirements on properties. No properties have been acquired or divested during the year. At year-end, Eastnine’s property portfolio comprised 14 properties and just over 182,000 sq.m.

Property portfolio

At year-end, Eastnine’s property portfolio comprised 14 properties, of which 13 were modern office properties (13) and one was a development property (1), located in Poznan, Vilnius, and Riga. The total lettable area amounted to 182,800 sq.m. (182,900). 96 per cent (96) of the lettable area comprises office space, while the remaining 4 per cent (4) comprises retail and trade premises.

The economic occupancy rate amounted to 93.1 per cent (96.3) at year-end. The rental value increased to EUR

37.8m (35.7), primarily due to indexation as provided for in the lease agreements. The average age of the property portfolio, excluding buildings on the Kimmel development property, amounted to 9.8 years (8.8).

Property value

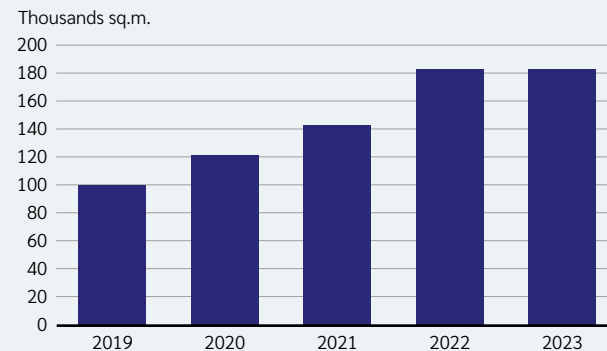
Eastnine’s combined property value amounted to EUR 573.8m (606.2) at year-end. Of this value, EUR 12.7m (12.6) was attributable to development properties.

Acquisitions and investments

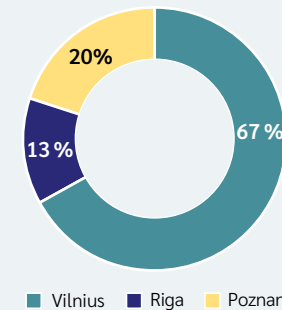
In 2023, Eastnine has not acquired or divested any properties. Investments, other than property acquisitions, amounted to EUR 2.2m (6.1), of which EUR 0.1m (0.3) refers to investments in the Group’s development properties.

The decline in value during the year is attributable to unrealised negative value changes as an effect of the market’s rising yield requirement on properties. The unrealised value changes have to some extent been counteracted by investments in the existing portfolio. Investments in

Property portfolio



Property value by city



Download printable pdf



The property 3Bures-1.2 in Vilnius



This is Eastnine	3
Sustainability in focus	17
Our business	29
Markets	30
→ Property portfolio	33
Development projects	36
Poland	37
Lithuania	39
Latvia	44
Tenants	47
Current earning capacity	49
Financial information and governance	50
Other information	108

Property portfolio

existing properties contributed EUR 2.2m (6.1) and unrealised value changes contributed EUR -34.7m (9.4).

In accordance with Eastnine's policy, all properties are valued every quarter, and valued externally by a certified valuation institute at least once over a rolling 12-month period. The fair value of development properties, where the total investment is unknown and where there are no future lease agreements, is estimated to correspond to accrued cost, unless there is other information available at the time of the valuation indicating a lower value. The market valuation is always made based on an individual assessment of the future cash flows of each property. For more information about the valuation model, assumptions

applied, and property values, refer to note 10 (Investment properties) on pg. 81.

Lettings and lease agreements

The total lettable area amounted to around 182,800 sq.m. (182,900). Annual rent under contract amounted to EUR 35.2m (34.4) and the total number of leases for premises amounted to around 230 (230), with 160 unique tenants (160). The rent on all leased offices is due monthly. At year-end, the average annual rent for premises amounted to EUR 193 per sq.m. (183). In Lithuania, the average annual rent for premises was EUR 193 per sq.m. (184), in Latvia EUR 181 per sq.m. (178), and in Poland EUR 201 per sq.m. (181).

Net letting was negative during the year, amounting to -4,499 sq.m. (9,281), corresponding to annual rents of EUR -990k (2,048). Meanwhile, leases for a total of 9,475 sq.m. (11,214), with annual rents of EUR 1,905k (1,997) have been renegotiated. New leases have been signed for an average annual rent of EUR 217 per sq.m. (189), and renegotiated leases for EUR 201 per sq.m. (178).

In the Baltics and Poland, the majority of leases have defined terms and expire unless renegotiated, meaning that the tenancy is vacated unless a new agreement is reached. Extending the lease terms on these agreements therefore require both parties to actively renegotiate. Some lease agreements may, however, include clauses that give the tenant,

when the lease expires, a first right to renegotiation of the let premises and a prioritised right to increase the area under lease. Eastnine's lease agreements are in the main triple-net agreements.

Property costs

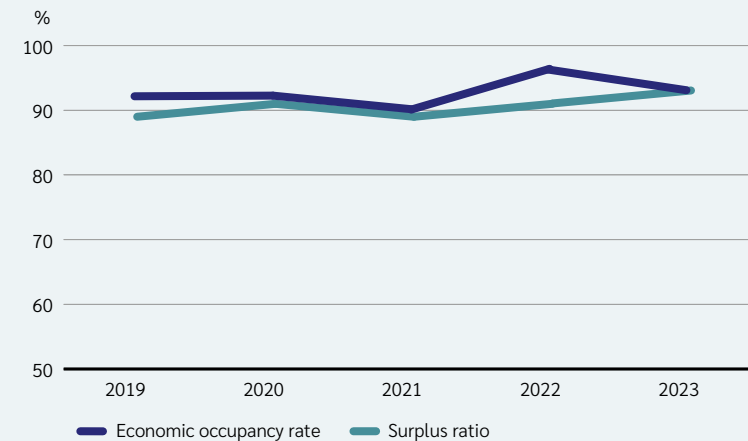
Triple-net agreements mean that a considerable fraction of the property's operating and maintenance costs are charged on to the tenants. Eastnine reports only that fraction of property expenses which is not charged directly to tenants, meaning that the costs sink if the occupancy rate increases, and vice versa. Eastnine's share of property expenses amounted to EUR 2,535k (2,812) and the surplus ratio for the full year was 93 per cent (91). Property expenses decreased, primarily

due to a higher average occupancy rate during the year, but also due to lower electricity and heating costs.

Future property development

At the end of the period, Eastnine had three future development projects. Two of these, The Pine and Kimmel, are located in Riga, while one, 3Bures-4, is located in Vilnius. These projects are currently in the planning phase but are on hold due to considerable uncertainty in new construction, in particular about cost. For more information about these projects, refer to pg. 36.

Economic occupancy rate and surplus ratio



Information by type of premises

Type of premises	Sq.m.	Rental value EURm	Rental value EUR/sq.m./year	Economic occupancy rate, %
Offices	175,873	34.3	194	93.2
Retail and service	6,299	1.2	180	86.8
Parking	-	2.2	-	94.6
Other ¹	585	0.2	119	98.8
Total	182,757	37.8	194	93.1

¹ Includes rental value for warehouse premises and other income, besides rental value for office, retail and service premises, as well as parking.

Download printable pdf



Property portfolio



Drone footage over Vilnius.

	2023 Jan–Dec	2022 Jan–Dec
Change in property values, EURm		
Property value at the beginning of the year	606.2	469.8
Property acquisitions	-	120.9
Investments in existing properties	2.2	6.1
Unrealised value changes	-34.7	9.4
Property values at the end of the year	573.8	606.2
Key figures, properties	2023	2022
Lettable area, sq.m.	182,757	182,948
Number of properties	14	14
Property value, EURm	573.8	606.2
Economic occupancy rate, %	93.1	96.3
Rental income, EURm	36.2	30.3
Property expenses, EURm	2.5	2.8
Surplus ratio, %	93	91

Property list

Property	City	Lettable area, sq.m.	Parking capacity	Economic occupancy rate, %	Rental value, EURm	Sustainability certification
Nowy Rynek D	Poznan	39,258	261	100.0	8.3	LEED Platinum
Alojas Biroji	Riga	10,193	217	77.6	2.0	LEED Platinum
Kimmel ¹	Riga	-	-	-	-	-
Valdemara Centrs	Riga	8,759	69	69.3	1.0	LEED Gold
Zala 1	Riga	3,629	190	81.7	1.0	LEED Platinum
3Bures-1,2	Vilnius	28,265	1,017	91.7	6.1	LEED Platinum
3Bures-3	Vilnius	13,406	123	81.4	2.5	LEED Platinum
S7-1	Vilnius	12,053	340	100.0	2.3	BREEAM Outstanding
S7-2	Vilnius	15,952	404	100.0	3.0	BREEAM Outstanding
S7-3	Vilnius	14,536	477	100.0	2.7	BREEAM Outstanding
Uniq	Vilnius	6,927	111	73.7	1.6	LEED Platinum
Uptown Park	Vilnius	12,681	319	100.0	2.5	LEED Platinum ²
Vertas-1	Vilnius	9,472	244	96.3	2.5	LEED Platinum
Vertas-2	Vilnius	7,627	65	100.0	1.6	LEED Platinum
Total		182,757	3,837	93.1	37.8	

¹ Development property, see pg. 36.

² Received certification in March 2024. Was not certified December 31, 2023.

This is Eastnine	3
Sustainability in focus	17
Our business	29
Markets	30
→ Property portfolio	33
Development projects	36
Poland	37
Lithuania	39
Latvia	44
Tenants	47
Current earning capacity	49
Financial information and governance	50
Other information	108

Download printable pdf



Development projects

Eastnine has three future development projects: two in Riga and one in Vilnius. All three projects are at the forefront of sustainability, architecture, and urban planning, and comprise a combined 64,000 sq.m. of lettable area. The design and construction of the properties have been developed from open, international architecture competitions. These project, which are currently in the planning phase but on hold, among other reasons due to considerable uncertainty in costs for new construction.



3Bures-4 in Vilnius

Eastnine is planning to build an office building, 3Bures-4, on existing land adjacent to Eastnine’s existing properties 3Bures-1,2 and 3Bures-3, in the central business district of Vilnius. The building is planned to be 16 floors tall above ground, and three floors below, encompassing around 13,200 sq.m. lettable area and more than 1,000 parking spaces. 3Bures-4 is planned to be sustainability-certified at the time of construction, and the aim is for the building to be climate-neutral in operation.



The Pine in Riga

The office building The Pine shall primarily be built out of wood, aiming to set the standard when it comes to sustainability and tenant experience. The building is to be constructed directly adjacent to an existing building on the Alojas Biroji property in Riga, and is estimated to encompass 15,600 sq.m. of lettable area and over 300 parking spaces. The building is to have five floors above ground and three floors below ground. In addition to offices, the building is slated to contain a conference centre, shops, restaurants, and a gym. The Pine is expected to be climate-neutral in operation following construction. Building permit have been granted.



Kimmel in Riga

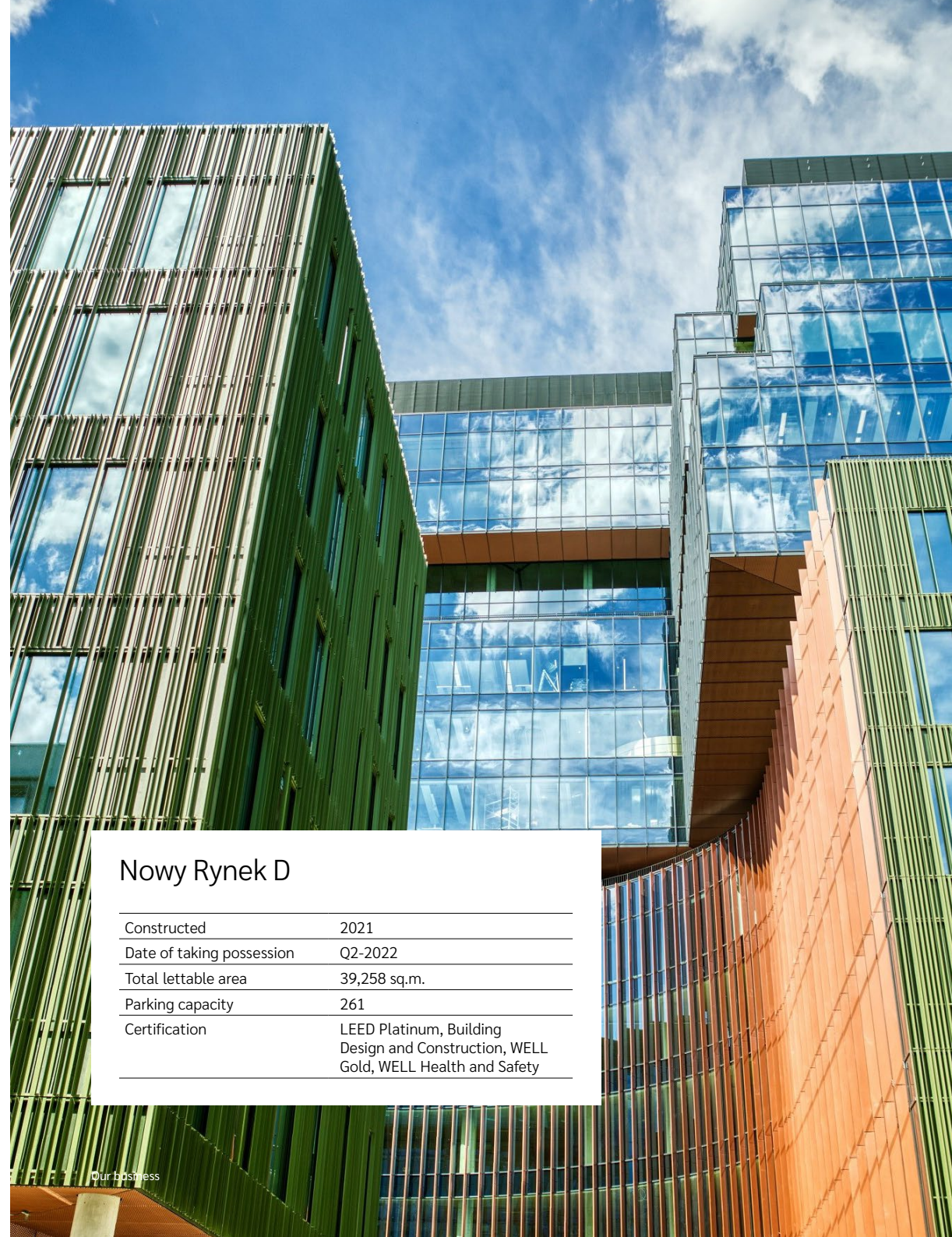
The development property Kimmel in central Riga consists of land and grade listed brick buildings. Here, Eastnine envisions creating a central meeting space, where a green, urban district with plentiful life and motion could grow. The office property shall promote an open flow between the indoor and the outdoor environment, where people can experience art, galleries, restaurants and shops, and participate in various events, in direct connection to their place of work. The total lettable area is estimated to amount to 36,000 sq.m., of which around 4,000 sq.m. relate to the existing grade listed brick buildings that will be adapted to the new buildings. The project might be completed in three separate phases. In addition, the property will include an underground parking garage. Kimmel is planned to undergo a certification process for the building as well as for people’s well-being. After completion, operation is expected to be climate neutral.

- This is Eastnine 3
- Sustainability in focus 17
- Our business 29
 - Markets 30
 - Property portfolio 33
 - Development projects 36
 - Poland 37
 - Lithuania 39
 - Latvia 44
 - Tenants 47
 - Current earning capacity 49
- Financial information and governance 50
- Other information 108

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Markets	30
Property portfolio	33
Development projects	36
→ Poland	37
Lithuania	39
Latvia	44
Tenants	47
Current earning capacity	49
Financial information and governance	50
Other information	108



Nowy Rynek D

Constructed	2021
Date of taking possession	Q2-2022
Total lettable area	39,258 sq.m.
Parking capacity	261
Certification	LEED Platinum, Building Design and Construction, WELL Gold, WELL Health and Safety

Poland

Eastnine owns one office property in Poland, located in Poznan, right in-between Warsaw and Berlin. The property was completed in 2021 and is centrally located in the city, near the central station and the Old Town.

Lettable area

39,258

sq.m.

Rental value

8.3

EURm

Occupancy rate

100

per cent

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Markets	30
Property portfolio	33
Development projects	36
→ Poland	37
Lithuania	39
Latvia	44
Tenants	47
Current earning capacity	49
Financial information and governance	50
Other information	108

Poland

Eastnine in Poznan

Eastnine’s office property Nowy Rynek D is located in the Polish city Poznan. The modern office property was completed in 2021 and is centrally located in Poznan’s business district, near both the central station and the Old Town. Eastnine’s lettable area in Poznan amounted to around 39,300 sq.m., corresponding to around six percent of the office market in the city.

The rental value amounted to EUR 8.3m and the property value to EUR 117.1m at the end of the year. The property is owned with site leasehold

with a remaining term of 66 years. The economic occupancy rate was 100 per cent. The surplus ratio was 98 per cent (99).

Nowy Rynek D is the site of the head office of Allegro, the company behind one of Poland’s largest e-commerce platforms and the single largest e-commerce company from Europe. Allegro leases around 26,000 sq.m. Other tenants include the Danish company Rockwool International and the German company Arvato.

Earnings and key figures, Poland	2023 Jan–Dec	2022 Jan–Dec
Rental income, EURm	8.5	4.9
Profit from property management, EURm	5.5	2.9
Profit/loss for the year, EURm	-0.6	5.6
Average annual rent, EUR/sq.m.	201	181
Economic occupancy rate, %	100.0	100.0

Poland is the fifth largest country in the EU and therefore of considerable importance for the EU as a whole. Poland’s GDP growth has for many years been above the EU average, although unemployment at the same time has been comparatively low. After the Second World War, Poland fell in the Soviet sphere of influence. In 1989, Poland would have its first non-communist government since the war, and is today a liberal democracy with free elections and a market economy.

Poland is a member of the OECD since 1996, of NATO since 1999, and in the EU since 2004.

The elections in the autumn of 2023 were won by the opposition, the Civic Coalition, lead by the former president of the European Council Donald Tusk, beating the incumbent Law and Justice party. This transfer of power is expected to result in closer ties to the EU and the renewed access to EU funds, which may in itself result in an economic upswing.

Poznan is one of the larger regional cities in the country, with several large universities and a diversified business life, and is located between Warsaw and Berlin.

Download printable pdf

¹ EU harmonised inflation measure for consumer prices.





This is Eastnine	3
Sustainability in focus	17
Our business	29
Markets	30
Property portfolio	33
Development projects	36
Poland	37
→ Lithuania	39
Latvia	44
Tenants	47
Current earning capacity	49
Financial information and governance	50
Other information	108



The properties 3Bures-1, 2 and 3 in Vilnius.

Our business

Download printable pdf

Lithuania

Eastnine’s properties in Lithuania are located in the capital, Vilnius, and concentrated to three areas: the central business district, the parliamentary quarters, and the development area near the central station.

Lettable area

120,900

sq.m.

Rental value

24.8

EURm

Occupancy rate

94

per cent



This is Eastnine	3
Sustainability in focus	17
Our business	29
Markets	30
Property portfolio	33
Development projects	36
Poland	37
→ Lithuania	39
Latvia	44
Tenants	47
Current earning capacity	49
Financial information and governance	50
Other information	108

Lithuania

Eastnine in Vilnius

Eastnine’s property portfolio in Lithuania is located entirely in the capital, Vilnius. The portfolio comprises office properties located in three central areas. Eastnine’s property Uptown Park is located in an area near the central station with many new constructions, termed “the New City”. 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, and among them Eastnine’s three S7 properties, 3Bures-1,2 and 3Bures-3. Near the parliamentary quarters and the Old Town are the three properties Vertas-1, Vertas-2, and Uniq.

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 of the Vilnius portfolio increased to EUR 24.8m (23.7) and the property value decreased to EUR 382.6m (403.7) at the end of the year. The decrease in value is due to negative unrealised value changes. The property portfolio includes site leaseholds as well as property rights: Vertas-1, Vertas-2, Uniq and Uptown Park are held with ownership and the other properties are held as leaseholds. The remaining lease term for the site leaseholds vary between 18 and 76 years.

The economic occupancy rate was 94.0 per cent (97.2). Surplus ratio was 94 per cent (92).

Earnings and key figures, Lithuania	2023 Jan-Dec	2022 Jan-Dec
Rental income, EURm	23.7	21.9
Profit from property management, EURm	16.5	15.6
Profit/loss for the year, EURm	-10.2	29.6
Average annual rent, EUR/sq.m.	193	184
Economic occupancy rate, %	94.0	97.2

Lithuania has exhibited stable growth ever since the country became independent of the Soviet Union in the early 90s. The level of education is high and many international companies have established central business districts and ICT units in the country, as the digital infrastructure is some of the best in the EU. In 2004, Lithuania

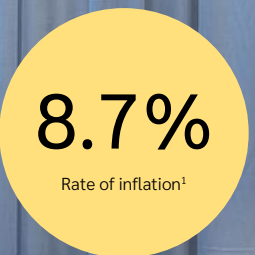
became a member of the EU and of NATO, strengthening its integration with the West.

Lithuania, located on the eastern shore of the Baltic Sea, is the largest of the three Baltic countries with a population of around 2.9 million.

¹ EU harmonised inflation measure for consumer prices.



The entrance to 3Bures-3 in Vilnius.





Lithuania

- This is Eastnine 3
- Sustainability in focus 17
- Our business 29
 - Markets 30
 - Property portfolio 33
 - Development projects 36
 - Poland 37
 - Lithuania 39
 - Latvia 44
 - Tenants 47
 - Current earning capacity 49
- Financial information and governance 50
- Other information 108



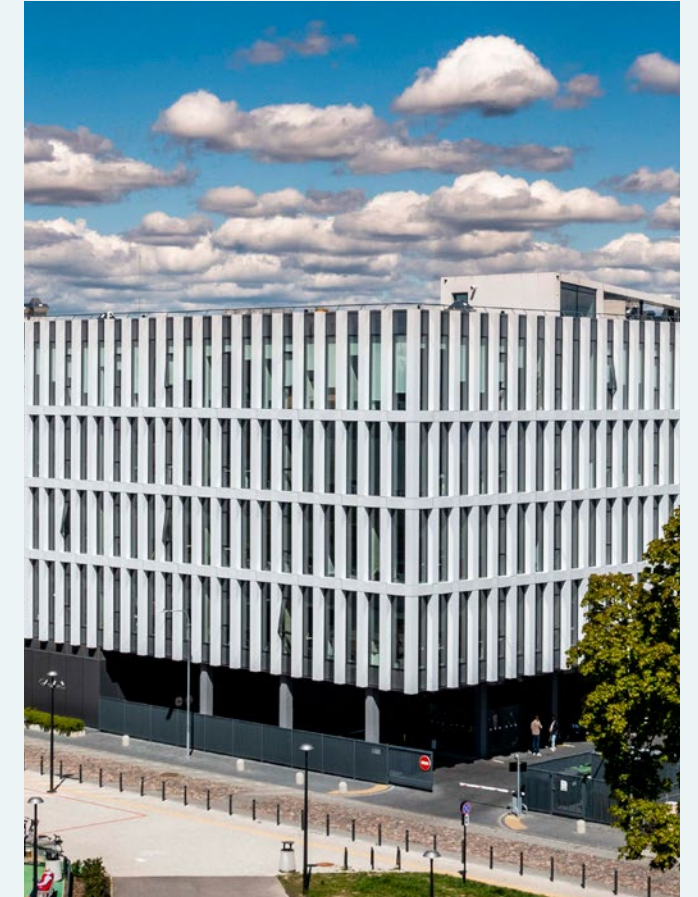
3Bures-1,2

Constructed	2008
Date of taking possession	Q2-2014
Lettable area	28,265 sq.m.
Parking capacity	1,017
Certification	LEED Platinum, Building Operations and Maintenance



3Bures-3

Constructed	2018
Date of taking possession	Q3-2018
Lettable area	13,406 sq.m.
Parking capacity	123
Certification	LEED Platinum, Building Design and Construction



Uptown Park

Constructed	2020
Date of taking possession	Q4-2021
Total lettable area	12,681 sq.m.
Parking capacity	319
Certification	LEED Platinum, Building Operations and Maintenance ¹

Download printable pdf

Information about the 3Bures-4 development project, located on land adjacent to the other 3Bures properties, is presented on pg. 36.

¹ Received certification in March 2024. Was not certified December 31, 2023.



Lithuania

This is Eastnine	3
Sustainability in focus	17
Our business	29
Markets	30
Property portfolio	33
Development projects	36
Poland	37
→ Lithuania	39
Latvia	44
Tenants	47
Current earning capacity	49
Financial information and governance	50
Other information	108



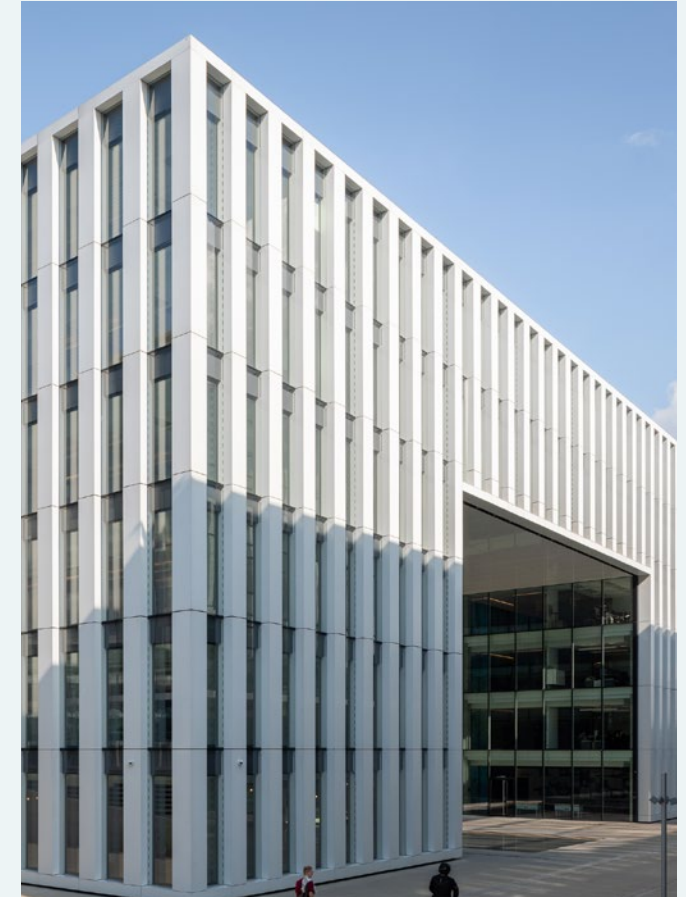
S7-1

Constructed	2017
Date of taking possession	Q1-2019
Lettable area	12,053 sq.m.
Parking capacity	340
Certification	BREEAM Outstanding, In-Use



S7-2

Constructed	2019
Date of taking possession	Q4-2019
Lettable area	15,952 sq.m.
Parking capacity	404
Certification	BREEAM Outstanding, In-Use



S7-3

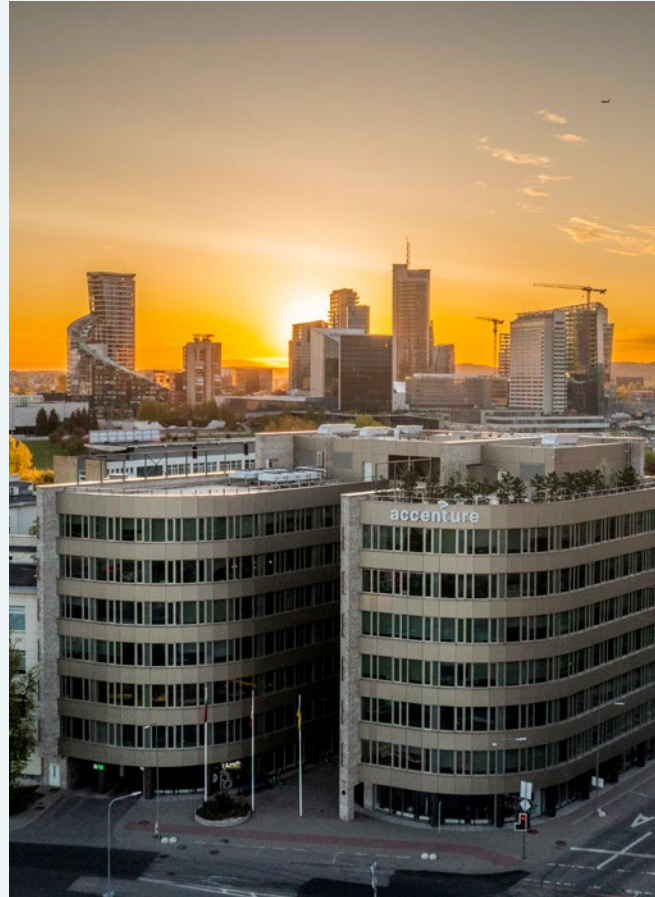
Constructed	2019
Date of taking possession	Q2-2020
Total lettable area	14,536 sq.m.
Parking capacity	477
Certification	BREEAM Outstanding, In-Use

↓ Download printable pdf



Lithuania

This is Eastnine	3
Sustainability in focus	17
Our business	29
Markets	30
Property portfolio	33
Development projects	36
Poland	37
→ Lithuania	39
Latvia	44
Tenants	47
Current earning capacity	49
Financial information and governance	50
Other information	108



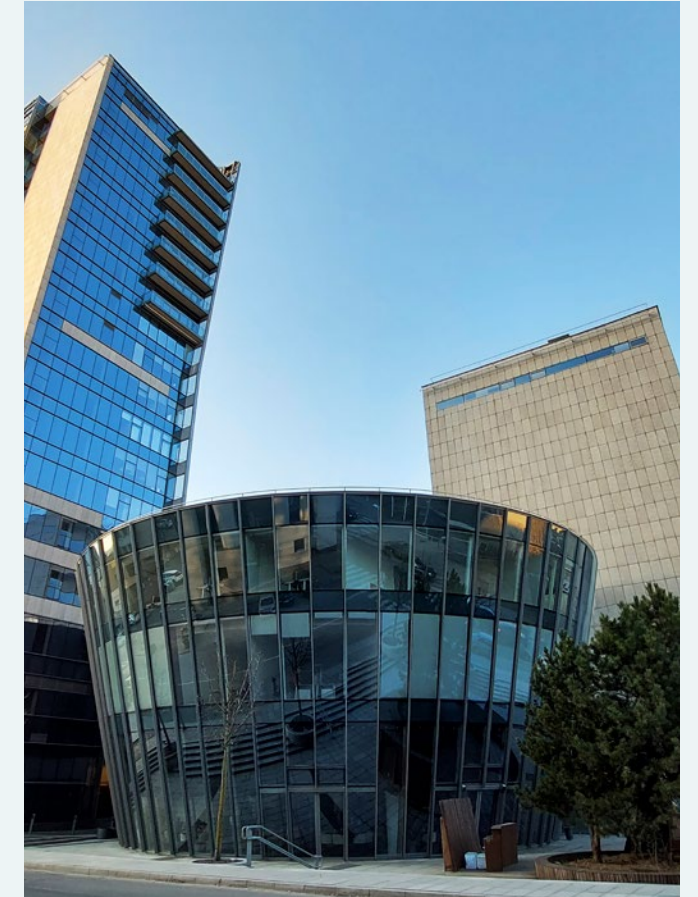
Uniq

Constructed	2016
Date of taking possession	Q2-2021
Lettable area	6,927 sq.m.
Parking capacity	111
Certification	LEED Platinum, Building Operations and Maintenance



Vertas-1

Constructed	2007
Date of taking possession	Q2-2017
Lettable area	9,472 sq.m.
Parking capacity	244
Certification	LEED Platinum, Building Operations and Maintenance



Vertas-2

Constructed	2007
Date of taking possession	Q3-2020
Total lettable area	7,627 sq.m.
Parking capacity	65
Certification	LEED Platinum, Building Operations and Maintenance

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Markets	30
Property portfolio	33
Development projects	36
Poland	37
Lithuania	39
→ Latvia	44
Tenants	47
Current earning capacity	49
Financial information and governance	50
Other information	108



Latvia

Eastnine owns three office properties and one development property in central locations in the Latvian capital, Riga. In addition, there is one development project, located on the same site as an investment property.

Lettable area

22,600

sq.m.

Rental value

4.7

EURm

Occupancy rate

77

per cent

↓ Download printable pdf



- This is Eastnine** 3
- Sustainability in focus** 17
- Our business** 29
 - Markets 30
 - Property portfolio 33
 - Development projects 36
 - Poland 37
 - Lithuania 39
 - **Latvia** 44
 - Tenants 47
 - Current earning capacity 49
- Financial information and governance** 50
- Other information** 108

Latvia

Eastnine in Riga

Eastnine’s property portfolio in Latvia is concentrated to the capital, Riga. In Riga, modern offices are being built centrally in the city, as yet without a clearly defined business district. All of Eastnine’s three office properties, and one development property, are located in central Riga, along one of the main streets, Krisjaņa Valdemara iela, and adjacent Zala iela. The total lettable area in the property portfolio amounted to around 22,600 sq.m., estimated to correspond to around three per cent of the office market in the city. There is also one upcoming

development project in the portfolio, located on the same site as the Alojās Biroji investment property.

The rental value of the Riga portfolio amounted to EUR 4.7m (4.5). The combined property value amounted at the year-end to EUR 74.1m (81.6), to which the value of development properties contributed EUR 12.3m (12.3). In Riga, all properties are held with ownership rights.

The economic occupancy rate was 76.6 per cent (85.9). The surplus ratio increased to 79 per cent (71).

Earnings and key figures, Latvia	2023 Jan–Dec	2022 Jan–Dec
Rental income, EURm	4.0	3.5
Profit from property management, EURm	1.7	1.7
Profit/loss for the year, EURm	-6.5	2.2
Average annual rent, EUR/sq.m.	181	178
Economic occupancy rate, %	76.6	85.9

Latvia, with its long Baltic coastline, has large sea ports with connections to roads and railways. Half of the country is covered in forest, and the bio-economic sector is significant. The capital Riga is a pearl of historical architecture and is listed on Unesco’s world heritage list thanks to its well-preserved mediaeval buildings,

magnificent Art Nouveau quarter, Gothic churches, and the characteristic Latvian wooden houses.

Latvia became independent of the Soviet Union in 1991, joined the EU and NATO in 2004, introduced the Euro in 2014 and became a member of the OECD in 2016.

Download printable pdf

¹ EU harmonised inflation measure for consumer prices.



1.9
Million inhabitants in Latvia, of which around 0.9 million live in Riga.

-0.4%
GDP development

9.1%
Rate of inflation¹

Valdemara Centrs in Riga.



Latvia

This is Eastnine	3
Sustainability in focus	17
Our business	29
Markets	30
Property portfolio	33
Development projects	36
Poland	37
Lithuania	39
→ Latvia	44
Tenants	47
Current earning capacity	49
Financial information and governance	50
Other information	108



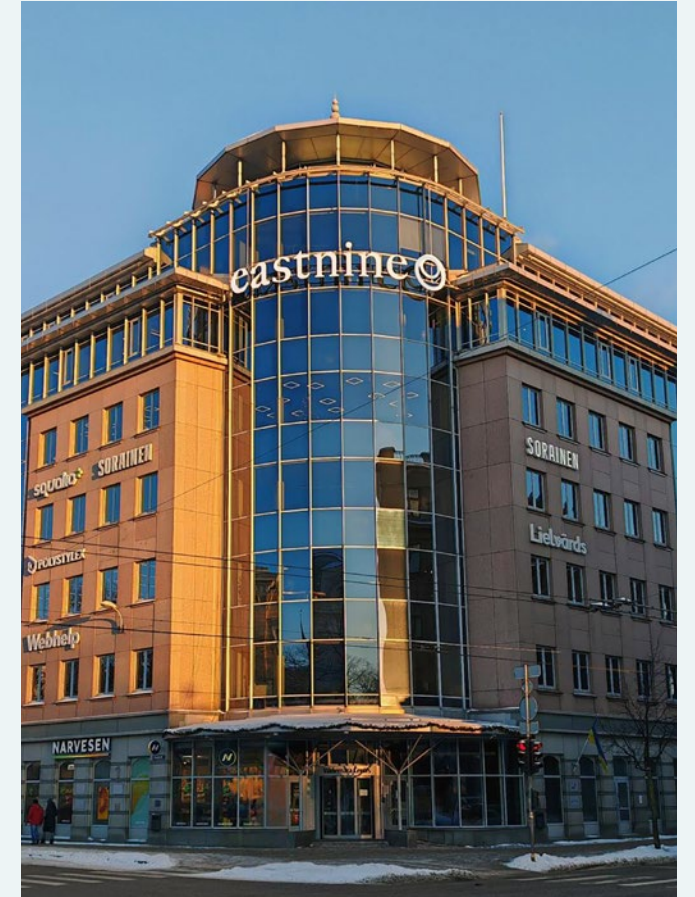
Alojas Biroji

Constructed	2004
Date of taking possession	Q2-2018
Lettable area	10,193 sq.m.
Parking capacity	217
Certification	LEED Platinum, Building Operations and Maintenance



Zala 1

Constructed	2009
Date of taking possession	Q2-2021
Lettable area	3,629 sq.m.
Parking capacity	190
Certification	LEED Platinum, Building Operations and Maintenance



Valdemara Centrs

Constructed	1999
Date of taking possession	Q4-2019
Total lettable area	8,759 sq.m.
Parking capacity	69
Certification	LEED Gold, Building Operations and Maintenance

Download printable pdf

Information about development project, the Kimmel and the The Pine, is presented on pg. 36.



This is Eastnine	3
Sustainability in focus	17
Our business	29
Markets	30
Property portfolio	33
Development projects	36
Poland	37
Lithuania	39
Latvia	44
→ Tenants	47
Current earning capacity	49
Financial information and governance	50
Other information	108

Tenants

Eastnine’s customer promise is to do its utmost to create a competitive advantage for its customers. We strive for close and long-term relationships with our tenants, who primarily consist of large, stable companies with international operations. Tenants are primarily active in finance, information and communications technology (ICT), and e-commerce. The average remaining lease term is long.

Venues for ideas and business

The office is a meeting place where the values of the company and of the individual shall meet and interact, and is a large part of the company’s brand. Eastnine provides inspiring, flexible, and modern offices in central locations to tenants with high demands. Efficient properties with good indoor environments and working climates, as well as good service, are important. The premises are flexible and designed to suit the needs and identity of the tenants. There is often access to cafés, restaurants, gyms, tailoring services, and parking for cars and bicycles. To meet the demand for sustainable and efficient office solutions, Eastnine works actively with sustainability certification of office buildings, which provides the building with a mark of quality. Green leases fulfil an important function to reduce the environmental impact of the properties.

With a local presence, Eastnine strives to create long-term and value-creating relationships. Collaboration, engagement, and a high degree of service are

our key values in any dealings with the tenants, with the goal of ensuring that our tenants have as good an experience as possible in our buildings. In 2023, among other things, we have replaced the lifts and refurbished the toilets in the common areas in some of our properties, and installed sun filters on selected windows so as to dampen direct sunlight and thus improve the indoor climate. Eastnine regularly arranges various events for the tenants to encourage physical activity, promote a healthy lifestyle, and feel a sense of community. In 2023, we arranged the annual step-counting competition in Vilnius, a charity event in Riga, various themed activities in Poznan. In all of our cities, we celebrate certain holidays, such as St. Lucia’s day.

Being an Eastnine tenant

In the Baltics and Poland the majority of leases have defined terms and expire unless renegotiated, meaning that the tenancy is vacated unless a new agreement is reached. Extending a lease agreement therefore requires both parties to



Eastnine’s centrally located offices shall provide a good working climate, be inspiring and flexible, and thereby to ensure that the tenants are satisfied and have as good an experience as possible.

actively renegotiate. Lease agreements may include clauses that give the tenant, when the lease expires, a first right to renegotiation of the let premises and a prioritised right to increase the area under lease. In agreements, there may also be a unilateral right for the tenant to terminate the lease early (a break option). As a landlord, Eastnine strives to be receptive toward the tenants and have a regular dialogue on various issues, including the future requirements for premises. A considerable proportion of Eastnine’s leases are green leases. With green leases, Eastnine comes to an

Largest tenants

Tenant	Annual rent, EURk	Proportion of annual rent under contract, %	Sq.m.
Allegro	5,676	16	26,283
Danske Bank	4,973	14	26,588
Telia	3,044	9	15,952
Vinted	1,928	5	9,605
Swedbank	1,643	5	9,030
Rockwool	1,421	4	6,870
Twoday	807	2	3,908
Citco	747	2	3,009
Invalda Technology Group	601	2	2,102
Invalda INVL	506	1	2,008
Total	21,346	61	106,354

Download printable pdf



- This is Eastnine** 3
- Sustainability in focus** 17
- Our business** 29
 - Markets 30
 - Property portfolio 33
 - Development projects 36
 - Poland 37
 - Lithuania 39
 - Latvia 44
 - **Tenants** 47
 - Current earning capacity 49
- Financial information and governance** 50
- Other information** 108

Tenants

understanding with the tenants, agreeing on the importance of a long-term sustainable business. At the end of the 2023 green leases made up 68 per cent of leases (68).

Largest tenants

Among Eastnine's largest tenants are several international companies that have chosen to establish their business in Eastnine's centrally located and modern properties. 27 per cent (28) of the tenants are in finance, 27 per cent (26) in ICT, and 21 per cent (20) in e-commerce. At year-end, the average annual rent amounted to EUR 193 per sq.m. (183). The annual rent in Lithuania amounted to EUR 193 per sq.m. (184), in Latvia to 181 (178) and in Poland to 201 (181). Total rental income, for all lease

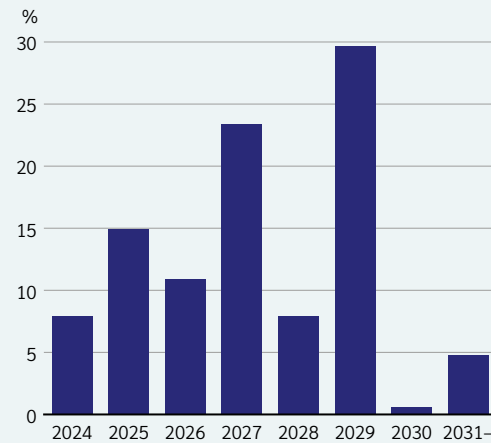
agreements over the duration of their terms, amounted to EUR 134m (152), of which EUR 46m (64) falls due in 2027 or later. Rent is paid monthly for all of Eastnine's office premises. As security, Eastnine usually requires a deposit or a bank guarantee corresponding to 2–3 times the monthly rent, due when the lease is signed.

The ten largest tenants lease 106,354 sq.m. (108,444). The tenant concentration has successively fallen apace with the growth in Eastnine's property portfolio. Four years ago, the largest tenant, Danske Bank, stood for 26 per cent of rental income. At year-end 2023, Allegro was the largest tenant, with an annual rent under contract corresponding to 16 per cent of the total annual rent. Contractual annual rent for the ten largest

tenants amounted to EUR 21.3m (20.7), corresponding to 61 per cent (60) of the total annual rent. New larger tenants this year include Belka Games in Vilnius, who moved into the property 3Bures-1,2 during the spring of 2023. In Riga, Skrides klinika have signed an agreement to move into the property Alojas Biroji during the first quarter of 2024.

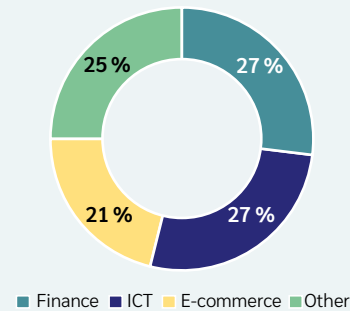
The average remaining lease term of the ten largest tenants amounted to 4.0 years (4.9), compared to 3.8 years (4.4) across all leases. The combined annual rent, including parking and other rental income, amounted on 31 December to EUR 35.2m (34.4), of which annual rent in Lithuania was 66 per cent, in Poland 24 per cent, and in Latvia 10 per cent.

End of lease terms¹



¹ Based on the proportion of annual rent for premises on 31 December 2023. See also note 3 (Rental income).

Tenants per sector



Satisfied customers – our most important ambassadors



Eastnine shall do its utmost to generate a competitive advantage for its customers, by offering a level of service beyond expectations and providing offices that contribute to good business. Eastnine has a regular dialogue with its tenants in order to foster a high customer satisfaction, proactive service, and low customer turnover.

This year, the customer survey offered some positive news: customer satisfaction, as measured with Net Promoter Scores, increased to 64 (44) in all properties and 51 (44) in a comparable portfolio. The survey this year also showed that more people are aware of Eastnine as a landlord than previously, which is a positive outcome as the company has the ambition to create long-term relationships with tenants.

“There is high quality even in the details, and the office is a pleasant place to be every day. Also, the events that are arranged here make the days more fun!”

The reply of one tenant from Nowy Rynek D to the question: what is the best thing about the office?

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Markets	30
Property portfolio	33
Development projects	36
Poland	37
Lithuania	39
Latvia	44
Tenants	47
→ Current earning capacity	49
Financial information and governance	50
Other information	108

Current earning capacity

In order to facilitate the assessment of the Company's current position, Eastnine reports on current earning capacity. Earning capacity is a theoretical assessment describing the Company's current earnings on 31 December 2023.

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 in a 12-month period given a certain set of circumstances. It is based on the property portfolio held on the reporting day.

Earning capacity includes current lease agreements but does not assess the potential future development of rents, vacancy rates, 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 12 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 corresponds to the most recently adopted budget, adjusted for future annual income and expenses that have been added since the budget was adopted.

Comment to earning capacity

- Rental value increased compared to the beginning of the year, primarily due to rent indexation.
- Rental income increased less than rental value, as the vacancy rate was higher.
- Property expenses fell due to a higher occupancy rate during the year.
- The profit from property management increased, primarily due to interest income.
- The interest coverage ratio rose due to higher net operating income and interest income.
- The interest rate rose due to higher market interest rates.
- The prospective yield rose, due to higher rental income, lower property expenses, and lower property value.



A welcoming entrance to 3Bures-3 in Vilnius.

EURk	2023 31 Dec	2022 31 Dec	Change, %
Rental value	37,832	35,725	+6
Less vacancy values	-2,592	-1,308	+98
Sum rental income	35,240	34,417	+2
Property expenses	-2,535	-2,900	-13
Net operating income	32,705	31,517	+38
Central administration expenses	-3,679	-4,050	-9
Interest income	4,505	-	n.a.
Interest expenses	-11,422	-11,035	+4
Other financial income and expenses	-46	-400	-82
Profit from property management	22,063	16,032	+38
	2023 31 Dec	2022 31 Dec	Change, unit
Key figures			
Surplus ratio, %	93	92	+1
Interest coverage ratio, multiple	2.9	2.5	+0.4
Debt ratio, multiple	5.2	13.2	-8.0
Average interest rate, %	4.0	3.4	+0.6
Prospective yield excl. development properties, %	5.8	5.3	+0.5
Prospective yield, %	5.7	5.2	+0.5
Investment properties, EURk	573,771	606,222	-32,451

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
→ Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Financial information and governance

51 Administration Report

65 Consolidated financial statements

65	Consolidated statement of comprehensive income
66	Consolidated Statement of Financial Position
67	Consolidated Statement of Changes in Equity
68	Consolidated Statement of Cash Flows

69 Parent Company's financial statements

69	Income Statement – Parent Company
69	Balance Sheet – Parent Company
70	Statement of Changes in Equity – Parent Company
71	Statement of Cash Flow – Parent Company

72 Notes to the financial statements

72	Note 1	Accounting policies	85	Note 19	Cash and cash equivalents
75	Note 2	Segment reporting	85	Note 20	Equity
76	Note 3	Rental income	86	Note 21	Interest-bearing liabilities
76	Note 4	Property expenses	86	Note 22	Deferred tax liabilities
76	Note 5	Employees, staff expenses and remuneration to executive management	87	Note 23	Other non-current liabilities
80	Note 6	Central administration expenses	87	Note 24	Other liabilities
80	Note 7	Fees and compensation to auditors	87	Note 25	Accrued expenses and deferred income
80	Note 8	Leasing agreements	87	Note 26	Shares and participations in group subsidiaries
81	Note 9	Financial income and expenses	88	Note 27	Financial instruments
81	Note 10	Investment properties	90	Note 28	Financial risks and management
83	Note 11	Securities holdings	91	Note 29	Related parties
83	Note 12	Derivatives	91	Note 30	Specifications for the cash-flow statement
83	Note 13	Realised values and dividends from investments	92	Note 31	Earnings per share
84	Note 14	Other income	92	Note 32	Pledged assets and contingent liabilities
84	Note 15	Taxes	92	Note 33	Information about the Parent Company
84	Note 16	Equipment	92	Note 34	Events after the end of the financial year
85	Note 17	Accounts receivable			
85	Note 18	Prepaid expenses and accrued income			

93 Key figures etc.

93	Five-year overview of key figures
95	Assurance from the Board and CEO
96	Auditor's Report
100	Interview with the Chairman of the Board
101	Corporate Governance Report
106	Board of Directors
107	Management

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
→ Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Administration Report

The Board of Directors and the CEO of Eastnine AB (publ), corporate identity no. 556693-7404, hereby submit the annual accounts and consolidated accounts for the 2023 financial year. The reporting currency of the Parent Company and the Group is the euro.

General information about Eastnine

Eastnine AB (publ) is a real estate company listed on Nasdaq Stockholm, Mid Cap. Eastnine shall be the leading long-term provider of modern and sustainable office premises in prime locations at selected markets in the Baltics and Poland.

The Group's real estate operations are administered by wholly-owned subsidiaries in each of the Eastnine Group's countries of operations. At year-end, Eastnine had 22 full-time employees in Sweden, Latvia, and Lithuania.

Eastnine's 2023 business plan

Presented below are a selection of goals and targets from Eastnine's business plan, which was in force until the end of 2023, and which provided the basis for the year's work. The majority of these goals were met by the end of the year. More information on goal fulfilment is provided on pgs. 9–11.

Overarching target

The overarching target was to create a sustainable, attractive total return on investment for the shareholders. The total return was, over time, to exceed the average of comparable European real estate companies.

Eastnine's operational goals

- Annual profit from property management was to increase to EUR 25m, as calculated based on Q4 2023.
- The property portfolio was to grow to EUR 700m by the end of 2023.
- The business was to be focused on real estate, by divesting investments that were not directly-owned real estate as soon as financially optimal exits could be found.

Eastnine's financial goals

- Return on equity should be at least 10 per cent over time.
- Dividends were to, over time, correspond to at least 50 per cent of the profit from property management, after deductions for current tax.
- The net loan-to-value ratio on properties was to be at most 60 per cent.
- The equity/asset ratio was to be at least 35 per cent.
- The interest coverage ratio was to amount to at least 2.0 times.

Eastnine's sustainability goals

- Property operations were to be carbon dioxide-neutral by the end of 2030.
- The entire property portfolio was to obtain sustainability certificates on the level of at least LEED Gold or BREEAM Excellent.
- 100 per cent of the properties' energy consumption was to be sourced from renewable energy by 2030.
- The use of sustainable materials when constructing and refurbishing properties was to increase.
- The company was to strive for green financing and green leases, and the proportion of these was to increase over time.

New business plan and new goals

In December 2023, Eastnine's Board adopted a new business plan, as the previous business plan was in force only until the end of 2023. This new plan included some new goals and some updated goals.

The new plan retain the same prioritised markets, namely Poland and the Baltics, and the overarching goal of a sustainable, attractive total return for shareholders remain. Eastnine aims to grow the portfolio with office properties, provided that this growth contributes to increased profitability. Eastnine also committed to do its utmost to create a competitive advantage for its customers.

Overarching target

To create a sustainable, attractive total return for its shareholders investments.

Growth target

Eastnine's long-term ambition is to grow the property portfolio in order to increase profitability.

Financial goals

- The return on equity should be at least 10 per cent over time.
- The profit from property management per share should grow.
- Dividends should, over time, correspond to at least 50 per cent of the profit from property management, after deductions for current tax.

Financial limits

- Eastnine strives for a loan-to-value ratio of around 50 per cent over a business cycle. The loan-to-value ratio shall not exceed 60 per cent.
- The interest coverage ratio shall amount to at least 2.0x.

Overarching sustainability goals¹

Eastnine's ambition is to be a leader in sustainability within its regions, by striving for the following targets:

- 100 per cent of the property business shall be EU taxonomy aligned.
- Climate-neutral property operations by 2030 and reduced emissions from new construction and tenant improvements.
- 100 per cent sustainability-certified property portfolio.
- Five star rating from GRESB.

¹ In addition to these overall sustainability goals, there are also area-specific goals and key figures that are monitored as part of the Company's sustainability strategy; see pgs. 25–28.

Download printable pdf



Administration Report

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
→ Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Key events during the year

- During the first quarter the sale agreement for the holding in the fashion chain Melon Fashion Group, in force at that time, was terminated.
- During the second quarter, Eastnine refinanced all of its bank loans that would mature in 2023, amounting to a combined EUR 56.5m. In connection with the refinancing, a further EUR 10.5m in loans was raised.
- During the third quarter, Eastnine sold its entire holding in MFG for EUR 144m. Eastnine thereby achieved its goal of becoming a pure real estate company.
- At the beginning of the fourth quarter, an early redemption of Eastnine's sole bond, issued in 2021, was carried out. The total redemption amounted to around EUR 46m.
- In 2023, Eastnine ranked first in the Allbright Foundation's annual comparison of gender equality in the management and Board of Directors of the 361 companies on Nasdaq Stockholm. Both Eastnine's management team as well as its Board of Directors are made up of equal numbers of women and men.
- At year-end, 94 per cent of Eastnine's property portfolio was sustainability-certified with at least LEED Gold or BREEAM Outstanding. Two properties have been recertified during the year.
- The Board decided in December 2023 on a new business plan with new and updated goals. More information is available starting on pg. 12.

Management

At year-end, the combined lettable area was 182,757 sq.m. (182,948). During the year, new leases were signed for 8,363 sq.m. (16,914), with an average rent of EUR 217 per sq.m. and year (189). The rent level in renegotiated lease agreements, amounting to 9,475 sq.m., was on average EUR 201 per sq.m. and year (178).

Net letting, i.e. newly signed leases less terminated leases, was negative for the year and amounted to -4,499 sq.m. (9,281), corresponding to annual rents of EUR -990k (2,048).

Rental income, occupancy rate, and WAULT

At year-end, annual contracted rental income was EUR 35,240k (34,417), corresponding to an economic occupancy rate of 93.1 per cent (96.3). Rental income for the year increased by 19 per cent (41) to EUR 36,166k (30,299). This increase is an effect of a larger property portfolio, a higher

Financial information and governance

average occupancy rate, and higher rent levels. Rental income in a comparable portfolio rose by 9 per cent (4) compared to the previous year. The average remaining lease term at year-end, weighted by contracted rental income (WAULT), amounted to 3.8 years (4.4).

Annual rental income, EURk	2023	2022
Comparable properties	27,720	25,372
Non-comparable properties	8,446	4,927
Total	36,166	30,299

Earnings

Net operating income was EUR 33,631k (27,487), and the surplus ratio amounted to 93 per cent (91). Profit from property management amounted to EUR 17,698k (13,413). The increase in net operating income and profit from property management is attributable to a larger property portfolio, higher average occupancy rate, and rent level. Rising interest rate levels limit the increase in profit from property management.

Unrealised value changes in properties amounted to EUR -34,685k (9,383). Unrealised value changes in derivatives amounted to EUR -7,767k (12,417). Unrealised value changes in other investments amounted to zero EURk (70,789). Realised value changes and dividends from other investments amounted to EUR -49,870k (7,075), and derive from the fact that the holding in MFG was sold at a value in EUR that was lower than that carried at year-end 2022. At that point, the holding was recorded at the sale price that was then agreed upon. Refer to the heading Key events during the year and note 11 (Securities holdings).

Profit before tax amounted to EUR -74,625k (113,076). Tax for the year was EUR 2,576k (-4,516), of which EUR -449k (-209) was current tax and EUR 3,025k (-4,307) was deferred tax. Net profit/loss for the year amounted to EUR -72,048k (108,560).

Segment reporting

The segment Properties in Lithuania generated a profit from property management of EUR 16,452k (15,612) and a profit/loss for the year of EUR -10,159k (29,600). The segment Properties in Latvia generated a profit from property management of EUR 1,709k (1,650) and a profit/loss for the year of EUR -6,542k (2,151). The segment Properties in Poland generated a profit from property management of EUR 5,542k (2,853) and a profit/loss for the year of EUR -635k (5,648). The segment

Other investments generated a profit/loss for the year of EUR -49,870k (77,864), of which dividends and realised value changes was EUR -49,870k (7,075), and unrealised value changes was zero EURk (70,789). Unallocated central administration expenses and other financial income and expenses amounted to EUR -6,005k (-6,702).

Earnings per segment, EURk	2023	2022
Properties in Lithuania		
Profit from property management	16,452	15,612
Unrealised value changes, properties	-22,849	9,603
Unrealised value changes, derivatives	-5,032	7,610
Deferred tax	1,270	-3,224
Profit/loss Properties in Lithuania	-10,159	29,600
Properties in Latvia		
Profit from property management	1,709	1,650
Unrealised value changes, properties	-7,981	-220
Unrealised value changes, derivatives	-268	724
Current tax	-2	-3
Profit/loss Properties in Latvia	-6,542	2,151
Properties in Poland		
Profit from property management	5,542	2,853
Unrealised value changes, properties	-3,854	-
Unrealised value changes, derivatives	-2,468	4,083
Current tax	-447	-207
Deferred tax	592	-1,082
Profit/loss Properties in Poland	-635	5,648
Other investments		
Unrealised value changes	-	70,789
Realised value changes and dividends	-49,870	7,075
Profit/loss Other investments	-49,870	77,864
Unallocated		
Central administration expenses	-3,679	-4,064
Unallocated net financial income/expense	-2,326	-2,639
Deferred tax	1,163	-
Profit/loss Unallocated	-4,842	-6,702
Net profit/loss for the year	-72,048	108,560

↓ Download printable pdf



Administration Report

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
→ Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Cash flow and liquid funds

Cash flow from operating activities before changes in working capital amounted to EUR 17,715k (20,259) for the year. Change in working capital was EUR -984k (-709). Cash flow from investing activities amounted to EUR 141,328k (-108,264). Cash flow from financing activities was EUR -49,274k (79,281), of which dividends to shareholders comprised EUR -6,599k (-6,413). Total cash flow amounted to EUR 108,785k (-9,434) and cash and cash equivalents to EUR 128,620k (19,820) at year-end.

The Parent Company

Net profit after tax for the year amounted to EUR -44,894k (77,557). This profit is mainly an effect of value changes, realised when divesting the holding in MFG, of EUR -50,406k (-). Other income and financial income relate to income within the Group.

Key events after the end of the financial year

The Board has proposed a dividend of SEK 4.64/share (3.40). More details are provided under the headings Dividend and Proposed disposition of earnings. In February 2024, loans of around EUR 62m have been refinanced. These loans mature in around 3.8 years (EUR 18m) and 5.0 years (EUR 44m), respectively. Interest on 50 per cent of the loan volume is fixed using interest rate swaps with the same maturities. In March 2024 the property Uptown Park in Vilnius received the sustainability certification LEED Platinum in the category building operations and maintenance, after which 100 per cent of Eastnine's property portfolio is sustainability certified.

Future development

Eastnine's business has a stable foundation, with a low loan-to-value ratio and strong liquidity. Considered together with the portfolio of modern and sustainability-certified properties with large and stable tenants, high occupancy rates, and long average remaining lease terms, this means that the company has a very good starting position. Eastnine's ambition is to continue to grow the property portfolio, as that is normally very positive for earnings and return development. The company shall grow with a focus on profitability and financial targets, and within the framework of the financial restrictions.

Share information

The total number of shares issued in Eastnine AB amounted to 22,370,261 (22,370,261) on 31 December 2023. Adjusted for repurchased shares held in treasury, the number of listed shares amounted to 22,231,008 (22,207,746). The weighted average number of shares issued for the period, after dilution, was 22,253,236 (22,226,646). The number of known shareholders amounted at year-end to 5,603 (5,662), and the free float amounted to 40.6 per cent (44.8). The share price at the end of the year was SEK 172.0 (120.8), having increased by 42 per cent since the beginning of the year. Further information about the share can be found on pgs. 109–111.

Share buy-back

At the AGM 2023, the Board received a new mandate to decide on share buy-back, providing that Eastnine's holding of treasury shares not exceed at any time 10 per cent of all shares in the Company.

The Company's holding of own shares amounted at year-end to 139,253 (162,515), corresponding to a quotient value of EUR 0.1636 (0.1636) per share and around 0.6 per cent (0.7) of the total number of issued shares and total share capital. The average acquisition value of own shares in treasury is SEK 96 per share. During the year, 23,262 shares have been awarded to employees as part of the incentive programme, LTIP 2020.

Corporate governance and the Board of Directors

The Board shall be comprised of three to six directors without deputies. Board Members are elected annually at the Annual General Meeting for the period up to the next Annual General Meeting. The complete Articles of Association can be found on www.eastnine.com.

Information about how the Company is governed and controlled, e.g. through the Board and its committees, as well as internal control and risk management, can be found in the Corporate Governance Report on pgs. 101–105.

Information about sustainability

Eastnine undertakes active sustainability efforts, which are primarily founded on the Company's drive to operate its business in a resource-efficient manner, reduce its negative environmental impacts, and create positive impacts on the communities where it does business.

In practice, this means working to improve the energy and environmental efficiency of buildings, and maintain a high standard of tenant working climate and well-being. It also means keeping a high level of service for and creating good relationships with tenants, employees, and suppliers, and operate the business with good business ethics. Eastnine is not required to provide a formal sustainability report, but voluntarily provides sustainability disclosures in accordance with the guidelines of the GRI (Global Reporting Initiative), and provides information about, inter alia, the Company's material topics, sustainability goals, and key indicators. Eastnine also voluntarily publishes a TCFD report and disclosures in accordance with the EU Taxonomy. Sustainability information, which has not been subject to review by the Company's auditors, can be found on pgs. 17–28 and 112–127.

Dividend

The Board of Directors has proposed a dividend of SEK 4.64 per share (3.40) for the 2023 financial year, with payments made in four equal instalments in 2024 and early 2025. The proposed dividend corresponds to around 53 per cent (51) of the profit from property management after current tax. According to the current dividend policy, dividends are to correspond over time to at least 50 per cent of profit from property management after deductions for current tax.

Proposed disposition of earnings

The Board of Directors proposes that the unappropriated earnings in Eastnine AB (publ) are distributed as follows:

At the disposal of the AGM, EUR:

Share premium reserve	238,697,452
Accumulated profit or loss	122,370,307
Net profit/loss for the year	-44,893,909
Total	316,173,850

To be allocated as follows, EUR:

Dividend to shareholders SEK 4.64/share	9,267,914 ¹
To be carried forward	306,905,936
Total	316,173,850

¹ The Company's repurchased shares are not entitled to dividend. The precise dividend amount will be determined on the record dates for payment of the dividend. EUR 1 = SEK 11.13 on 31 December 2023 (Source: Reuters). The number of shares issued on 31 December 2023, adjusted for treasury shares, was 22,231,008.



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
→ Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf

Administration Report

Guidelines for remuneration to executive management

These guidelines apply to the CEO and Deputy CEO, any other persons in the executive management and board members to the extent that these receive remuneration in addition to the board fee. The guidelines are to be applied to agreed remuneration and changes made in remuneration already agreed-upon, after the guidelines were adopted by the Annual General Meeting. The guidelines do not apply to remuneration decided upon by the General Meeting. The remuneration guidelines, which were unchanged in 2023, are presented in summary below:

How the guidelines support the Company's business strategy, long-term interests and sustainability

The Company shall have the compensation levels and conditions of employment required to recruit and retain talent and the necessary capacities among the staff. The variable cash payments covered by these guidelines aim to promote the Company's business strategy and long-term interests, including sustainability. The long-term incentive programmes in the Company are not covered by these guidelines.

Forms of compensation, etc.

Compensation to executive management may consist of fixed and variable salary, pension and insurance benefits, and other customary benefits. In addition to and independently of this, the General Meeting may decide on e.g. long-term, share-based or share-related incentive or remuneration programmes. The board decides at its own discretion, in accordance with established, internal performance-based targets, whether a variable salary shall be paid to the executive management. The variable pay shall be linked to pre-determined and measurable criteria, which may be financial or non-financial. Variable pay may amount to at most 50 per cent of the fixed salary. In addition, members of executive management have the right to individual premium-based pension schemes.

Termination of employment

In the event of the Company terminating employment, it is required to give at most twelve months' notice. The fixed cash wage during the period of notice and severance pay may not together exceed an amount corresponding to two years' fixed cash wage for the CEO and to twelve months for other members of the executive management. In the event of termination of employment by the member of the executive

management, the period of notice may be at most six months, without the right to severance pay.

Wages and terms of employment for employees

When preparing the board's proposal for these remuneration guidelines, wages and terms of employment for the Company's employees have been taken into account through information about the employees' total compensation, the components of compensation and the increase and rate of increase of compensation over time serving as a basis for the board's decisions and evaluation of whether the guidelines, and ensuing limitations, are reasonable and appropriate.

The decision-making process to establish, review and implement the guidelines

Since May 2022, the board has had a remuneration committee, consisting of Peter Elam Håkansson, Ylva Sarby Westman and Liselotte Hjorth (Chairman), which has prepared remuneration issues in the Company for the board in accordance with the Swedish Code of corporate governance. The board shall draw up proposals for new remuneration guidelines at least every fourth year and present the proposal to the Annual General Meeting, which decides whether to adopt the proposal. New guidelines were adopted at the 2022 AGM. The board shall also monitor and evaluate programmes for variable remuneration to executive management, application of guidelines for remuneration to executive management and applicable remuneration structures and levels in the Company. When the board is considering and making decisions on matters relating to remuneration, the CEO, or other persons in the executive management, are not present in so far as they are affected by the matters under discussion.

Deviating from the guidelines

The board shall have the right to depart from guidelines, decided upon by the AGM, wholly or partly, if there are special reasons for doing so in individual cases, and a deviation is necessary to safeguard the Company's long-term interests, including its sustainability, or in order to ensure the Company's financial position. As stated above, it is part of the duties of the board to prepare decisions on issues relating to remuneration, which includes decisions on deviations from the guidelines. Further information on salaries and current remuneration guidelines

are presented in note 5 (Employees, staff expenses and remuneration to executive management).

Deviation from the guidelines in 2023

An annual bonus was paid to the CEO, in accordance with the stated conditions, in 2023. In addition, the CEO was awarded an extraordinary bonus for his very professional execution of the sale of the holding in Melon Fashion Group in Russia. The Board has a mandate to deviate from the remuneration guidelines, as adopted by the Annual General Meeting, in individual cases, if there are particular reasons to do so and a deviation is necessary to safeguard the Company's long-term interests and sustainability. The Board has considered the matter and decided to deviate from the remuneration guidelines following a recommendation from the remuneration committee, as the CEO has applied inexhaustible commitment to successfully handle this very complex transaction, and thereby created long-term growth opportunities for Eastnine.



Financing

Eastnine has a stable financial foundation with a low loan-to-value ratio and high liquidity, which has been positively affected by the sale of the unburdened holding in MFG during the year. Eastnine's debt financing now only consists of bank loans, since a bond was redeemed in the autumn of 2023. Eastnine's average interest rate rose during the year due to higher market interest rates.

Financial policy

Eastnine manages its capital in order to fulfil the Company's overarching goal of creating a sustainable, attractive return on investment for its shareholders. Goals for the financial key ratios are expressed either as target levels to reach or exceed, for certain key financial figures, or as restrictions, for other figures. Operations are primarily financed with equity and interest-bearing liabilities, in the form of bank loans. Only a minor part of the Company's financing constitutes other liabilities. Financial governance and capital structure is regulated by the Company's finance policy.

The purpose of the financial policy is to describe the governing principles for the handling of financial assets, liabilities and risks in Eastnine and its subsidiaries. The policy is intended to ensure that the Company's financing and financial management is conducted in a structured and well-planned fashion, and that financial risks are considered and controlled. The ultimate aim is to achieve balanced and low financial expenses considering the inherent risks of the chosen strategy.

Capital structure

Eastnine strives for a loan-to-value ratio (previously referred to as the net loan-to-value ratio, properties) of around 50 per cent over a business cycle, while it should not exceed 60 per cent. Equity provided 56 per cent (57) of total capital needs, interest-bearing liabilities 40 per cent (39), and other liabilities 4 per cent (4).

Equity and net asset value

Equity amounted at year-end to EUR 400,176k (478,508) and the total assets amounted to EUR 713,121k (837,474). The equity/asset ratio amounted to 56 per cent (57). Long-term net asset value per share was

EUR 18.6 (21.9), or SEK 207 (243). Equity per share was EUR 18.0 (21.5), or SEK 200 (240). The total number of shares amounted to 22,370,261 (22,370,261) at year-end 2023, of which 139,253 (162,515) were repurchased shares held in treasury.

Interest-bearing liabilities

Interest-bearing liabilities amounted at year-end to EUR 284,323k (326,882), in its entirety comprising bank loans (281,882), with zero (45,000) capital market financing. Credits of 56,481 have been refinanced. The bank financing is provided by five banks: SEB, BerlinHyp, Swedbank, OP Bank, and Luminor. Unutilised overdraft facilities amounted to EUR 3,000k (3,000). The loan-to-value ratio amounted to 27 per cent (51). The interest coverage ratio amounted to 2.3x (2.4), and the net debt ratio to 5.2x (13.2). The average capital tie-up period was 2.1 years (2.3) and the fixed interest term 1.7 years (1.8) at year-end. Annual amortisations amounted at year-end to EUR 7,486k (8,301), corresponding to 2.6 per cent (2.5) of interest-bearing liabilities.

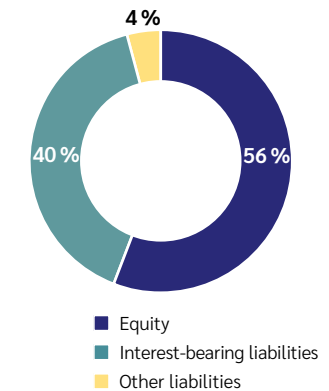
Other liabilities

Other liabilities include, inter alia, adopted but as yet unpaid dividends, property taxes, and tenant security deposits.

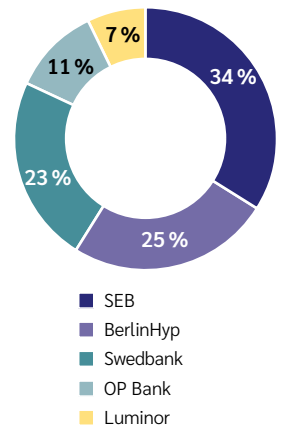
Change in interest-bearing liabilities

Interest-bearing liabilities were reduced in 2023 by EUR 42,559k following the early redemption of a bond of EUR 45,000k, raising of new bank credits of EUR 10,519k, and repayments of EUR 8,079k.

Capital structure



Interest-bearing liabilities



- This is Eastnine 3
- Sustainability in focus 17
- Our business 29
- Financial information and governance 50
 - Table of contents 50
 - Administration Report 51
 - Financing 55
 - Risks 57
 - Financial Reports 65
 - Notes to the financial statements 72
 - Five-year overview of key figures 93
 - Assurance from the Board and CEO 95
 - Auditor's Report 96
 - Interview with the Chairman of the Board 100
 - Corporate Governance Report 101
 - Board of Directors 106
 - Management 107
- Other information 108

Download printable pdf



Administration Report

Interest expenses and derivatives

At year-end, the average interest rate was 4.0 per cent (3.4). Eastnine uses interest derivatives to insure against increased interest expenses due to increasing market rates. At year-end, the interest on 72 per cent (71) of the Company's interest-bearing liabilities was fixed using interest rate swaps. The derivatives portfolio, consisting of interest rate swaps, is taken up at fair value, which amounted at year-end to EUR 3,254k (11,022). Value changes in the value of derivatives, which are carried in the income statement and amounted to EUR -7,767k (12,417), consisted in their entirety of unrealised value changes due to falling market interest rates. At the end of the term, the value of derivatives is always zero.

Securities and covenants

Bank loans are secured with mortgage deeds in the properties, and in most cases also shares in the property-owning subsidiaries, as well as Parent Company guarantees. Of the total property value, 98 per cent (98) was mortgaged for bank loans. At the end of 2023, the development property Kimmel in Riga, which primarily consists of land for development, was unburdened and not pledged.

The lending agreements from credit institutions include covenants. These set limit values for certain key figures in order to reduce the lender's credit risk. The limits imposed by these covenants chiefly concern the equity/asset ratio, the loan-to-value ratio and the debt coverage ratio. Eastnine fulfils all covenants.

Green financing

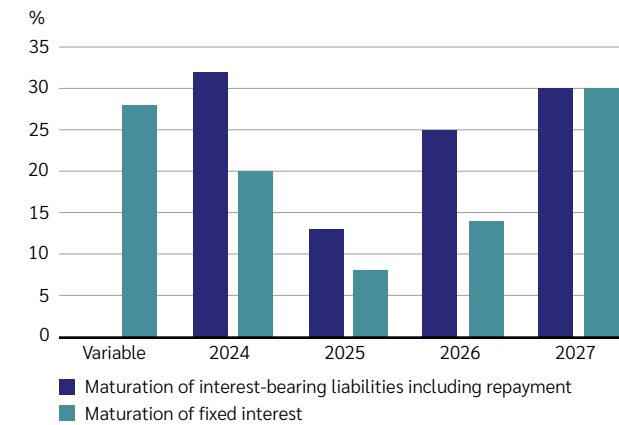
According to the current financial policy, green financing is to be prioritised when it comes to refinancing and new financing. Access to green bank loans on Eastnine's markets has improved, and the proportion of green loans has increased up until 2022. The decrease in 2023 was due to the redemption of Eastnine's sole bond, which was green, as well as changes in the green loan classifications applied by banks. At year-end, green financing comprised 60 per cent (64) of interest-bearing liabilities.

Liquidity

Cash and cash equivalents, primarily comprising bank deposits, have risen considerably as a result of the sale of the unburdened holding in MFG. At year-end, cash and cash equivalents amounted to EUR

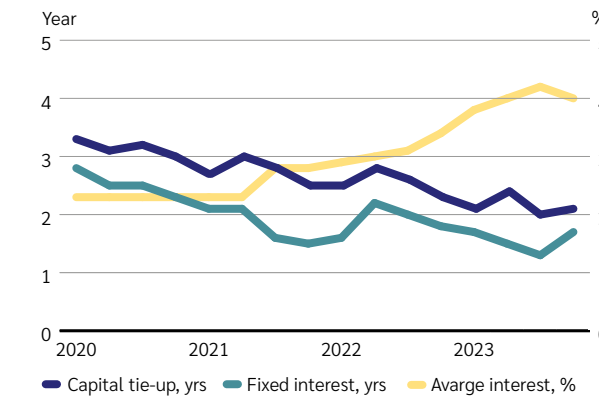
128,620k (19,820). Unutilised overdraft facilities amounted to EUR 3,000k (3,000). Eastnine's liquidity situation and low indebtedness mean that the Company is well-equipped to make future investments and fulfil its commitments.

Maturity structure on interest-bearing liabilities¹



¹ Including amortisation

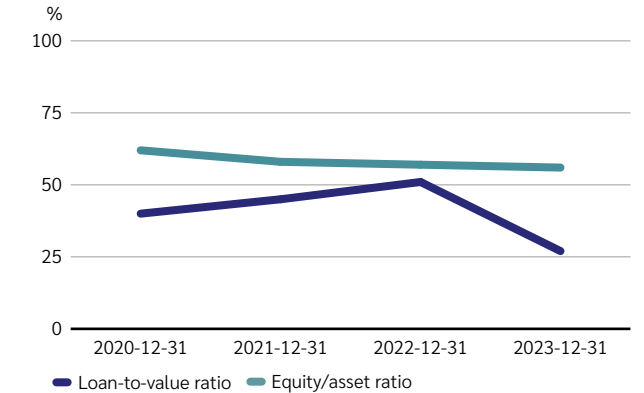
Fixed interest term and level



Change in interest-bearing liabilities

EURk	2023	2022
Interest-bearing liabilities at the beginning of the year	326,882	241,084
Redemption of bond	-45,000	-
New bank loans	10,519	93,340
Amortisation	-8,079	-7,542
Interest-bearing liabilities at year-end	284,323	326,882

Loan-to-value and equity/asset ratio



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
→ Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
→ Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf

Administration Report

Risks

Through its operations, Eastnine is exposed to various risks. The majority of its investments are directly owned real estate assets in Latvia, Lithuania, and Poland. A large share of tenants have international operations, and the sources of financing comprise Nordic and European banks.

Risks associated with the investment and financing strategy

The investment strategy, being the long-term ownership of modern and sustainable office properties in prime locations in the Baltics and Poland, and the financing strategy designed for this purpose, result in the Company's exposure to risks such as interest rate, credit, rental, and vacancy risk. The principal risks, how the Company is exposed, and how Eastnine handles these risks are described on the following pages. Risk management and follow-up is an important and integrated part of the business. The Company uses a number of different tools to continually identify, evaluate and limit risks. Risk management is handled by the Company's management in accordance with relevant policies that have been established by the Board. Financial risks are primarily handled by the finance function in accordance with the Company's financial policy.

Risks associated with the business cycle and office utilisation

In the aftermath of the Covid pandemic, the equilibrium between future demand for office space and potential new requirements on design is still being developed. Demand has not been notably affected and Eastnine's modern properties and premises broadly satisfy the requirements placed on design.

A slowing economy, inflation, and high interest rates have resulted in rising financing expenses and a generally poorer economic outlook, which may affect the businesses of the tenants, their ability to pay, and their demand for offices. Since Eastnine divested its sole remaining non-real-estate asset in August 2023, the Company's risks associated with non-European regions and non-Euro currencies have been sharply reduced.



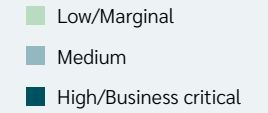
City bees craft honey in beehives placed on Eastnine's roofs. At harvest time, there is always a risk of being stung.



Administration Report

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
→ Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Area	Risk	Risk value	Probability			Impact		
			Low	Medium	High	Marginal	Medium	Business critical
Operational								
	Low/Changed demand for office premises	4						
	Negative changes in value of properties	6						
	Low rental income and low occupancy rate	2						
	High property expenses	1						
	Investments and projects	2						
	Sale of properties, low liquidity	4						
	Acquisition of properties, hidden faults/low quality	2						
	Organisation and operational activities	1						
	Disputes	2						
	IT – information leaks	2						
	IT/Cyber – information security, hacking	4						
	Suppliers	1						
Sustainability								
	<i>– Climate-related transition</i>							
	High energy prices	4						
	Regulation of property development and operation	2						
	Costs of carbon-dioxide emissions	1						
	Customer preferences for sustainable buildings	2						
	<i>– Climate-related, physical</i>							
	High costs for property operation during higher temperatures	2						
	Extreme weather conditions	1						
	<i>– Other sustainability risks</i>							
	Staff and working environment	1						
	Corruption and unethical behaviour	3						
Business environment								
	Macroeconomic decline	6						
	High inflation	4						
	Legislation and taxation	1						
	Local, political and planning risk	4						
	High supply of premises	4						
	High prices on raw materials	2						
Financial								
	Interest	6						
	Credit	1						
	Liquidity	2						
	Refinancing	2						
	Currency	1						



Risk value
 Probability (1–3) multiplied by impact (1–3) gives a weighted risk value between 1 and 9, in accordance with the table.
 Low x low/medium results in the lowest classification (1–2).
 Medium x medium or low x high/business critical results in a medium classification (3–5).
 High/business critical x medium or higher results in the highest classification (6–9).

Download printable pdf



Operational risks

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
→ Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

● Low/changed demand for office premises

Description

The demand for office premises may change in the short, medium or long term, which entails risk of impacts on real estate businesses. The need for changing layouts and design of office space, workplaces and conference rooms that promote creativity and interaction may increase, which may require real estate companies to adapt and to be flexible.

Management, impact, and probability

Eastnine monitors the development on the property and office markets as well as of the demand from tenants relating to the design of office space, in order to be able to customise office premises to the needs and wishes of its tenants. The properties are relatively new and modern. Eastnine has a robust tenant structure, with a large proportion of international businesses. The average remaining lease term across all lease agreements amounted to 3.8 years, and to 4.0 years for the ten largest tenants.

● Negative changes in value of properties

Description

Negative changes in the value of investment properties affects the income statement as these are carried at fair value in the balance sheet. The value of properties depends on, and is calculated on the basis of a variety of factors. These factors comprise, in part, observable data such as current rental income, current market rent, historical property expenses and investments, as well as the current rate of inflation, and in part non-observable data such as yield requirements, discount rate, future rate of inflation, future long-term inflation in market rent, and long-term vacancy rates. Moreover, input data and assessments may prove incorrect and conditions may come to change, which in turn can cause value changes.

Management, impact, and probability

The risk of negative value changes is primarily managed by offering modern and attractive office premises in the best locations, and thereby attracting and retaining stable tenants, which reduces the risk of vacancies and sinking rent levels. All properties are valued externally at least once during any given twelve-month period, in addition to internal valuations carried out in the interval. As a number of properties are always externally valued each quarter, there is an opportunity to validate the input data used in the internal valuations as well. The valuation process is based on a structured valuation model with established internal routines regarding the assessments and determination of data. Eastnine's average loan-to-value ratio is balanced in order to weather negative value changes.

● Low rental income and occupancy rate

Description

Rental income is affected by the rent level and occupancy rates of properties, in addition to the tenants' ability to pay. External factors such as the business climate, population growth and the aggregate supply of similar premises will in turn affect these factors.

Management, impact, and probability

The risks of falling rental income as well as of lasting vacancies are mitigated by Eastnine's concentration of the portfolio to modern properties in the most attractive commercial areas. Tenants are chiefly stable, international companies. Rent losses were negligible in 2023. Lease agreements typically have a term of 3–5 years, and in new construction sometimes longer still, which provides for a gradual adjustment to current market rents. Eastnine has around 160 tenants and a total of 230 lease agreements. A high concentration to specific tenants may entail increased risks. This concentration has, however, decreased in recent years, in connection with growth in the property portfolio. Around 98 per cent of Eastnine's let areas are tied to a consumer price index, of which a third are tied to a country-level index, around two third to the EU/Euro level, while a small number used fixed indexing. Around half of lease agreements are subject to an indexation ceiling. In the event of high inflation, which would also affect the property expenses of tenants, there is a risk that rental income cannot increase by the full inflation adjustment. A negative change in the index does not reduce rent levels.

● High property expenses

Description

Property expenses mainly refer to utilities such as electricity, waste collection, water, and heating. The cost of many of these goods and services increase if the price of raw materials increase, or the supply thereof is restricted. In addition, these goods and services can sometimes only be purchased from a single provider, making the provision thereof more difficult to influence. In addition, there are costs for property taxes, property maintenance and administration. Unforeseen and extensive repairs can also come to have a negative impact on earnings.

Management, impact, and probability

Eastnine's leases are mainly structured as triple-net agreements, meaning that tenants are liable to pay most of the expenses attributable to their premises. Because of this, the surplus ratio is high as long as the occupancy rate is. Continually improving the energy efficiency and operational efficiency of the buildings is part of the Company's sustainability efforts, in order to reduce environmental impacts as well as the risk of unforeseen costs. In 2023, Eastnine has worked actively to implement energy-saving measures in the properties, and worked with the tenants to improve the efficiency of the use of their premises, in order to reduce the growth in costs following underlying price inflation in property expenses.

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
→ Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf

Administration Report

Investments and projects

Risk description

Development projects and investments are associated with risks of increased construction costs, delayed timeline, and counter-party risk when employing external contractors. Development projects are also often associated with rental risk. Technical risks in properties, such as construction defects, other defects, or other property damage, result in a risk of increased property costs.

Management, impact, and probability

At the end of 2023, Eastnine had no actively on-going development projects. Eastnine's property strategy includes development projects, and the Company continually evaluates opportunities to construct new modern and sustainable office properties in line with its strategy. Projects would normally only start after a large proportion of lease agreements have been signed. Eastnine is working to develop guidelines for future development projects in order to reduce the risk of unforeseen additional expenses. Investments in existing property portfolio are continually being made in order to ensure that the portfolio remains modern and sustainable, and thereby attractive to tenants.

Sale of properties, low liquidity

Risk description

The risk of low liquidity in the property market generally and in Eastnine's geographical markets in particular, entailing a risk that potential property sales are done at low values, disadvantageous conditions, or not at all due to limited demand.

Management, impact, and probability

Eastnine's property portfolio is located in attractive and centrally located areas, where the impact generally is lower than in worse locations. Eastnine's financial situation means that the risk of being forced to sell properties is low.

Acquisition of properties, hidden faults/low quality

Risk description

The risk that an acquired property ultimately proves to be of lesser quality or to contain faults that reduce its value and attractiveness compared to the assessment made at the time of acquisition.

Management, impact, and probability

Eastnine's staff have robust real estate experience and a broad network on the relevant markets, meaning that Eastnine can partake in the transactions that are deemed most of interest. The risk is minimised with extensive due diligence processes and Eastnine's careful negotiation of purchase contracts and conditions, enlisting the help of specialists and experts ahead of any acquisition.

Organisation and operational activities

Risk description

The risk of losses resulting from lacking routines or systems, or that occur as a result of ignorance of new regulatory changes which affect the business.

Management, impact, and probability

Oversight and review of internal routines and systems are carried out continually. Eastnine's auditors review the internal routines and report directly to the Board once per year. The Company has a business-centric organisational structure, with staff employed at the parent company's home country, Sweden, as well as in the countries where the properties are, as soon as a sufficient volume of business is in place. As Eastnine is a relatively small organisation, there is a dependence on particular individuals. The Company has a continuity policy which encompasses the Company's central functions, and which is reviewed annually by the Board. Internal control is deemed to be good and the operational risks low.

Disputes

Risk description

The risk that Eastnine should become involved in litigation, which could affect the Company's operations, earnings and financial position.

Management, impact, and probability

Eastnine structures its work in accordance with policies and internal guidelines to minimise the risk of disputes, not least related to property transactions.

IT/information leaks

Risk description

The risk that IT attacks or flawed implementations cause information to fall into the wrong hands or be spread to the wrong people.

Management, impact, and probability

Eastnine's IT systems are continually updated, including security measures such as firewalls, virus protection, etc. The Company also focuses on raising awareness to reduce the risk of information leaks.



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
→ Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf

Administration Report

IT/Cyber – information security, hacking

Risk description

The risk that the IT systems used by Eastnine are attacked, that the Company's business is manipulated, and that property operations are affected.

Management, impact, and probability

Eastnine works preventively with measures to safeguard against IT attacks, making access more difficult, and limiting their potential effects. Reviews of IT security have indicated that the level of security is good and that the implemented measures further strengthen IT security.

Suppliers

Risk description

The risk of hiring and entering into contracts with suppliers that fail to fulfil their commitments, that break the law, or that otherwise act in an unethical manner, resulting in higher costs or damage to Eastnine's reputation.

Management, impact, and probability

Eastnine has implemented a Code of Conduct policy for suppliers and use a web-based supplier evaluation tool to identify and follow up on any risks relating to business ethics or the environment. In the event that a supplier is unable to mitigate identified risks, agreements may be terminated.

Sustainability risk

Climate-related transition risks

High energy prices

Risk description

The transition to a fossil-free society, as a consequence of stricter regulation and increased demand for renewable energy, may lead to an energy shortfall and higher market prices if production does not increase apace with demand, or if there arise temporary imbalances between supply and demand.

Management, impact, and probability

Eastnine works actively with energy-saving measures and with increasing its own production of renewable energy. Eastnine targets a 25 per cent reduction in energy consumption in its property portfolio by 2025, compared to 2019. This corresponds to an average energy use of 100 kWh/sq.m. New construction projects target an energy consumption of no more than 50 kWh/sq.m. Properties to be certified shall obtain at least 80 per cent of the points available in the energy category. When acquiring a property, the ESG due diligence includes an analysis of the property's energy performance.

Regulation of property development and operation

Risk description

The regulatory requirements on sustainable and certified buildings are expected to grow as the EU taxonomy develops. The costs of upgrading non-green properties may grow as a result of stricter regulation. In addition to transition costs, stricter regulation may reduce the supply of financing for non-green properties.

Management, impact, and probability

100 per cent of Eastnine's property portfolio (that is, the gross area and not including properties expecting to undergo significant redevelopment) shall be sustainability-certified on the level of at least LEED Gold or BREEAM Excellent. At present, 94 per cent of property area is certified in accordance with these requirements. The certification process for the remaining 6 per cent is underway. For more information about how Eastnine uses certifications to ensure that our properties maintain a high sustainability standard, and as a tool to achieve our environmental goals, please refer to pg. 19.



Administration Report

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
→ Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Costs of climate transition

Risk description

As the climate transition intensifies, political decisions may result in increased expenses, e.g. by introducing environmental taxes or other fees associated with carbon dioxide emissions, through an increased need for investments in existing properties, or via higher costs for materials with high carbon-dioxide emissions. It may also result in higher costs for carbon offsets from property operations.

Management, impact, and probability

Eastnine has adopted a goal of making its property operations climate-neutral by 2030 and reduce emissions from other parts of the business. In accordance with the Company's strategy, to own and manage modern and sustainable properties, Eastnine is continually working with energy efficiency measures in the properties and prioritising renewable energy. Among other things, this has resulted in the installation of solar panels on appropriate roofs. In 2023, emissions intensity (in Scope 1 and 2) amounted to 21 kg Co₂e/sq.m. (23). At present, Eastnine has no ongoing projects and thus low exposure to costs of carbon-dioxideintensive construction materials.

Customer preferences for sustainable buildings

Risk description

In recent years, demand has grown for sustainable and certified buildings that promote health and well-being, and this is likely to continue to increase in the future. Buildings that do not meet these requirements are likely to command lower rental income and to be valued at a discount.

Management, impact, and probability

Eastnine's strategy includes investments to maintain the high quality of its properties, and using sustainability certifications as confirmation of quality. After acquiring a building without a certification, the certification process must begin within one year. In addition to sustainability certifications for buildings, a certification for health and well-being may also be used where appropriate, in accordance with WELL or Fitwel.

Climate-related, physical risks

High costs for property operation during higher temperatures

Risk description

Climate change results in multiple challenges for properties. There is a risk, associated with rising temperatures and a need for greater capacity in cooling installations, that installation costs as well as operating costs, via higher energy consumption, will increase.

Management, impact, and probability

The cooling systems that are installed in Eastnine's existing property portfolio are, in most cases, over-dimensioned in relation to present-day conditions, meaning that there is excess capacity to adapt the properties as temperatures rise further. Whenever planning new construction, climate risks are already taken into account in the planning phase, and impact the design of facades, the size and direction of windows, and the capacity of planned cooling systems. When planning The Pine in Riga, Eastnine invited specialised energy experts to provide a second opinion on the energy model and the requirements for efficient heating and cooling. That project is currently on hold due to considerable uncertainties around new construction.

Extreme weather conditions

Risk description

The risk of negative consequences from climate change, other than rising temperatures, such as increased precipitation, heavy snowfall, drought, or higher water levels, may result in moisture or settlement damage to properties.

Management, impact, and probability

Eastnine systematically analyses the physical climate risks to which the portfolio is exposed. An online tool, developed by GRESB, is utilised for this purpose, aiding to analyse physical climate-related risks. The analysis relates to several IPCC-based scenarios and time horizons until 2050 and 2100. IPCC is the Intergovernmental Panel on Climate Change and constitutes the UN organ for assessing the science on climate change. Based on this analysis, the overall risk exposure is low in the short and long term. For more information about climate-related risks, refer to the sections discussing the climate risk analysis and TCFD reporting on pgs. 23–24 and 124–125.

Other sustainability risks

Staff and working environment

Risk description

The risk of physical and mental injury affecting staff or customers as a result of an unhealthy working environment, deviations in the indoor climate, or risks relating to the working environment on construction sites.

Management, impact, and probability

Construction is not carried out by Eastnine itself. Clear working environment policy for staff as well as a focus on health promotion measures are important strategies to counteract these risks. Eastnine conducts an annual employee survey focusing on how satisfied staff are with their workplaces and factors in the working environment that affect their performance and satisfaction. For more information about this year's outcome of the employee survey, refer to pgs. 21 and 27.

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
→ Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf

Administration Report

Corruption and unethical behaviour

Risk description

Bribery, fraud or other forms of unethical behaviour within the Company or in its relationships with suppliers, contractors, customers and other parties may lead to financial injury as well as a loss of confidence in the Company.

Management, impact, and probability

Eastnine works systematically with corporate culture and values, placing a focus on ethical business and zero tolerance for corruption and nepotism. Anti-corruption and business ethics trainings are conducted at least once annually, giving employees an opportunity to discuss and analyse hypothetical cases that may be problematic. Observations or suspicions of unethical behaviour can be anonymously reported using a whistle-blower function on Eastnine's website. All strategic suppliers are subject to a sustainability audit.

External risks

Macroeconomic decline

Risk description

The economic situation and growth in the economies for countries in which Eastnine operates affect employment, supply and demand for commercial premises, and thus also the vacancy rates and rent levels.

Management, impact, and probability

Eastnine has no ability to affect the economic situation and the economic growth on a macro level. Eastnine's business strategy, to provide modern and sustainable office properties to stable tenants in prime locations, is expected to provide a certain level of resilience against negative effects of a worsening business climate.

High inflation

Risk description

Market interest rates are affected by expectations on inflation. The actual inflation affects the lease agreements through inflation indexation and property expenses. Over time, inflation and interest rate movements also affect the yield requirements on properties and thereby the market value of those properties.

Management, impact, and probability

The majority of Eastnine's rental income is adjusted for inflation (see the risk section on rental income). Property expenses are, to a great extent, transferred onto tenants due to triple net agreements, however this does not apply to vacant premises. In the short term, there is a risk that cost inflation (typically local) will exceed the rate of inflation in market rent and signed leases.

Legislation and taxation

Risk description

Changes in the legislation and regulations in Sweden or in other countries where Eastnine operates, such as changes to corporate and property taxes, may change the conditions under which Eastnine operates.

Management, impact, and probability

Eastnine monitors regulatory changes internally as well as with external advice, and adapts the business in order to follow relevant legislations and regulations.

Local, political and planning risk

Risk description

Local and political risks as well as planning risks may delay or in other ways affect the possibility of developing properties. Political development can also affect the business climate and the demand for commercial premises.

Management, impact, and probability

Eastnine monitors the political development in the Company's geographical areas of focus, e.g. by establishing relationships with governing institutions, in order to promote a healthy business climate and to minimise the risk, and maximise the potential, of development projects.

High supply of premises

Risk description

The supply of premises effects both occupancy rate and rent levels. The completion of large construction projects may affect these negatively.

Management, impact, and probability

Eastnine strives to offer modern and sustainable premises in a first-class property portfolio on markets with stable demand. A relevant and attractive offering to tenants reduces the risk of falling rent levels in the Company's premises. 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.

High prices on raw materials

Risk description

Risks relating to the price of raw materials arise primarily in connection with development projects that go on for longer periods, and for which considerable amounts of raw materials are purchased.

Management, impact, and probability

Other than some projects in the planning phases, there are currently no ongoing development projects in Eastnine.



Financial risks

Interest rate risk

Risk description

Risk for increased expenses for interest-bearing liabilities and lower interest income on cash and cash equivalents, connected to changes in market interest rate, have an impact on earnings and cash flow.

Management, impact, and probability

Interest expenses is normally one of the larger expenditure items in a real estate company, and therefore carries significant weight in the Company's profit or loss. The interest rate risk is both the risk of rising interest rates, when the Company's interest-bearing liabilities wholly or partially carry variable interest, as well as the risk of falling interest rates, when the Company has fixed the interest carried on all or parts of its interest-bearing liabilities. The effect is limited by ensuring that interest-bearing liabilities are subject to an average fixed interest term of at least 12 months. Eastnine fixes interest by using derivatives, specifically interest swaps. Interest income may, at times, constitute a significant income statement item. Falling market rates thus entail a risk of falling earnings and cash flow, as liquid assets are invested for terms of less than one year.

Credit risk

Risk description

Credit risk arises e.g. in conjunction with bank deposits and through customer losses if customers become insolvent or are unable to meet their payment obligations.

Management, impact, and probability

Eastnine keeps cash deposits with larger banks in the countries in which the Company operates. The majority of the Company's liquid assets is kept in Nordic banks. Eastnine continually monitors that rent payments arrive in accordance with the leases.

Liquidity risk

Risk description

The risk that the Company lacks liquid assets to cover future payment obligations.

Management, impact, and probability

Eastnine prepares monthly liquidity forecasts for the coming twelve months. The Company shall have sufficient liquidity in order to cover the needs of the coming six months net liquidity. The interest coverage ratio shall amount to at least 2.0x.

Refinancing risk

Risk description

Refinancing risk is the risk of not being able to obtain sufficient financing, either when existing financing matures or when a need for new financing arises.

Management, impact, and probability

Eastnine has, at year-end, a broad financing basis with five banks. Eastnine perceives that the Company is a preferred borrower due to its larger, long-term property ownership. According to the financial policy, the loan-to-value ratio shall be around 50 per cent, and shall not exceed 60 per cent. The capital tie-up period shall amount to at least 1.5 years.

Currency risk

Risk description

For Eastnine, currency risk is the risk of changes to the exchange rates between the Euro and other currencies that may affect future in- or outflows, or the value of short-term investments in other currencies that are known in advance.

Management, impact, and probability

Eastnine's property income in Poland is tied to the Euro but is invoiced on a monthly basis in the Polish zloty, meaning that there is a limited currency risk for short periods. Eastnine has expenses in Sweden connected to, inter alia, head office functions, and it pays quarterly dividends in SEK, entailing currency risk. Eastnine did not hedge the currency risks in 2023, as they were estimated to be of lesser extent.

Sensitivity analysis

Sensitivity parameters	Assumption	Impact
Market interest rate	+/- 0.5 percentage points	-0.4 / + 0.4 EURm (interest expenses)
	+/- 1.0 percentage point	-0.8 / +0.8 EURm (interest expenses)
	+/- 0.5 percentage points	+0.6 / - 0.6 EURm (interest income)
	+/- 1.0 percentage point	+1.3 / -1.3 EURm (interest income)
Market rent	+/- 5.0 %	+19.1 / -19.1 EURm (property value)
Economic occupancy rate	+/- 1.0 percentage point	+5.1 / -5.8 EURm (property value)
Yield requirement	+/- 0.25 percentage points	-15.9 / +17.3 EURm (property value)
	+/- 0.5 percentage points	-35.4 / +33.7 EURm (property value)
	+/- 1.0 percentage point	-62.9 / +78.2 EURm (property value)

- This is Eastnine 3
- Sustainability in focus 17
- Our business 29
- Financial information and governance 50
 - Table of contents 50
 - Administration Report 51
 - Financing 55
 - Risks 57
 - Financial Reports 65
 - Notes to the financial statements 72
 - Five-year overview of key figures 93
 - Assurance from the Board and CEO 95
 - Auditor's Report 96
 - Interview with the Chairman of the Board 100
 - Corporate Governance Report 101
 - Board of Directors 106
 - Management 107
- Other information 108

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
→ Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Financial Reports

Consolidated statement of comprehensive income

EURk	Note	2023	2022
Rental income	3	36,166	30,299
Property costs	4.5	-2,535	-2,812
Net operating income		33,631	27,487
Central administration expenses	5,6,7,8	-3,679	-4,224
Interest income	9	2,040	-
Interest expenses	9	-13,586	-9,374
Other financial income and expenses	9	-709	-476
Profit from property management		17,698	13,413
Unrealised value changes, properties	10	-34,685	9,383
Unrealised changes in value of investments	11	-	70,789
Unrealised value changes, derivatives	12	-7,767	12,417
Realised values and dividends from investments	13	-49,870	7,075
Profit before tax		-74,625	113,076
Current tax	15	-449	-209
Deferred tax	15	3,025	-4,307
Net profit/loss for the year		-72,048	108,560
<i>Other comprehensive income– items that may be reversed to profit/loss:</i>			
Translation differences for overseas operations		391	147
Total comprehensive income for the year¹		-71,658	108,707
Earnings per share before dilution, EUR	31	-3.24	4.89
Earnings per share, diluted, EUR	31	-3.24	4.88

¹ The comprehensive income for the year is in its entirety attributable to the shareholders in the Parent Company.

↓ Download printable pdf



Consolidated Statement of Financial Position

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
→ Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

EURk	Note	31 December 2023	31 December 2022
ASSETS			
Fixed assets			
Investment properties	10	573,771	606,222
Usage right asset, lease agreement	8	2,131	2,234
Derivatives	12	3,004	10,037
Equipment	16	115	164
Other non-current receivables		145	99
Total fixed assets		579,166	618,756
Current assets			
Accounts receivable	17	2,312	2,586
Current receivables		1,591	480
Prepaid expenses and accrued income	18	1,183	1,493
Derivatives	12	250	985
Cash and cash equivalents	19	128,620	19,820
Securities held for sale	11	-	193,355
Total current assets		133,955	218,718
TOTAL ASSETS		713,121	837,474

EURk	Note	31 December 2023	31 December 2022
EQUITY AND LIABILITIES			
Equity			
	20		
Share capital		3,660	3,660
Other contributed capital		238,700	245,375
Reserves, translation differences		538	147
Retained earnings including other reserves		229,326	120,766
Net profit/loss for the year		-72,048	108,560
Total equity		400,176	478,508
Non-current liabilities			
Interest-bearing liabilities	21	193,138	263,552
Deferred tax liabilities	22	15,768	18,788
Lease liabilities	8	2,112	2,216
Other non-current liabilities	23	2,833	3,037
Total non-current liabilities		213,850	287,594
Current liabilities			
Interest-bearing liabilities	21	91,185	63,330
Trade payables		589	727
Other liabilities	24	4,477	3,254
Accrued expenses and deferred income	25	2,844	4,062
Total current liabilities		99,095	71,373
TOTAL EQUITY AND LIABILITIES		713,121	837,474



Statement of Changes in Equity – Group

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
→ Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

EURk	Share capital	Other contributed capital	Reserve, translation differences	Retained earnings incl. net profit/loss for the year	Total equity attributable to shareholders in Parent Company
Opening equity 1 January 2022	3,660	251,567	-	120,766	375,993
Net profit/loss for the year 2022	-	-	-	108,560	108,560
Other comprehensive income 2022	-	-	147	-	147
Dividends to shareholders	-	-6,377	-	-	-6,377
Long-term incentive programme	-	184	-	-	184
Closing equity 31 December 2022	3,660	245,375	147	229,326	478,508
Net profit/loss for the year 2023	-	-	-	-72,048	-72,048
Other comprehensive income 2023	-	-	391	-	391
Dividends to shareholders	-	-6,673	-	-	-6,673
Long-term incentive programme	-	-1	-	-	-1
Closing equity 31 December 2023	3,660	238,700	538	157,278	400,176

↓ Download printable pdf



Consolidated Statement of Cash Flows

EURk	Note	2023	2022
Operating activities			
Profit before tax		-74,625	113,076
Adjustment for items not in cash flow	30	92,788	-92,608
Income tax paid		-449	-209
Cash flow from operating activities before changes in working capital		17,715	20,259
Changes in working capital			
Increase (-)/decrease(+) in other current receivables		-573	6,423
Increase (+)/decrease(-) in other current payables		-411	-7,132
Cash flow from operating activities		16,731	19,550
Investing activities			
Investments in existing properties		-2,234	-6,116
Acquisition of properties		-	-120,906
Purchase of equipment		-30	-34
Sales of other financial assets		143,592	18,792
Cash flow from investing activities		141,328	-108,264
Financing activities			
Bond redemption		-45,000	-
New loans		10,519	93,340
Repayment of loans		-8,079	-7,542
Payment of lease liabilities		-115	-104
Dividends to shareholders		-6,599	-6,413
Cash flow from financing activities		-49,274	79,281
Cash flow for the year			
Cash and cash equivalents at the beginning of the year		19,820	29,201
Exchange rate differences in cash and cash equivalents		15	53
Cash and cash equivalents at year-end	19	128,620	19,820

↓ Download printable pdf

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
→ Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
→ Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Income Statement – Parent Company

EURk	Note	2023	2022
Other income	14	1,740	1,986
Central administration expenses	5,6,7,8	-3,427	-3,625
Operating profit/loss		-1,687	-1,639
Unrealised changes in value of investments	11	-	71,025
Realised value changes and dividends of investments	13	-50,168	7,075
Financial income	9	10,255	3,733
Financial expenses	9	-4,456	-2,637
Profit before tax		-46,056	77,557
Current tax	15	-	-
Deferred tax	15	1,163	-
Net profit/loss for the year¹		-44,894	77,557

¹ Total comprehensive income for the year corresponds to net profit/loss for the year.

Balance Sheet – Parent Company

EURk	Note	31 December 2023	31 December 2022
Assets			
Fixed assets			
Usage right asset, lease agreement	8	209	312
Equipment	16	16	34
Shares and participations in subsidiaries	26	126,276	138,680
Deferred tax asset	22	1,163	-
Loans to group companies	29	78,777	78,777
Total fixed assets		206,441	217,804
Current assets			
Current receivables		159	117
Prepaid expenses and accrued income	18	3,850	1,466
Securities held as current assets	11	-	193,355
Cash and cash equivalents	19	112,258	7,620
Total current assets		116,267	202,558
TOTAL ASSETS		322,709	420,363
EQUITY AND LIABILITIES			
Equity	20		
<i>Restricted equity</i>			
Share capital		3,660	3,660
<i>Non-restricted equity</i>			
Share premium reserve		238,697	245,372
Retained earnings including other reserves		122,370	44,813
Net profit/loss for the year		-44,894	77,557
Total equity		319,834	371,402
Non-current liabilities			
Interest-bearing liabilities	21	-	45,000
Lease liabilities	8	190	294
Other non-current liabilities	23	66	64
Total non-current liabilities		256	45,358
Current liabilities			
Trade payables		86	22
Other liabilities	24	1,847	1,755
Accrued expenses and deferred income	25	686	1,825
Total current liabilities		2,619	3,602
TOTAL EQUITY AND LIABILITIES		322,709	420,363



Statement of Changes in Equity – Parent Company

EURk	Share capital	Share premium reserve	Retained earnings incl. net profit/loss for the year	Total equity attributable to shareholders in Parent Company
Opening equity 1 January 2022	3,660	251,565	44,814	300,038
Net profit/loss for the year 2022	-	-	77,557	77,557
Dividends to shareholders	-	-6,377	-	-6,377
Long-term incentive programme	-	184	-	184
Closing equity 31 December 2022	3,660	245,372	122,370	371,402
Net profit/loss for the year 2023	-	-	-44,894	-44,894
Dividends to shareholders	-	-6,673	-	-6,673
Long-term incentive programme	-	-1	-	-1
Closing equity 31 December 2023	3,660	238,697	77,476	319,834

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
→ Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf



Statement of Cash Flow – Parent Company

EURk	Note	2023	2022
Operating activities			
Profit before tax		-46,056	77,557
Adjustment for items not in cash flow	30	49,879	-71,120
Income tax paid		-	-
Cash flow from operating activities before changes in working capital		3,823	6,437
Cash flow from changes in working capital			
Increase (-)/decrease(+) in other current receivables		-2,426	528
Increase (+)/decrease(-) in other current payables		-1,056	502
Cash flow from operating activities		341	7,467
Investing activities			
Loans to group companies		-	-5,750
Shareholder contributions repaid/paid, net		12,405	5,367
Sales of other financial assets		143,592	-
Cash flow from investing activities		155,997	-383
Financing activities			
Bond redemption		-45,000	-
Payment of lease liabilities		-115	-104
Dividends to shareholders		-6,599	-6,413
Cash flow from financing activities		-51,714	-6,517
Cash flow for the year			
Cash and cash equivalents at the beginning of the year		7,620	7,147
Exchange rate differences in cash and cash equivalents		15	-94
Cash and cash equivalents at year-end	19	112,258	7,620

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
→ Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Notes to the financial statements

Note 1 Accounting policies

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 annual accounts and consolidated accounts for Eastnine AB (publ) refer to the January– December 2023 financial year and have been approved for publication by the Board on 25 March 2024, and will be presented for adoption by the Annual General Meeting on 25 April 2024. The Eastnine Group (the “Company”) owns and operates real estate activities through wholly-owned subsidiaries in Latvia, Lithuania, and Poland.

Compliance with standards and legislation

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.

Application of the accounting policies

The accounting policies have been consistently applied to all periods presented in the financial statements, unless otherwise stated. The accounting policies and calculation methods for the Group and the Parent Company are in all material respects unchanged compared to those applied for the 2022 annual accounts.

New or amended IFRS and new interpretations applied from 1 January 2023

The following new or amended standards or interpretations published by the IASB are considered relevant to the Group and have been applied for the financial year starting 1 January 2023.

IAS 12 Income taxes. Change to deferred tax related to assets and liabilities arising from a single transaction, clarifying how companies report deferred tax on transactions, e.g. leasing. The effect of this change for Eastnine is primarily the addition of a disclosure on the gross amount of deferred tax in a note.

Amendments have been made to IAS 1 Presentation of financial statements for the purpose of improving the usefulness of disclosures of applied accounting policies. The changes encourage restricting description to only the most material policies, and that these descriptions should be given company-specific explanations of how the policies are applied to events and transactions during the period covered by the annual report. The description of accounting policies below has therefore been concentrated to material policies, and excludes more standardised text.

No other new or amended IFRS have had any material impact on the financial statements.

New or amended IFRS and new interpretations not yet in force

No new or amended IFRS to be applied in the future are deemed to have any material impact on the financial statements.

Functional currency and presentation currency

The Parent Company’s functional currency is EUR, which is also the presentation currency for the Parent Company and the Group. Consequently, all financial statements are prepared in EUR. For activities in Poland, the Polish zloty is considered the functional currency. All figures are presented in EUR thousands unless otherwise stated. Rounding differences may occur.

Key sources of uncertainty in estimates

The sources of uncertainty in the estimates below refer to such sources that result in a significant risk that the value of assets and liabilities may have to be substantially adjusted during the upcoming financial year.

For valuation of investment properties, assessments and assumptions can have a significant effect on the Group’s income and financial position. These valuations require, inter alia, estimates and assumptions of future cash flows as well as a determination of the discounting rate and yield requirements. To reflect the uncertainty inherent in the assumptions and assessments made, a sensitivity analysis is provided for material property parameters; refer to Note 10.

Given the control procedures applied, the group considers the fair values reported in the balance sheet to have been carefully calculated and considered in order to reflect the underlying financial values.



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Notes to the financial statements

Note 1, contd.

Material accounting policies for the group

Asset deal versus business combination

Acquisitions of companies may either be classified as business combinations or asset deals. In the case of asset deals, no deferred tax attributable to the property acquisition is recognised; instead, any deductions relating to deferred tax liabilities reduce the property's acquisition value. All property acquisitions, whether directly or indirectly via subsidiaries, have been deemed asset deals.

Share-related incentive programmes

Share-related incentives relate to compensation to employees, including executive management, according to the long-term incentive programmes which Eastnine established in 2021 and 2022. Staff expenses are recognised as the value of services rendered, accrued over the vesting periods of the programme, calculated as the fair value of the allotted equity instruments. The fair value is determined at the time of allotment. The programmes are settled with equity instruments, which are classified as "equity settled", and an amount corresponding to the reported staff expenses is reported directly toward equity (other contributed capital).

The provision for social charges is based on the fair value of the share rights at each reporting date and determined finally when the shares are allotted.

Income and expenses

Consolidated income primarily consists of rental income for the provision of premises. The Group's expenses are recognised in the period to which they relate and consist mainly of property expenses, administrative expenses, and interest expenses. Property expenses are recognised only to the extent to which they are not charged to tenants.

Lease agreements as a lessor

Rental income is classified as operational lease agreements, in accordance with IFRS 16, and recognised linearly over the term of the leases. Agreed-upon rental deductions, such as discounts, are reported as a reduction in rental income, linearly over the remaining lease term.

Transactions in foreign currency

Exchange rate differences arising on currency translations are recognised net as either financial income or financial expense in the income statement.

Capitalisation of lending expenses

Interest and other financial expenses relating to new construction are capitalised during the construction period, while expensed on an on-going basis when related to renovation and extension, since the investments are smaller and execution time normally shorter.

Taxes

In Estonia and Latvia, the corporate tax rate is 20 per cent. However, the tax is levied only when the profits are distributed. Deferred tax is calculated at zero percent, whereby no deferred tax has been carried, based on the current assessment that the profits remain undistributed. The tax effect will be reported as current or deferred tax once the tax expense of determined dividends can be determined.

Financial instruments

The Group's financial instruments primarily comprise borrowings, cash and cash equivalents, and derivatives, namely interest rate swaps. Interest rate swaps are not recognised using hedge accounting, but are instead recognised at fair value in the income statement. Other financial assets and liabilities are carried at amortised cost; refer to note 27.

Investment properties

Definition and valuation

Investment properties comprise buildings, land, land improvements, and building equipment. Properties under construction or redevelopment that are intended to be used as investment properties will also be included in the investment property category.

Investment properties are initially 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. For a description of the valuation methods applied and material input data, refer to note 10.

Both realised and unrealised changes in value are recognised in the statement of income. Realised value changes refer to value changes from the most recent interim report up until the date of divestment for those properties that were divested in the period, after consideration of capitalised investment expenses during the period. Unrealised value changes refer to other value changes that do not arise from acquisitions or capitalised investment expenses.

Acquisitions and divestments of properties are recognised in conjunction with the transfer of control over the property from the seller to the buyer, which normally takes place on the date of taking possession.

Additional investments

Additional investments attributable to investment properties are capitalised if it is probable that the future financial benefits associated with the asset will be credited to the Company, and that the investments increase the property's value. Examples of additional investments are measures to improve energy efficiency and thereby to improve net operating income, or when investments result in new letting, higher rents, and/or lease extensions. Repairs and maintenance are carried as expenses in the period when the measures are carried out.

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf

Notes to the financial statements

Note 1, contd.

Parent Company's accounting policies

The Parent Company prepares its annual accounts according to the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Reporting of a legal entity. According to RFR 2, the Parent Company shall apply all of the IFRS approved by the EU and opinions to the greatest possible extent in the annual accounts for the legal entity within the framework of the Annual Report Act and taking into consideration the link between accounting and taxation. The differences between the Group's and the Parent Company's accounting policies are shown below.

Layout

The income statement and balance sheet of the Parent Company is laid out according to the schema in the Annual Accounts Act, which results in e.g. equity being laid out in a different way.

Shares in subsidiaries

Shares in subsidiaries are reported at the historical acquisition values, less any impairment.

Shareholder contributions

Shareholder contributions are reported as an increase in the number of shares in so far as there is no impairment.

Financial guarantees

The Parent Company's financial guarantee agreement consists of guarantees on behalf of companies within the Group. For reporting of financial guarantees, the Parent Company applies the relief regulations permitted in RFR2, compared to the regulations in IFRS 9 Financial instruments. The Parent Company reports financial guarantee agreements as a provision in the balance sheet when the Company has a commitment for a probable payment. Otherwise the obligation is reported as a contingent liability.



Notes to the financial statements

Note 2 Segment reporting

Eastnine classifies and evaluates segments based on geography and the nature of the investments. Segments are presented from the point of view of management and are divided as follows: Properties in Lithuania, Properties in Latvia, Properties in Poland, and Other investments (the holding in MFG was divested in 2023).

EURk 1 Jan–31 Dec 2023	Properties in Lithuania	Properties in Latvia	Properties in Poland	Other invest- ments	Un- allocated	Total
Rental income	23,695	4,025	8,446	–	–	36,166
Property expenses	-1,533	-854	-149	–	–	-2,535
Net operating income	22,162	3,172	8,297	–	–	33,631
Central administration expenses	–	–	–	–	-3,679	-3,679
Interest income	111	6	–	–	1,924	2,040
Interest expenses	-5,795	-1,468	-2,507	–	-3,815	-13,586
Other financial income and expenses	-27	–	-248	–	-435	-709
Profit from property management	16,452	1,709	5,542	–	-6,005	17,698
Unrealised value changes in properties	-22,849	-7,981	-3,854	–	–	-34,685
Unrealised value changes in derivatives	-5,032	-268	-2,468	–	–	-7,767
Realised value changes and dividends from investments	–	–	–	-49,870	–	-49,870
Profit/loss before tax	-11,429	-6,541	-780	-49,870	-6,005	-74,625
Current tax	–	-2	-447	–	–	-449
Deferred tax	1,270	–	592	–	1,163	3,025
Net profit/loss for the year	-10,159	-6,542	-635	-49,870	-4,842	-72,048
Investment properties	382,546	74,115	117,110	–	–	573,771
<i>of which, investments/acquisitions during the year</i>	<i>1,693</i>	<i>482</i>	<i>59</i>	–	–	<i>2,234</i>
Interest-bearing liabilities	183,428	30,785	70,110	–	–	284,323

EURk 1 Jan–31 Dec 2022	Properties in Lithuania	Properties in Latvia	Properties in Poland	Other invest- ments	Un- allocated	Total
Rental income	21,915	3,457	4,927	–	–	30,299
Property expenses	-1,760	-998	-54	–	–	-2,812
Net operating income	20,154	2,459	4,873	–	–	27,487
Central administration expenses	–	–	-161	–	-4,064	-4,224
Interest expenses	-4,510	-810	-1,635	–	-2,420	-9,374
Other financial income and expenses	-32	–	-224	–	-219	-476
Profit from property management	15,612	1,650	2,853	–	-6,702	13,413
Unrealised value changes in properties	9,603	-220	–	–	–	9,383
Unrealised value changes in investments	–	–	–	70,789	–	70,789
Unrealised value changes in derivatives	7,610	724	4,083	–	–	12,417
Realised value changes and dividends from investments	–	–	–	7,075	–	7,075
Profit/loss before tax	32,824	2,154	6,936	77,864	-6,702	113,076
Current tax	–	-3	-207	–	–	-209
Deferred tax	-3,224	–	-1,082	–	–	-4,307
Net profit/loss for the year	29,600	2,151	5,648	77,864	-6,702	108,560
Investment properties	403,702	81,614	120,906	–	–	606,222
<i>of which, investments/acquisitions during the year</i>	<i>4,966</i>	<i>1,150</i>	<i>120,906</i>	–	–	<i>127,022</i>
Securities holdings	–	–	–	193,355	–	193,355
Interest-bearing liabilities	178,922	31,771	71,190	–	45,000	326,882

Download printable pdf



Notes to the financial statements

Note 3 Rental income

Rental income 2023

Rental income for the financial year 2023 amounted to EUR 36,166k (30,299), of which rent for office space amounted to EUR 33,122k (27,927), retail and services to EUR 691k (575), parking to EUR 2,135k (1,595), and other rental income to EUR 218k (202). For rental income by segment, refer to note 2 (Segment reporting). Rental income does not include property expenses charged to tenants.

Operational leasing - the Group as lessor

The primary income of the Group is rental income from lease agreements which are classified as operational leasing in accordance with IFRS 16.

The table below shows the sum of contracted future rental income at year-end, excluding future index adjustments, calculated up until the date of expiry of the agreements. The total contract volume has decreased by 12 per cent and amounted at the end of the period to EUR 133,628k (151,965).

Contracted future rental income, EURk	Group	
	2023	2022
Rental income expiring within 1 year	34,007	33,258
Rental income expiring in 2-5 years	74,203	76,933
Rental income expiring in 5 years or later	25,418	41,774
Total	133,628	151,965

The table below shows the current rental value for offices and for retail and services, by country.

Rental value, EUR/sq.m./yr	Category by premises			
	Offices		Retail and service	
	2023	2022	2023	2022
Lithuania	194	186	193	181
Poland	202	182	179	169
Latvia	183	177	163	168
Total	194	184	180	175

The maturity structure of existing lease agreements is presented in the following table. All agreements that expire during the specified year have been recalculated as annual rents. Rental discounts that are applied for less than 12 months have not been subtracted from annual rent under contract. The average remaining lease term on all agreements has decreased to 3.8 years (4.4) at year-end.

Expiration structure, existing leases, on 2023-12-31

Lease expiration, years	Sq.m.	Contractual annual rent, EURk	Proportion of annual rent, %
2024	12,733	2,588	8
2025	10,606	2,194	6
2026	17,639	3,557	10
2027	40,956	7,642	22
2028	13,158	2,570	7
2029–	87,665	14,126	40
Total, premises	182,757	32,677	93
Parking & other	–	2,563	7
Total	182,757	35,240	100

Note 4 Property expenses

Distribution by type of cost, EURk	Group	
	2023	2022
Expenses related to ongoing consumption, repairs and maintenance	-481	-800
Other direct property expenses	-292	-277
Personnel costs	-1,169	-1,272
Depreciation	-59	-60
Other indirect property expenses	-535	-403
Total	-2,535	-2,812

Note 5 Employees, staff expenses and remuneration to executive management

Remuneration, other benefits and social expenses EURk	Group		Parent Company	
	2023	2022	2023	2022
Board, CEO and deputy CEO				
Salaries ¹	851	932	851	932
Pension costs (premium based plans)	98	123	98	123
Social charges ¹	324	317	324	317
Other				
Salaries	1,915	2,213	690	753
Pension costs (premium based plans)	133	101	133	101
Social charges	479	514	266	260
Total	3,800	4,201	2,361	2,486

¹ For the 2023 financial year, the CEO has received an additional payment of variable salary that is not included in the table above. This extra payment will impact the income statement in 2024. For more information, refer to the table of compensation to senior executives on pg. 77.

Average no. employees	Group		Parent Company			
	2023	2022	2023	2022		
Men	9.0	8.6	5.0	4.6		
Women	12.4	13.8	4.0	3.7		
Total	21.4	22.4	9.0	8.3		
Group	2023			2022		
	Men	Women	Total	Men	Women	Total
Staff turnover, %	–	7.4	4.4	–	13.8	8.7
Total sickness absence, %	1.4	0.6	0.9	1.2	0.3	0.6
of which long-term sickness absence	–	–	–	–	–	–

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Notes to the financial statements

Note 5, contd.

Remuneration to management

Remuneration to the Board of Directors

On 3 May 2023, the Annual General Meeting determined that the Chairman of the Board shall receive remuneration of SEK 800,000 for the period until the next AGM. Other Board members will receive SEK 400,000 per person in remuneration for the time until the next shareholders' meeting. Appointed members receive remuneration as of the date of appointment (normally, the date of the annual general meeting), while withdrawing members have received remuneration up until the date of withdrawal.

Remuneration to senior executives and other conditions of employment

Guidelines for salary and other remuneration to the Company's senior executives will be resolved at the annual general meeting, based on proposals by the Board. Remuneration to senior executives consists of fixed salary, variable salary as well as pension, insurance and customary benefits. The Board decides at its own discretion, on the basis of established performance criteria, whether the senior executives shall receive variable salary. The variable salary to senior executives may maximally correspond to 50 percent of their fixed salary. In addition, senior executives have individual premium-based pension plans, pursuant to which the Company pays premiums corresponding to 4.5 per cent of the amount of fixed salary up to 7.5 income base amounts and premiums of 30 percent of the fixed salary exceeding 7.5 income base amounts. In the event the Company terminates the CEO's employment, the Company is required to observe a six-month notice period. In addition, the CEO is entitled to a severance payment corresponding to six months' salary. In the event the CEO terminates his employment, he is required to observe a six-month notice period. For the Deputy CEO, a notice period of six months applies in the case of termination at their request and twelve months in the case of termination at the Company's request. No severance pay is paid.

Remuneration and other benefits, EURk	Board fee / Fixed salary		Variable salary ¹		LTIP ²		Other benefits		Pension expenses		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Board members												
Liselotte Hjorth, Chairman	70	75	–	–	–	–	–	–	–	–	70	75
Peter Elam Håkansson	35	38	–	–	–	–	–	–	–	–	35	38
Peter Wågström	35	38	–	–	–	–	–	–	–	–	35	38
Christian Hermelin	35	38	–	–	–	–	–	–	–	–	35	38
Ylva Sarby Westman	35	38	–	–	–	–	–	–	–	–	35	38
Hanna Loikkanen ³	23	–	–	–	–	–	–	–	–	–	23	–
Senior executives												
Kestutis Sasnauskas, CEO	236	247	241	112	2	53	7	7	60	85	546	504
Britt-Marie Nyman, deputy CEO and CFO	167	172	84	85	1	29	2	2	38	38	291	326
Total	635	645	325	197	3	82	8	8	98	123	1,069	1,055

¹ For the 2023 financial year, the variable salary to the CEO has totalled EUR 241k, of which half refers to variable compensation for extraordinary efforts during the sale of MFG. 50 % of the variable compensation paid to the CEO will be recognised in the 2024 income statement. For more information on variable compensation for extraordinary efforts, please refer to the corporate governance report pg. 104.

² Provisions for LTIP amounted to EUR 3k (82). This does not include the market value of vested shares in LTIP 2020 at the time of vesting. The market value of shares vested under LTIP 2020 amounted, for Kestutis Sasnauskas, to EUR 69k (0) and, for Britt-Marie Nyman, to EUR 37k (0).

³ Appointed to the Board at the 2023 AGM.

Long-term incentive programmes

At year-end 2023, Eastnine had two outstanding long-term incentive programmes (LTIP), designated for the employees in the Group (LTIP 2021 and LTIP 2022), as LTIP 2020 ended during the year. The purpose of LTIPs is to boost shareholder value and the Company's long-term value creation, by creating the conditions required to retain and recruit competent staff, increasing motivation among the participants, encouraging employees' shareholding in the Company and aligning the interests of employees and the company's shareholders.

LTIP 2020

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, on 7 July 2023, 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. The weighted average share price at the date of award was SEK 125.36. Criteria outcomes are presented below.



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Download printable pdf

Notes to the financial statements

Note 5, contd.

Criteria for performance shares

Each performance criteria represents one third (1/3) of the total allocation of performance shares to LTIP 2020. If the minimum level of a performance criteria is not met, no performance shares relating to that criteria will be distributed. If the maximum level is reached, a third (1/3) of the maximum number of performance shares in LTIP 2020 will be awarded.

Criteria 1: The development of the Company's return on equity, i.e. the average earnings in relation to average equity, for the period 1 July 2020–30 June 2023.

- Maximum level: 12 per cent per year
- Minimum level: 8 per cent per year

Criteria 2: The size of the Company's profit from property management during the period 1 April 2023–30 June 2023.

- Maximum level: EUR 5.75m (corresponding to an annual amount of EUR 23.0m).
- Minimum level: EUR 5.00m (corresponding to an annual amount of EUR 20.0m).

Criteria 3: The percentile ranking of the Company's total return, i.e. the average share price development including dividends, for the period 1 April 2020–30 June 2023, in relation to a number of comparable companies, specifically 20 European real estate companies.

- Maximum level: Total return corresponding to the uppermost quartile in the reference group
- Minimum level: Total return corresponding to the median in the reference group

Criteria	Target	Outcome	Vested	Number
Performance shares, criteria 1	8-12 %	16.7 %	100 %	13,112
Performance shares, criteria 2	EUR 5.00m–5.75m	EUR 4.1m	–	–
Performance shares, criteria 3	>median	Achieved 77.4 % from minimum to maximum	77.4 %	10,150
Number of shares			59.1 %	23,262

LTIP 2021

The AGM on 5 May 2021 approved the Board's proposal to introduce a long-term incentive programme (LTIP 2021), open to all staff who were employed by the Group on 1 January 2021. The incentive programme is divided in three categories: Category A (CFO), Category B (CFO and other business-critical posts) and Category C (other employees). Participation required participants to hold shares in Eastnine equivalent in value to one twelfth of the participant's annual, fixed gross salary, by 1 April 2021. Each participant is thereafter granted rights to performance shares, which confer to the participant the right to acquire shares in the Company, provided that certain performance preconditions are fulfilled. In order to receive performance shares, the Participant must not have ended their employment with the Company and must also have held the participation shares throughout the vesting period. Performance shares will be awarded to the employees within 45 days of publication of the interim report for the period 1 January–30 June 2024.

Criteria for performance shares

Each performance criteria represents one half (1/2) of the total allocation of performance shares to LTIP 2021. If the minimum level of a performance criteria is not met, no performance shares relating to that criteria will be distributed. If the maximum level is reached, one half (1/2) of the maximum number of performance shares in LTIP 2021 will be awarded.

Criteria 1: The development of the Company's return on equity, i.e. the average earnings in relation to average equity, for the period 1 July 2021–30 June 2024.

- Maximum level: 12 per cent per year
- Minimum level: 10 per cent per year

Criteria 2: The percentile ranking of the Company's total return, i.e. the average share price development including dividends, for the period 1 July 2021–30 June 2024, in relation to a number of comparable companies, specifically 20 European real estate companies.

- Maximum level: Total return corresponding to the uppermost quartile in the reference group
- Minimum level: Total return corresponding to the median in the reference group

Share buy-back

Eastnine AB intends to use 31,425 previously repurchased treasury shares in order to ensure the ability to deliver shares to the Participants.

LTIP 2022

The AGM on 26 April 2022 approved the Board's proposal to introduce a long-term incentive programme (LTIP 2022), open to all staff who were employed by the Group on 1 May 2022. The incentive programme is divided in three categories: Category A (CEO and CFO), Category B (country managers and other posts considered business-critical) and Category C (other employees). Participation required participants to hold shares in Eastnine equivalent in value to one twelfth of the participant's annual, fixed gross salary, by 1 May 2022. Each participant is thereafter granted rights to performance shares, which confer to the participant the right to acquire shares in the Company, provided that certain performance preconditions are fulfilled. In order to receive performance shares, the Participant must not have given notice of termination or ended their employment with the Company and must also have held the participation shares throughout the vesting period. Performance shares will be awarded to the employees within 45 days of publication of the interim report for the period 1 January–30 June 2025.

Criteria for performance shares

If the minimum level of a performance criteria is not met, no performance shares relating to that criteria will be distributed. If the maximum level of criteria 1 is reached, 80 per cent of the maximum number of performance shares will be awarded, and if the maximum level of criteria 2 is reached, 20 per cent of the maximum number of performance shares in LTIP 2022 will be awarded.

Criteria 1: The development of the Company's return on equity, excluding effects from Eastnine's holding in Melon Fashion Group (MFG), i.e. the average earnings less earnings from MFG, in relation to average equity less equity attributable to MFG, for the period 1 July 2022–30 June 2025.

- Maximum level: 12 per cent per year
- Minimum level: 10 per cent per year



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Notes to the financial statements

Note 5, contd.

Criteria 2: The percentile ranking of the Company's total return, i.e. the average share price development including dividends, for the period 1 July 2022–30 June 2025, in relation to a number of comparable companies, specifically 22 European real estate companies.

- Maximum level: Total return corresponding to the uppermost quartile in the reference group
- Minimum level: Total return corresponding to the median in the reference group

Share buy-back

Eastnine AB intends to use 49,019 previously repurchased treasury shares in order to ensure the ability to deliver shares to the Participants.

	Group		Parent Company	
	2023	2022	2023	2022
Number of share rights				
Outstanding at the beginning of the year	125,489	81,751	75,844	43,505
Awarded	–	56,935	–	32,339
Forfeited	-21,783	-13,197	-9,500	–
Vested	-23,262	–	-13,738	–
Outstanding at the end of the period	80,444	125,489	52,606	75,844

Outstanding share rights	LTIP 2021	LTIP 2022
Number of share rights	31,425	49,019
Number of participants still employed on 31 December 2023	15	18
Vesting period	July 2021 – July 2024	July 2022 – July 2025
Value per share right, criteria 1 ¹ , SEK	123.98	76.38
Value per share right, criteria 2 ² , SEK	31.00	19.10
Remaining term of share rights, year	0.5	1.5

¹ Fair value as on the award date, adjusted for dividends during the vesting period.

² Fair value as on the award date, adjusted for dividends during the vesting period and for the probability that the share return criteria is not fully fulfilled.

Staff expenses for share-related compensation, EURk	Group		Parent Company	
	2023	2022	2023	2022
Share rights	-1	184	4	114
Social charges	48	28	48	28
Total	46	212	51	142

↓ Download printable pdf



Notes to the financial statements

Note 6 Central administration expenses

Central administration expenses refer, inter alia, to the costs of central functions of the Group, such as management, financing, financial management, investor relations, communications and other costs relating to the listing of the company on Nasdaq, Stockholm. Costs relating to the administration of property-managing subsidiaries is recognised as part of property expenses.

Leasing

Lease fees of minor value is recognised as a cost through profit or loss and linearly distributed over the term of the agreement. For Eastnine, these lease fees relate to costs for typical equipment of minor value.

Distribution by type of cost, EURk	Group		Parent Company	
	2023	2022	2023	2022
Marketing and PR	-229	-325	-229	-325
IT and accounting services	-99	-106	-87	-72
Legal services and consulting fees	-40	-172	-40	-69
Staff expenses	-2,684	-2,963	-2,414	-2,519
Other external costs	-627	-658	-656	-640
Total	-3,679	-4,224	-3,427	-3,625

Allocation in the income statement, EURk	Group		Parent Company	
	2023	2022	2023	2022
Central administration expenses	-3,679	-4,224	-3,427	-3,625
Total	-3,679	-4,224	-3,427	-3,625

Note 7 Fees and compensations to auditors

EURk	Group		Parent Company	
	2023	2022	2023	2022
KPMG AB				
Audit assignment	-230	-210	-141	-106
Audit in addition to the audit assignment	-5	-3	-5	-3
VGD				
Audit assignment	-13	-	-	-
Total	-248	-213	-146	-109

Audit assignment refers to the audit of the annual report, the accounting records and the administration of the Board of Directors and the CEO, other tasks incumbent on the Company's independent auditor, as well as advice or other assistance prompted by observations from such audits or the performance of other such tasks. Any other assignments are reported as separate items in the table above.

Note 8 Leasing agreements

For Eastnine as a lessee, the pertinent agreements are leases for premises and site leasehold fees. Eastnine's lease agreements are stated on the balance sheet as a usage right and a leasing liability. The usage right and the liability is initially valued at the present value of all future lease payments. To the extent that fees are prepaid or to which there are other associated costs, these are added to the value of the usage right. In those cases where the site leaseholds cannot be terminated, the lease term is to be seen as perpetual, meaning that the value of the leasing liability is considered unchanged until the leasehold is renegotiated. The usage right likewise is considered to be infinite, in parallel with the leasing liability, with the effect that it does not depreciate. In regards to other agreements, currently the rent for the Company's premises in Stockholm for which the lease terminates on a fixed date, the leasing liability is amortised when the fee is paid. Lease fees that exceed the amortisation amount are reported as interest expenses. For the usage right asset, depreciation occurs linearly over the lease period.

In addition to the stated usage rights, Eastnine as a tenant also has some lease agreements at a smaller value relating to e.g. cars and office equipment. These are expensed linearly over the rental period.

Right of use asset, EURk	Group		Parent Company	
	2023	2022	2023	2022
Carrying amount at beginning of year	2,234	1,353	312	417
Recalculation according to IFRS 16	11	4	11	4
Additional leasing liability	-	986	-	-
Depreciation of the year	-114	-109	-114	-109
Carrying amount at end of year	2,131	2,234	209	312

Leasing liability, EURk	Group		Parent Company	
	2023	2022	2023	2022
Carrying amount at beginning of year	2,216	1,334	294	399
Recalculation according to IFRS 16	11	4	11	4
Additional leasing liability	-	986	-	-
Amortisation of leasing liability	-115	-108	-115	-109
Carrying amount at end of year	2,112	2,216	190	294

Cash flow attributable to lease agreement, EURk	Group		Parent Company	
	2023	2022	2023	2022
Cash flow from lease agreements recognised as right of use asset	-161	-150	-113	-118
Cash flow from leasing of assets of lesser value	-11	-11	-11	-11
Total cash flow from lease agreements	-172	-161	-124	-129

See also the maturity structure analysis in note 28 (Financial risks and risk management). The lease term up until renegotiation of the Company's site leasehold varies between 18-76 years. The cost, in addition to depreciation of all site leasehold fees, has been recognised as a financial expense and amounted during the year to EUR 53k (54).

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Note 9 Financial income and expenses

Financial income, EURk	Group		Parent Company	
	2023	2022	2023	2022
Dividends received from Group companies	–	–	4,188	–
Interest income from Group companies	–	–	3,945	3,733
Interest income from cash and cash equivalents	2,040	–	1,922	–
Other financial income	14	4	–	–
Exchange rate differences, net ¹	–	–	199	–
Total financial income	2,054	4	10,255	3,733

Financial expenses, EURk	Group		Parent Company	
	2023	2022	2023	2022
Interest expenses on loans	-9,782	-6,965	-11	-11
Interest expenses on bond	-3,804	-2,409	-3,804	-2,409
Other financial expenses	-688	-293	-641	-240
Exchange rate differences, net ¹	-35	-187	–	23
Total financial expenses	-14,309	-9,854	-4,456	-2,637

¹ Exchange rate gain/loss on monetary assets and liabilities.

Interest income from Group companies is attributable to financial assets valued at amortised cost.

Interest expenses are mainly attributable to financial liabilities valued at amortised cost and interest expenses on derivatives valued at fair value.

Note 10 Investment properties

Definition

Investment properties are such properties that are held for the purpose of generating a positive net operating income. Investment properties are reported in the balance sheet at fair value, and value changes are recognised in the income statement.

Investment properties during the year

The property portfolio primarily comprises centrally located office properties in Poznan, Riga and Vilnius. The fair value of the investment properties, excluding usage rights, amounted to EUR 573,771k (606,222). In total, Eastnine invested EUR 2,234k (127,022) during the year, of which property acquisitions amounted to EUR zero (120,906), and investments in existing properties to EUR 2,234k (6,116). Unrealised value changes amounted to EUR -34,685k (9,383). Higher market rents as well as rent indexation have had positive impacts on property value, while negative impacts derived from, above all, increased yield requirements following the year's sharp increases in interest rates. The value of usage right assets for site leaseholds pertaining to the investment properties are reported as an item in the balance sheet, and amounted to EUR 1,922k (1,922).

EURk	Group	
	2023	2022
Carrying amount at beginning of year	606,222	469,817
Acquisitions	–	120,906
Investments in existing properties	2,234	6,116
Unrealised value changes	-34,685	9,383
Carrying amount at end of year	573,771	606,222

Valuation of properties

The properties are valued every quarter, and external valuation is performed by a certified valuation institute at least once in a rolling twelve-month period. External and internal valuations are carried out using the same valuation methodology, so that comparable observable and non-observable input data is used each quarter and each year.

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 Baltic valuation model is based on present value cash flows, using an individual assessment of the future cash flows from each property, normally over a five- to ten-year calculation period with supplements for the present value of residuals at the end of the calculation period. The cash-flow determinations with a longer calculation period than five years is primarily 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 use the "hardcore method", whereby cash flows from the current rent is capitalised with supplements or deductions for the difference between the market rent and the current rent. For this reason, future, inflation-adjusted rent levels are not taken into consideration.

The fair value of acquired properties is initially estimated to correspond to the acquisition cost. As for development projects, where there are uncertainties about the final cost of the project and future lease agreements may be absent, the fair value is deemed to correspond to the costs incurred unless other information is available at the time of valuation.

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 which have a considerable impact on the value are current rent levels, past property expenses and investments, and actual inflation. Non-observable data are yield requirements, discount rate, future inflation, assessed market rent and long-term vacancy rates.

Cash-flow from rent payments are estimated based on current lease agreements and known and agreed-upon future changes. The rent development follows indexing clauses in existing lease agreements. At the end of lease terms, an assessment is made regarding lease extensions and the then-applicable market rent level. At year-end, the estimated monthly market rent applied in valuations amounted on average to EUR 16.5 per sq.m. (15.5).



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Notes to the financial statements

Note 10, contd.

Operating and maintenance costs are based on historical outcomes and budgeted costs. Reservations for maintenance costs and property investments are normally calculated according to budget for year 1, and thereafter as a percentage of the estimated rental income or as a cost per sq.m.

Inflation, discount rate, yield requirements, market rent as well as vacancy estimates are also important parameters in the valuation assumptions. Inflation is based on the assessment by participants in the market, in the short as well as the long term. The discount rate and yield requirement are based on the market return requirement for similar investment objects, with the addition of risks related to real estate, e.g. geographical location, the condition of the property, and future vacancy risk. The market rent is based on the actual current rent level for similar objects. Vacancies are individually calculated on the lease level, as well as with a long-term, normalised vacancy rate.

The discount rate is the cost of capital on total capital. The weighted discount rate amounted to 7.7 percent (7.6) for investment properties excluding development projects. The yield requirement is derived from actual transactions, but also from the views and expectations of buyers and sellers in the market. Sharply increasing interest rates have resulted in higher yield requirements in 2023. The weighted average yield requirement was 6.4 per cent (5.6).

Tenant-specific investments made for new letting are calculated in the interval EUR 180-250 per sq.m. (160-250). Other planned property investments have been calculated on average at 3.9 per cent (2.8) of the total rental income. The long-term vacancy rate is generally set at 4.5-5.0 per cent (4.5) in the valuation models. The long-term inflation for market rents has been estimated at 2.0 per cent (2.0) in Latvia and Lithuania. Market rents in Poland are not adjusted for inflation.

Sensitivity analysis, property valuation

Property valuations require an assessment of a property's market value and is based on calculations in accordance with established and customary principles as well as assumptions and assessments from certified valuation institutes.

The property sensitivity analysis table shows the impact of changes to individual valuation parameters on the investment properties' estimated market value. The sensitivity analysis does not take into account that changes to one valuation parameter often may have an impact on other parameters which are presented in the sensitivity analysis.

Sensitivity analysis properties, EURk	Assumptions	Latvia	Lithuania	Poland
Market rent	+/- 5.0 %	2,213 / -2,211	12,672 / -12,591	4,213 / -4,163
Occupancy rate	+/- 1.0 percentage point	540 / -765	4,512 / -5,064	-
Yield requirement	+/- 0.25 percentage points	-1,857 / 2,006	-9,445 / 10,247	-4,621 / 5,005
Yield requirement	+/- 0.5 percentage points	-3,580 / 4,177	-22,943 / 19,130	-8,900 / 10,442
Yield requirement	+/- 1.0 percentage point	-6,683 / 9,113	-39,615 / 46,198	-16,570 / 22,857

Valuation assumptions	Latvia	Lithuania	Poland	Total
Yield requirement, %	6.5 (5.6-5.8)	5.75-6.5 (5.25-6.0)	7.0 (6.25)	5.75-7.0 (5.25-6.25)
Yield requirement, weighted, %	6.5 (5.7)	6.2 (5.5)	7.0 (6.25)	6.4 (5.6)
Average property investments, %	13.1 (5.3)	3.5 (2.5)	-	3.9 (2.8)
Average rent, EUR/sq.m./month	15.1 (14.7)	16.8 (15.7)	16.5 (15.2)	16.5 (15.5)
Average discount rate, %	8.1 (7.5)	8.1 (7.5)	6.4 (8.1)	7.7 (7.6)
Investments for new lettings, EUR/sq.m.	250 (250)	180-250 (160-250)	250 (250)	180-250 (160-250)
Long-term inflation, %	2.0 (2.0)	2.0 (2.0)	- (2.0)	1.6 (2.0)
Long-term vacancy rate, %	4.5-5.0 (4.5)	4.5-5.0 (4.5)	- (4.5)	4.5-5.0 (4.5)

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Notes to the financial statements

Note 11 Securities holdings

Eastnine's securities holdings are presented below. The holding in MFG was divested during the year.

EURk	Group		Parent Company	
	2023	2022	2023	2022
Carrying amount at beginning of year	193,355	140,859	193,355	121,829
Divestments	-143,592	-18,792	-143,592	-
Unrealised value changes	-	71,289	-	71,525
Realised value changes	-49,763	-	-49,763	-
Carrying amount at end of year	-	193,355	-	193,355

Note 12 Derivatives

Eastnine does not apply hedge accounting. Derivatives are classified as financial instruments and comprise interest rate swaps, where the Company receives a variable interest and pays fixed interest. The derivatives are valued at fair value according to level 2, and value changes are presented as an item in the statement of comprehensive income. No derivative positions have been closed early and all value changes during the year are unrealised. Annual amortisation of existing swaps amounts to EUR 5,046k, of which EUR 1,505k relates to swaps maturing in 2024. At maturity, the value is always zero and no contingent payments remain. Refer to note 28 (Financial risks and risk management) for more information about cash flows from Eastnine's derivatives. For more information, please also refer to note 27 (Financial instruments).

Year of maturity	Nominal amount, EURk	Market value, EURk	Average interest rate, %
2024	53,885	250	0.04
2025	20,775	928	0.10
2026	39,912	-472	2.92
2027	90,264	2,548	1.50
Total	204,836	3,254	1.25

Note 13 Realised values and dividends from investments

EURk	Group		Parent Company	
	2023	2022	2023	2022
Dividend, MFG	238	7,075	238	7,075
Repayment, ECBPF2	298	-	-	-
Realised changes in value, MFG	-50,406	-	-50,406	-
Total	-49,870	7,075	-50,168	7,075

Value derivatives, EURk	Group	
	2023	2022
Carrying amount at beginning of year	11,022	-1,395
Unrealised value changes	-7,767	12,417
Carrying amount at end of year	3,254	11,022

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Note 14 Other income

EURk	Parent Company	
	2023	2022
Advisory and management services to Group companies	1,740	1,986
Total	1,740	1,986

Note 15 Taxes

Reconciliation of effective tax, EURk	Group		Parent Company	
	2023	2022	2023	2022
Profit before tax	-74,625	113,076	-46,056	77,557
Tax as per applicable tax rate in Sweden, 20.6 %	15,373	-23,294	9,488	-15,977
Difference in tax rate in foreign operations	-2,526	3,106	-	-
Tax effect of non-taxable fair value adjustments	-10,384	14,631	-10,384	14,631
Tax effect of non-taxable income from dividend	49	1,457	912	1,457
Tax effect of non tax-deductible expenses	-173	-123	-2	-8
Deficits from previous years	14	-	14	-
Other tax adjustments	1,152	-	1,135	-
Not recognised tax on tax losses carried forward for the year ¹	-31	-294	-	-104
Adjusted deferred tax from previous years	-899	-	-	-
Total	2,576	-4,516	1,163	-
Average applicable tax rate, %	3.5	4.0	2.5	-

¹ Deferred tax assets are reported to the extent it is possible that they can be utilised by future taxable profits. Deferred taxes on tax loss carry-forwards of EUR 0.2m in subsidiaries are not recognised in the balance sheet.

Note 16 Equipment

Equipment is carried at the acquisition value reduced by accrued depreciation and impairment. Any impairment loss is recognised as expense in the income statement. The acquisition value includes expenses directly attributable to the acquisition of the asset. The estimated useful life is between 3-6 years. Depreciation takes place on a straight-line basis over the useful life, and is carried in the item for property expenses or central administration expenses. Equipment comprises, inter alia, office equipment at Eastnine's offices in Stockholm, Vilnius, and Riga.

EURk	Group		Parent Company	
	2023	2022	2023	2022
Accumulated depreciation at beginning of year	524	491	89	89
Investments of the year	29	33	-	-
Accumulated depreciation at beginning of year	553	524	89	89
Accumulated depreciation at beginning of year	-360	-284	-55	-37
Depreciation of the year	-78	-76	-18	-18
Accumulated depreciation at end of year	-438	-360	-73	-55
Carrying amount at end of year	115	164	16	34



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Notes to the financial statements

Note 17 Accounts receivable

An individual assessment is made of all accounts receivable that are past due. The assessment of the risk of credit losses is made prospectively, in accordance with IFRS 9, and a provision is made when there is a credit loss. Credit losses reduce the Group's net operating income.

Age structure, EURk	Group	
	2023	2022
Not past due	2,086	2,293
Past due 0-30 days	207	162
Past due 31-60 days	12	134
Past due 61-90 days	–	–
Past due, more than 90 days	23	19
of which bad debts provision ¹	-16	-22
Total	2,312	2,586

¹ Provisions are made on an individual basis.

Note 18 Prepaid expenses and accrued income

EURk	Group		Parent Company	
	2023	2022	2023	2022
Accrued interest income	–	–	3,770	1,059
Accrued income	314	400	–	–
Other prepaid expenses and accrued income	869	1,093	80	407
Total	1,183	1,493	3,850	1,466

Note 19 Cash and cash equivalents

EURk	Group		Parent Company	
	2023	2022	2023	2022
Cash and cash equivalents	128,620	19,820	112,258	7,620
Total	128,620	19,820	112,258	7,620

Cash and cash equivalents comprise assets with a term of maximally three months and which with negligible risk of value changes may be converted into cash. On the reporting day, 100 per cent of cash and cash equivalents referred to cash in the Company's bank accounts.

Note 20 Equity

There are, on the reporting day, a total of 22,370,261 ordinary shares issued in Eastnine AB (publ). Each share confers voting rights for one (1) vote. During the year, Eastnine has awarded 23,262 shares to participants in Eastnine's long-term incentive programme, which was established in 2020 (LTIP 2020). After the transaction, as on 31 December 2023, the Company's holding of own shares in treasury has decreased to 139,253, corresponding to a decrease from around 0.7 per cent to about 0.6 per cent of all shares issued. At the AGM 2023, the Board received a new mandate to decide on share buy-back, providing that Eastnine's holding of treasury shares not exceed at any time 10 per cent of all shares in the Company.

Number of ordinary shares	2023	2022
No. issued shares on 1 January	22,370,261	22,370,261
No. issued shares on 31 December	22,370,261	22,370,261
of which shares held in treasury	139,253	162,515

The Group's equity

Equity corresponds to the Parent Company's share capital, other contributed capital and earned profits. Other contributed capital consists of capital contributions from the owners and capital surplus which has been added in conjunction with new share issues. Earned profits

relate to profits earned within the Group. Total equity amounted, on 31 December 2022, to EUR 400.2m (478.5).

Capital management

Capital is defined as total equity and amounted on 31 December 2023 to EUR 400.2m (478.5). Cash and cash equivalents in the Group amounted to EUR 128.6m (19.8). Eastnine's Board has decided that the net loan-to-value ratio on properties shall not exceed 60 per cent on the Group level, and that the equity/asset ratio shall amount to at least 35 per cent. On reporting day, the loan-to-value ratio was 27 per cent (51) and the equity/asset ratio amounted to 56 per cent (57). In addition to cash and cash equivalents, Eastnine has an overdraft facility of EUR 3.0m which, in addition to the possibility to extend property credits, is a further source of financing to cover short-term liquidity requirements and investments.

Parent Company's restricted and non-restricted equity

According to the Companies Act, equity is composed of restricted (non-distributable) and non-restricted (distributable) equity. Eastnine AB's restricted equity consists of the share capital. Non-restricted equity includes the share premium reserve, net profit/loss for the year and retained earnings.

The non-restricted equity in the Parent Company may be paid out to shareholders only if there is sufficient, after the dividend, to complete cover restricted equity. Furthermore, a dividend may only be paid out if, given an assessment of the scope, requirements and risks in the business, such a dividend is defensible considering the Group's need to strengthen the balance sheet, liquidity and general financial position.

Dividend

The Annual General Meeting determines the dividend. The Board proposes to the Annual General Meeting that a dividend be paid of SEK 4.64 per share, distributed evenly into four instalments paid in 2024 and early 2025. Dividends are not distributed to the Company's holding of own shares, whose exact number is determined on the record dates for cash payment of the dividend. Based on the current number of shares issued on the reporting day, excluding own shares held in treasury, the proposed dividend amounts to SEK 103.2m, corresponding to EUR 9.3m.

EUR 1 = SEK 11.13 on 31 December 2023 (Source: Reuters).



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Notes to the financial statements

Note 21 Interest-bearing liabilities

Interest-bearing liabilities refer entirely to liabilities to credit institutions, of which EUR 193,138k (263,552) are classified as non-current liabilities due to their maturity being later than 12 months from the reporting day, while EUR 91,185k (63,330) are classified as current liabilities maturing within 12 months, please also refer to note 27 (Financial instruments). Eastnine's liabilities to credit institutions are valued at accrued cost. At year-end, bond loans amounted to EURk 0 (45,000) as the bond was redeemed early.

Interest-bearing liabilities, EURk	Group	
	2023	2022
Interest-bearing liabilities at the beginning of the year	326,882	241,084
Bond loan redeemed early	-45,000	-
New debt raised	10,519	93,340
Amortisation, according to plan	-8,079	-7,542
Carrying amount at end of year	284,323	326,882

In accordance with Eastnine's financial policy, the average capital tie-up period on loans shall never be below 18 months. For more information on this, refer to the section Financing and capital structure. In the table titled Maturity structure of interest-bearing liabilities, the terms and maturities of total interest-bearing liabilities are presented as well as the proportion, including amortisation, that falls due each year. The future annual amortisation, by agreement, amounted at year-end to EUR 7.5m (8.3), corresponding to 2.6 per cent (2.5) of the outstanding debt. The following table shows the distribution of interest-bearing liabilities. These statements do not reflect that borrowings may be refinanced when they mature. For the effect of interest-bearing liabilities on cash flow, see note 28 (Financial risks and risk management).

Maturity structure of interest-bearing liabilities, year	Debt, EURk	Proportion, %
2024	91,185	32.0
2025	37,174	13.1
2026	71,074	25.0
2027	84,890	29.9
Total	284,323	100.0

Breakdown of interest-bearing liabilities, EURk	Group	
	2023	2022
Liabilities to credit institutions, long-term	193,138	218,552
Liabilities to bondholders, long-term	-	45,000
Liabilities to credit institutions, short-term	91,185	63,330
Total	284,323	326,882

Note 22 Deferred tax liabilities

Deferred tax on temporary differences, EURk	Group		Parent Company	
	2023	2022	2023	2022
Investment properties	25,161	25,147	-	-
Usage right asset, lease agreement	347	364	43	-
Derivative Instruments	496	1,720	-	-
Lease liabilities	-343	-364	-39	-
Loss carry-forwards	-9,894	-8,079	-1,167	-
Carrying amount at end of year	15,768	18,788	-1,163	-

Negative amounts above reflect deferred tax assets.

Deferred taxes are attributable to subsidiaries in Lithuania and Poland, and is calculated using a tax rate of 15 per cent and 19 per cent, respectively, and attributable to the Parent Company in Sweden with a tax rate of 20.6 per cent. The deferred tax is attributable to the difference between reported values and tax values of properties, lease assets and lease liabilities, unrealised value changes in derivatives and tax loss carry-forwards. No corporate income tax is reported in Estonia or Latvia, where a 20 per cent corporate income tax is principally levied on distributed profits, which is to say that no tax is paid on undistributed profits. As Eastnine does not intend to distribute profits from Estonia and Latvia, no deferred tax is reported on the basis of earnings from previous years. Tax impacts will be reported if a decision on dividends is considered in the future. Distributable retained earnings in the Group's subsidiaries in Estonia and Latvia, including net profit or loss for the year, amounted at year-end to EUR 44,474k (52,692), and the deferred tax on these profits may maximally amount to EUR 8,895k (10,538).



Notes to the financial statements

Note 23 Other non-current liabilities

EURk	Group		Parent Company	
	2023	2022	2023	2022
Tenant deposits	2,767	2,973	–	–
Other	66	64	66	64
Total	2,833	3,037	66	64

Note 24 Other liabilities

EURk	Group		Parent Company	
	2023	2022	2023	2022
Property tax liabilities	1,489	484	–	–
Tenant deposits	224	–	–	–
Unpaid dividend	1,669	1,594	1,669	1,594
Other	1,095	1,176	178	161
Total	4,477	3,254	1,847	1,755

Note 25 Accrued expenses and deferred income

EURk	Group		Parent Company	
	2023	2022	2023	2022
Accrued salary-related expenses	697	608	570	503
Accrued interest expenses	48	797	–	640
Accrued property expenses	821	899	–	–
Other accrued expenses	291	844	116	682
Deferred income	987	914	–	–
Total	2,844	4,062	686	1,825

Note 26 Shares and participation in group companies

EURk	Parent Company	
	2023	2022
Opening acquisition values	138,680	144,048
Repayment of shareholder contributions	-12,400	-49,450
Additional/deductible acquisition values ¹	-4	44,082
Closing accumulated acquisition values	126,276	138,680

¹ EUR -4k (70) of the additional/deductible acquisition value is attributable to the long-term incentive programme for employees, LTIP.

Directly-owned subsidiaries	Place of business	Number of shares	Share of capital and votes, %	Book value, EURk
Eastnine Baltics OÜ	Tallinn, Estonia	2,500	100	82,264
Gainbortille Investments Sp. Z o.o.	Poznan, Poland	408,236	100	44,001
Eastnine Office AB	Stockholm, Sweden	11,000	100	11

Indirectly owned subsidiaries	Place of business	Number of shares	Share of capital and votes, %
Eastnine Prop1 OÜ	Tallinn, Estonia	1	100
Eastnine Latvia SIA	Riga, Latvia	52,353,814	100
Eastnine Alojās Biroji SIA	Riga, Latvia	8,565,000	100
Eastnine Kimmel SIA	Riga, Latvia	5,952,045	100
Eastnine Prop 6 SIA	Riga, Latvia	5,000	100
Eastnine Valdemara Centrs SIA	Riga, Latvia	10,000,000	100
Eastnine Zala 1 SIA	Riga, Latvia	6,830,000	100
Eastnine Lithuania UAB	Vilnius, Lithuania	29,216,503	100
Eastnine 3Bures-1-2 UAB	Vilnius, Lithuania	2,925	100
Eastnine 3Bures-3 UAB	Vilnius, Lithuania	3,620	100
Eastnine S7-1 UAB	Vilnius, Lithuania	2,600	100
Eastnine S7-2 UAB	Vilnius, Lithuania	2,800	100
Eastnine S7-3 UAB	Vilnius, Lithuania	2,800	100
Eastnine Uniq UAB	Vilnius, Lithuania	2,700	100
Eastnine Uptown Park UAB	Vilnius, Lithuania	2,600	100
Eastnine Vertas-1 UAB	Vilnius, Lithuania	2,600	100
Eastnine Vertas-2 UAB	Vilnius, Lithuania	2,600	100

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf

Notes to the financial statements

Note 27 Financial instruments

A financial asset or financial liability is normally added to the balance sheet on the date of transaction. A financial asset is removed from the balance sheet when the rights, according to the given agreement, are realised or mature, or when material risks or benefits relating to the asset are transferred. A financial liability (or part of thereof) is removed from the balance sheet when the obligation specified in the agreement is discharged or in any other manner extinguished.

Calculation of fair value

The following summarises the methods and assumptions used to determine the fair value of financial instruments.

Financial instruments valued at fair value in the year's profit/loss

Financial instruments valued at fair value comprise the initial acquisition value including transaction expenses related to the acquisition.

Financial instruments valued at amortised cost

Financial instruments such as accounts receivable, trade payables and other working capital items that are financial instruments with a very short term are reported at amortised cost less any impairments, which is why the fair value is deemed to correspond to the carrying amount. Long-term interest-bearing liabilities run mainly with short fixed-income periods and amortised cost is deemed to correspond to fair value. The fair value of long-term bond loans, recognised at EURk zero (45,000) after being repaid in full during the year, is deemed not to deviate materially from the carrying amount.

Fair value estimation

Eastnine applies IFRS 13 for fair value estimation and IFRS 13 and IFRS 7 for disclosures. This requires the Company to classify, for disclosure purposes, fair value measurements using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Listed, unadjusted prices in active markets for identical assets or liabilities.

Level 2: Inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Input data for the asset or liability that are not based on observable market data (i.e. non-observable inputs).

The categorisation of a fair value measurement into a level on the fair value hierarchy shall be determined based on the lowest level of input data which is significant for the measurement in its entirety. For this purpose, the significance of an input is assessed in relation to the entirety of the fair value measurement. If a fair value measurement uses observable inputs which require significant adjustments based on non-observable inputs, the measurement is to be categorised as a level 3 measurement. In order to assess the significance of a particular input to the fair value measurement as a whole, factors that are specific to the asset or liability must be taken into consideration.

The tables on the next page present the categories of financial instruments that are present in the group and the Parent Company, respectively. Financial assets and liabilities, valued at amortised cost and fair value respectively, classified in accordance with IFRS 9 with the exception of investments in associated companies in 2022, which are valued at fair value according to the exemption in IAS 28 pgs. 18–19.



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Notes to the financial statements

Note 27, contd.

Financial assets and liabilities, EURk	Financial instruments at fair value through profit or loss		Financial assets valued at amortised cost		Financial liabilities valued at amortised cost		Total value	
	2023	2022	2023	2022	2023	2022	2023	2022
Group								
Derivatives	3,254	11,022	–	–	–	–	3,254	11,022
Accounts receivable	–	–	2,312	2,586	–	–	2,312	2,586
Other receivables	–	–	1,591	1,464	–	–	1,591	1,464
Cash and cash equivalents	–	–	128,620	19,820	–	–	128,620	19,820
Securities holdings held for sale ¹	–	193,355	–	–	–	–	–	193,355
Total financial assets	3,254	204,377	132,522	23,870	–	–	135,776	228,247
Interest-bearing liabilities	–	–	–	–	284,323	326,882	284,323	326,882
Trade payables	–	–	–	–	589	727	589	727
Other financial liabilities	–	–	–	–	4,525	4,138	4,525	4,138
Total financial liabilities	–	–	–	–	289,437	331,747	289,437	331,747

Financial assets and liabilities, EURk	Financial instruments at fair value through profit or loss		Financial assets valued at amortised cost		Financial liabilities valued at amortised cost		Total value	
	2023	2022	2023	2022	2023	2022	2023	2022
Parent Company								
Loans to group companies	–	–	78,777	78,777	–	–	78,777	78,777
Other receivables	–	–	1,416	1,176	–	–	1,416	1,176
Short-term securities holdings ¹	–	193,355	–	–	–	–	–	193,355
Cash and cash equivalents	–	–	112,258	7,620	–	–	112,258	7,620
Total financial assets	–	193,355	192,451	87,573	–	–	192,451	280,929
Interest-bearing liabilities	–	–	–	–	–	45,000	–	45,000
Trade payables	–	–	–	–	86	22	86	22
Other financial liabilities	–	–	–	–	1,847	1,755	1,847	1,755
Total financial liabilities	–	–	–	–	1,933	46,777	1,933	46,777

¹ Holding in MFG that was valued at the agreed-upon sales price at the time of valuation (level 2).

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Note 28 Financial risks and management

Through its operations, Eastnine is exposed to various risks. The Company's financing policy is determined by the Board. Financial risk management is primarily handled by the finance function in accordance with the Company's financing policy. For more information, please refer to note 21 (Interest-bearing liabilities).

Financial risks

Eastnine is exposed to the following financial risks:

- (A) Interest rate risk
- (B) Currency risk
- (C) Liquidity risk
- (D) Refinancing risk
- (E) Credit risk

(A) Interest rate risk (high risk)

Interest expenses constitute Eastnine's largest individual cost item and amounted to EUR 13.6m for the financial year 2023. In 2023, interest income was also of a significant volume.

The interest rate risk is the risk of negative impacts on Eastnine's profit/loss from higher interest expenses or lower interest income. The interest rate risk is the risk of higher interest expenses on loans carrying variable interest when the market interest rates rises, of disproportionate fixed interest when the variable interest rates are falling or deemed to remain low, as well as the risk of falling interest income if the market interest rate falls, as invested cash and cash equivalents carry interest that is only fixed in the short term. According to the financial policy, the interest rate risk on interest-bearing liabilities shall be limited by ensuring that these have an average fixed interest term of at least 12 months. Eastnine fixes interest by using derivatives, specifically interest rate swaps. At year-end, the average fixed interest term was 20 months (22).

The following table summarises the effects on Eastnine's earnings and equity of changes to the market interest rate, without taking into account any changes in value to the Company's interest rate swaps.

Sensitivity analysis market interest rate

Cash flow and earnings, EURk	2023	2022
Interest-bearing liabilities		
Market interest rate +/- 50 bps	-403 / +403	-488 / +488
Market interest rate +/- 100 bps	-806 / +806	-975 / +975
Cash and cash equivalents		
Market interest rate +/- 50 bps	+643 / -643	+99 / -99
Market interest rate +/- 100 bps	+1,286 / -1,286	+198 / -198

(B) Currency risk (low risk)

Eastnine's functional currency is the euro. Currency risk means the risk arising from volatility in currency exchange rates, as the reported value of recognised monetary assets and liabilities, which are denominated in currencies other than EUR, fluctuate due to changes in exchange rates. Eastnine operates internationally and holds both monetary (cash and cash equivalents) and non-monetary (investments in securities holdings) financial assets denominated in currencies other than EUR. For the activities in Poland, operating costs are mainly costs in PLN. Moreover, the Parent Company's operating expenses chiefly comprise costs in SEK, and Eastnine's distributions to shareholders, e.g. dividends, are denominated in SEK.

To avoid currency risk, cash and cash equivalents are mainly held in EUR. During the year, Eastnine has not hedged assets in PLN or SEK.

The table below shows the assets and liabilities denominated in currencies other than EUR, and a sensitivity analysis of the currency risk.

Assets and liabilities in other currencies

Monetary assets and liabilities, EURk	2023	2022
Cash in SEK	116	83
Cash in PLN	888	370
Lease liability in SEK	190	294

Sensitivity analysis of exchange rate risks

Risk factor	Change, %	Effect on profit or loss and equity, EURk	
		2023	2022
Exchange rate EUR/PLN	+/- 10	5,239	5,507

(C) Liquidity risk (low risk)

Liquidity risk is the risk of Eastnine having insufficient liquidity to meet its payment obligations. The Company's investments result in liquidity risk concerning the capacity to quickly divest holdings. Eastnine prepares monthly liquidity forecasts for the coming twelve months. According to the financial policy, the Company shall have sufficient liquidity to cover the net outflow over the following six months. The interest coverage ratio shall amount to at least 2.0x. At year-end, the interest coverage ratio was 2.3x.

(D) Refinancing risk (low risk)

Refinancing risk is the risk of not being able to obtain sufficient financing, either when existing financing matures or when a need for new financing arises. According to the financial policy, the loan-to-value ratio (previously referred to as the net loan-to-value ratio, properties) shall be around 50 per cent. The capital tie-up period shall amount to at least 1.5 years. At year-end, the loan-to-value ratio was 27 per cent (51) and the capital tie-up period 2.1 years (2.3). Eastnine has, at year-end, a broad financing basis with five banks.

(E) Credit risk (low risk)

Credit risk is primarily the risk that tenants are placed under administration or otherwise unable to fulfil their payment obligations, or relating to holding of cash and cash equivalents.

Counterparties generally provide a bank guarantee or deposit corresponding to 2-3 monthly rents. Eastnine continually monitors that rent payments arrive in accordance with the leases. Rent losses were negligible in 2023. Moreover, Eastnine holds cash and cash equivalents in larger banks in the countries in which the Company operates. The majority of the Company's liquid assets is kept in Nordic banks.



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Notes to the financial statements

Note 28, contd.

Maturity structure, financial instruments

31 December 2023, EURk	Total	2024	2025	2026	2027	2028
Interest-bearing liabilities	284,323	91,185	37,174	71,074	84,890	–
Interest of interest-bearing liabilities	33,713	13,439	10,691	8,122	1,461	–
Interest of derivatives	-9,803	-3,692	-3,147	-2,350	-614	–
Lease liabilities ¹	423	170	109	48	48	48
Trade payables	589	589	–	–	–	–
Other liabilities	1,669	1,669	–	–	–	–
Total cash flow from financial instruments	310,914	103,360	44,827	76,894	85,785	48

Maturity structure, financial instruments

31 December 2022, EURk	Total	2023	2024	2025	2026	2027
Interest-bearing liabilities	326,882	63,330	134,655	35,607	8,401	84,890
Interest of interest-bearing liabilities	30,480	13,386	7,935	4,683	3,475	1,001
Interest of derivatives	-5,747	-2,666	-1,282	-1,025	-619	-155
Lease liabilities ¹	540	169	169	108	47	47
Trade payables	727	727	–	–	–	–
Other liabilities	1,594	1,594	–	–	–	–
Total cash flow from financial instruments	354,476	76,540	141,477	39,373	11,304	85,783

¹ Lease liabilities include, inter alia, site leasehold fees, which are considered to be perpetual. Annual site leasehold fees after 2028 amounted at year-end to EUR 48k (47).

Note 29 Related parties

Related party relationships

Eastnine AB has a related party relationship with its subsidiaries, see Note 26 (Shares and participations in group companies), as well as with Board members and employees.

Transactions with senior executive staff and their related companies

Eastnine AB's management, Board members and their close relatives and related companies control 31 (30) per cent of voting rights in the Company. Information about remuneration to executive management is provided in note 5 (Employees, staff expenses and remuneration to executive management).

Other transactions with related parties

EURk	2023	2022
Eastnine Lithuania UAB		
Nominal value	27,527	27,527
Interest received during the year	1,514	1,376
Accrued interest receivable	827	433
Eastnine Baltics OÜ		
Nominal value	45,500	45,500
Interest received during the year	2,184	2,184
Accrued interest receivable	2,808	624
Gainbortille Investments Sp. Z o.o.		
Nominal value	5,750	5,750
Interest received during the year	247	170
Accrued interest receivable	135	2

Note 30 Specifications for the cash-flow statements

Adjustments for non-cash items for operating activities

EURk	Group		Parent Company	
	2023	2022	2023	2022
Realised changes in value of investments	49,763	–	49,763	–
Unrealised value changes, properties	34,685	-9,383	–	–
Unrealised changes in value of investments	–	-71,289	–	-71,525
Unrealised value changes, derivatives	7,767	-12,417	–	–
Depreciations and write-downs	191	183	132	127
Long-term incentive programme (LTIP)	-1	184	-1	184
Other	383	114	-15	94
Total	92,788	-92,608	49,879	-71,120

Paid and received interest

EURk	Group		Parent Company	
	2023	2022	2023	2022
Interest received	2,040	–	3,156	3,967
Interest paid	-14,329	-9,121	-3,815	-1,779

Download printable pdf



Notes to the financial statements

Note 31 Earnings per share

Earnings per share

EUR	2023	2022
Earnings per share, basic	-3.24	4.89
Earnings per share, diluted	-3.24	4.88

The basis for the numerators and denominators used in the above calculations of earnings per share is set out below:

Calculations and profit/loss	2023	2022
Profit/loss for the year attributable to ordinary shareholders in the Parent Company, EURk	-72,048	108,560
Weighted average number of ordinary shares, adjusted for repurchased shares, before dilution, thousands of shares	22,217	22,208
Effect of the Company's long-term incentive programme for employees (LTIP), thousands of shares	-	18
Weighted average number of ordinary shares, adjusted for repurchased shares, after dilution, thousands of shares	22,217	22,226

The Company's long-term incentive programme for employees (LTIP) is not considered to cause any dilution during periods of negative profits, but will cause dilution during periods of positive profits.

Note 32 Pledged assets and contingent liabilities

Pledged assets for interest-bearing liabilities

EURk	Group	
	2023	2022
Investment properties	563,444	595,896
Pledged shares in subsidiaries	193,999	221,990
Total	757,443	817,886

The table shows securities pledged for credit loans. The majority of credit agreements include covenants relating to, inter alia, loan-to-value ratios, minimum equity, debt coverage ratios, and requirements on cash deposits in bank accounts.

Contingent liabilities, EURk	Parent Company	
	2023	2022
Guarantees for credits in subsidiaries	214,213	210,439
Total	214,213	210,439

Note 33 Information about the Parent Company

Eastnine is a Swedish limited liability company with its registered office in Stockholm. The Parent Company's shares are listed on Nasdaq Stockholm. The head office is located on Kungsgatan 30, Box 7214, 103 88 Stockholm.

Note 34 Events after the end of the financial year

The Board has proposed a dividend of SEK 4.64/share (3.40). Read more under the heading Dividend in the Administration Report on pg. 53.

In February 2024, loans of around EUR 62m have been refinanced. These loans mature in around 3.8 years (EUR 18m) and 5.0 years (EUR 44m), respectively. Interest on 50 per cent of the loan volume is fixed using interest rate swaps over the same terms.

In March 2024 the property Uptown Park in Vilnius received the sustainability certification LEED Platinum in the category building operations and maintenance, after which 100 per cent of Eastnine's property portfolio is sustainability certified.

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
→ Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Download printable pdf



Five-year overview of key figures

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
→ Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Key figures	2023	2022	2021	2020	2019
Property-related					
Lettable area, sq.m.	182.8	182.9	143.2	121.0	99.5
Number of properties	14	14	13	10	9
Investment properties, EURk	573,771	606,222	469,817	372,400	290,256
Surplus ratio, %	93	91	89	91	89
Occupancy rate, economic, %	93.1	96.3	90.0	92.1	92.0
Average rent, EUR/sq.m./month	16.1	15.3	14.8	14.9	14.7
Average rent, EUR/sq.m./year	193	183	178	179	177
WAULT, years	3.8	4.4	4.3	4.4	5.0
Weighted average cost of capital, %	6.4	5.6	5.6	5.8	–
Sustainability-certified properties ¹ , % of sq.m.	94	94	81	87	72
Financial					
Rental income, EURk	36,166	30,299	21,530	19,186	13,348
Net operating income, EURk	33,631	27,487	19,237	17,497	11,946
Profit from property management, EURk	17,698	13,413	9,526	10,011	5,489
Loan-to-value ratio ² , %	27	51	45	40	35
Capital tie-up period, years	2.1	2.3	2.5	3.0	3.5
Interest tie-up period, years	1.7	1.8	1.5	2.3	3.1
Debt coverage ratio, multiple	9.5	14.1	15.7	12.4	17.1
Debt ratio, multiple	5.2	13.2	13.8	10.6	12.4
Equity / asset ratio, %	56	57	58	62	64
Interest coverage ratio, multiple	2.3	2.4	2.7	3.7	3.5
Average interest rate, %	4.0	3.4	2.8	2.3	2.3
Return on equity, %	-16.3	25.4	21.1	12.5	13.9

¹ Sustainability-certified area in proportion to total area (excluding area expected to undergo significant redevelopment).

² Up to and including 2022, this figure was referred to as Net loan-to-value ratio, properties.

³ Proposed dividend for 2023, SEK 4.64 per share corresponding to EUR 0.42 per share.

⁴ Not adjusted for dividend.

Key figures	2023	2022	2021	2020	2019
Share-related					
Equity, EURk	400,176	478,508	375,994	309,942	268,192
Long-term net asset value, EURk	412,689	486,274	391,853	323,542	276,470
Market cap, EURk	343,475	241,250	341,658	275,527	276,546
Market cap, SEKk	3,823,733	2,682,696	3,517,707	2,768,633	2,905,881
Number of shares outstanding at year-end, thousands	22,370	22,370	22,370	22,370	22,370
Number of shares outstanding at year-end, adjusted for repurchased shares, thousands	22,231	22,208	22,208	22,149	21,149
Weighted average number of shares, adjusted for repurchased shares, before dilution, thousands	22,217	22,208	22,169	21,269	21,187
Weighted average number of shares, adjusted for repurchased shares, after dilution, thousands	22,217	22,226	22,232	21,319	21,231
Cash flow per share from operating activities, EUR	0.75	0.88	0.79	0.52	0.40
Cash flow per share, EUR	4.90	-0.42	0.22	-0.61	-1.31
Profit from property management per share, EUR	0.80	0.60	0.43	0.47	0.26
Earnings per share before dilution, EUR	-3.24	4.89	3.27	1.70	1.66
Earnings per share, diluted, EUR	-3.24	4.88	3.25	1.70	1.66
Dividend per share, EUR ³	0.42	0.31	0.29	0.30	0.26
Dividend per share, SEK ³	4.64	3.40	3.00	3.00	2.70
Equity per share, EUR	18.0	21.5	16.9	14.0	12.7
Equity per share, SEK	200	240	174	141	133
Long-term net asset value per share, EUR	18.6	21.9	17.6	14.6	13.1
Long-term net asset value per share, SEK	207	243	182	147	137
Share price, EUR ⁴	15.5	10.9	15.4	12.4	13.1
Share price, SEK ⁴	172.00	120.80	158.40	125.00	137.40
Other					
EUR/SEK	11.13	11.12	10.30	10.05	10.51
EUR/PLN	4.35	4.69	–	–	–

Download printable pdf



Five-year overview of key figures

Derivation of key figures

Key figures	2023	2022	2021	2020	2019
Rental income	36,166	30,299	21,530	19,186	13,348
Net operating income	33,631	27,487	19,237	17,497	11,946
Surplus ratio, %	93	91	89	91	89
Investment properties	573,771	606,222	469,817	372,400	290,256
Interest-bearing liabilities	284,323	326,882	241,084	173,151	137,771
Cash and cash equivalents	128,620	19,820	29,201	24,278	37,406
Loan-to-value, %	27	51	45	40	35
Net operating income	33,631	27,487	19,237	17,497	11,946
Central administration expenses	-3,679	-4,224	-3,853	-3,515	-3,873
Total	29,952	23,262	15,383	13,982	8,073
Interest-bearing liabilities	284,323	326,882	241,084	173,151	137,771
Debt coverage ratio, multiple	9.5	14.1	15.7	12.4	17.1
Net operating income	33,631	27,487	19,237	17,497	11,946
Central administration expenses	-3,679	-4,224	-3,853	-3,515	-3,873
Total	29,952	23,262	15,383	13,982	8,073
Interest-bearing liabilities	284,323	326,882	241,084	173,151	137,771
Cash and cash equivalents	128,620	19,820	29,201	24,278	37,406
Debt ratio, multiple	5.2	13.2	13.8	10.6	12.4

Key figures	2023	2022	2021	2020	2019
Profit from property management	17,698	13,413	9,526	10,011	5,489
Interest expenses	13,586	9,374	5,600	3,703	2,225
Profit before interest expenses	31,284	22,787	15,126	6,308	7,714
Interest coverage ratio, multiple	2.3	2.4	2.7	3.7	3.5
Equity	400,176	478,508	309,942	309,942	268,192
Reversal of derivatives	-3,254	-11,022	2,745	2,745	1,963
Reversal of deferred tax	15,768	18,788	10,855	10,855	6,315
Long-term net asset value, EURk	412,689	486,274	323,542	323,542	276,470
Net profit/loss for the year	-71,658	108,560	72,334	36,155	35,266
Average equity	439,342	427,251	342,968	289,067	254,506
Return on equity, %	-16.3	25.4	21.1	12.5	13.9

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
→ Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
→ Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Assurance from the Board and CEO

The Board and the CEO assure that these annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated accounts have been prepared in accordance with the international financial reporting standards referred to in Regulation (EC) no. 1606/2002 of the European Parliament and of the council of 19 July 2002 on the application of international accounting standards.

The annual accounts give a true and fair view of the Group's and Parent Company's financial position and earnings. The statutory Administration Report of the Parent Company and the Group provides a fair review of the development of the Parent Company's and the Group's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the Group.

The annual accounts have been signed electronically.
The date of signature is specified in the electronic signature.

Liselotte Hjorth
Chairman of the Board

Christian Hermelin
Board member

Hanna Loikkanen
Board member

Peter Elam Håkansson
Board member

Peter Wågström
Board member

Ylva Sarby Westman
Board member

Kestutis Sasnauskas
CEO

Our audit report was provided on the date specified
in our electronic signature

KPMG AB

Peter Dahllöf
Authorised Public Accountant

Download printable pdf





This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
→ Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf

Auditor's Report

To the Annual General Meeting of Eastnine AB (publ) Corporate identity number 556693-7404

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Eastnine AB (publ) for the year 2023, except for the corporate governance statement on pages 101–105. The annual accounts and consolidated accounts of the company are included on pages 51–95 and 101–105 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 101–105. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of Directors in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of Investment Properties

See disclosure 10 including description of relevant accounting principles on pages 73, 81–82 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Investment properties are held at fair value in the group's financial statements. The carrying value of these properties is EUR 573.771k as per 31 December 2023. The fair value of Investment properties as per 31 December 2023 has been determined based on valuations carried out by independent appraisers. The external valuations are made through an individual judgement for each property of future earning capacity and market yield requirements. Change in valuation could occur either because of macro and microeconomic or property-specific reasons. The valuations are based on assessments and assumptions that can have a significant impact on the Group's earnings and financial position. The risk is that the carrying value of Investment properties could be over- or underestimated and that deviations would directly influence profit for the year.

Response in the audit

We have considered if the valuation methodology used is reasonable by comparing it to our experience of methods applied by other real estate companies and independent third party appraisers and which assumptions that are normal when valuing comparable objects.

We have assessed the competence and independence of third party appraisers used. We have tested the controls established by the group to ensure that input data provided to the independent third party appraisers are accurate and complete. We have, on a sample basis, tested individual valuations. When doing so, we made use of available current market data from external sources, especially for yields, discount rates, rents and vacancies used. We have checked the accuracy of disclosures on Investment properties given by the group in notes 10 in the annual account, especially concerning elements of judgement and applied key assumptions.



Auditor's Report

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
→ Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–50, 100 and 106–131. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of

Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also

draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
→ Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Download printable pdf

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Eastnine AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed

appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Eastnine AB (publ) for year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
→ Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf

Auditor's Report

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Eastnine AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 101-105 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second

paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Eastnine AB (publ) by the general meeting of the shareholders on the 3rd of May 2023. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2007.

Stockholm, 26 March 2024
KPMG AB

Peter Dahllöf
Authorised Public Accountant



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
→ Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Download printable pdf

Interview with the Chairman of the Board

Focus on the divestment of the MFG holding

The sale of the holding in MFG was the task that took up most of the Board's time in 2023. There was also much energy invested in the development of a new business plan with a focus on profitable growth, shareholder returns, and a customer offering including a promise to try to give the tenants a competitive edge in their business.

The Board adopted a new business plan at the end of 2023, as the previous plan was then coming to an end. Are you satisfied with the year's goal fulfilment, and what are the most important changes in the new business plan?

Under the previous plan, among other things, Eastnine was to streamline its investments so that it comprised nothing but real estate, to achieve a competitive total return, and grow the property portfolio to EUR 700m. The Company managed, after much hard work, to meet the first two goals and would have, after the sale of MFG, also been able to fulfil the third. However, in a market characterised by falling property values, we chose instead to deepen the analysis so as to optimise returns. The new business plan comes with a much greater focus on returns and less focus on volume compared to the previous plan, or, equivalently, focus on quality over quantity. This is exemplified in how the goal is still that Eastnine shall grow, but with the addendum that it shall do so with a view to profitability. The new plan also features a greater customer focus than before. Eastnine promises to do its utmost to ensure that its tenants gain a competitive advantage from their premises. Regarding sustainability, Eastnine is declaring its ambition to be a leader and an example to follow, and to operate the entire business in line with the EU taxonomy.

Some parts of the Board's activities are recurring questions and follow e.g. the financial reporting calendar. What have you focused most on in 2023, beyond that?

By its very nature, the Board's work is strategic and long-term. Many of its tasks happen every year or several times per year. However, sometimes the centre of gravity shifts. In 2023, we have without a doubt dedicated most of our focus to the holding in Melon Fashion Group. This was a very unusual and complex transaction in an extraordinary market. The divestment generated considerable opportunity thanks to the liquidity that was provided. Therefore, during the second half of the year, the focus shifted again to how the capital could be invested in the best way. The result was that the bond was redeemed and, after that, property acquisitions top the agenda.

Looking ahead at the Board's duties in 2024, what do you see coming up and is there something you will be focusing on?

The Board works to develop the property portfolio from every angle: sustainability, customer relationships, and growth, and this naturally combined with improved profitability. We also wish to maintain our mark of quality as a company, with high results in the Great Place to Work employee survey, in GRESB, and in other important rankings. Finally, financing continued growth is a matter to which we will devote quite some time.



Chairman of the Board Liselotte Hjorth.

What external events and developments do you think will have the greatest impact on Eastnine in 2024, and in what way?

Our markets have, for many years, exhibited higher growth than most countries, and the forecast is that they will continue to do so for some years, after the exception that was 2023. The rate of inflation and its impact on interest rates are important to any real estate company, because investments are partially financed with debt. That capital markets function well and provide an alternative to bank financing is an important aspect, and it would be good to see an improvement on that front. Finally, it is possible that interesting new acquisition opportunities will turn up during the year as there are players on the market that are in difficult financial positions at the moment.



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
→ Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Corporate Governance Report

For Eastnine AB (publ) (the Company) corporate governance involves the way in which the Company works and is organised for the purposes of safeguarding all the shareholders' interests and achieving the Company's objectives.

Applicable regulatory frameworks

Corporate governance at Eastnine is based on both external and internal regulations. The external regulations are the Companies Act, Nasdaq Stockholm's Rulebook for Issuers, the Swedish Code of Corporate Governance (the Code), as well as other applicable Swedish and foreign legislation and provisions. The Company's internal rules include the articles of association, rules and guidelines for corporate governance, the board's rules of procedures, instructions to the CEO and the policy documents adopted by the Company. The Company follows the Code.

The purpose and nature of the Company

Eastnine is a Swedish public limited company, established and listed in 2007, which invests in modern and sustainable office properties in prime locations on selected markets in the Baltics and in Poland. Eastnine's head office is located in Stockholm, with country offices and employees in Riga and Vilnius. Customers are mainly large and stable international tenants.

For some years, the Company has been working toward streamlining its portfolio so that it only comprises real estate. This work was completed in 2023 as the final remaining holding, MFG, was divested. Since August 2023, Eastnine is a pure real estate company, and is set to grow its portfolio of office properties with a focus on increased profitability.

The share and shareholders

Eastnine's share capital amounted at year-end to EUR 3,660k (3,660). The number of ordinary shares issued amounted to 22,370,261, corresponding to a quotient value of EUR 0.1636 per share. Repurchased shares, numbering 139,253 in total, have no participation in Eastnine's assets or earnings, nor do they give the right to vote. All other shares,

numbering 22,231,008, confer one vote and an equal share in the Company's assets and profits. At the end of 2023, Peter Elam Håkansson held, directly and indirectly, 26.2 per cent of the total number of issued shares, Bonnier Fastigheter Invest held 17.4 per cent, and Arbona held 10.2 per cent. There were no other owners holding 10.0 per cent or more in the Company.

Annual General Meeting

The Annual General Meeting (AGM) is the Company's highest decision-making body and the occasion for shareholders to exercise their influence. The AGM is to be held no later than six months after the end of the financial year. All shareholders who are registered in the shareholders' register and who have announced their attendance in time are entitled to attend the AGM. Shareholders can vote according to the total number of shares that they own and may be accompanied by a maximum of two assistants. One share confers one vote. Shareholders may choose to be represented by a proxy. Shareholders are entitled to have issues discussed at the meeting provided that these have been properly notified to the Company in ample time before the publication of the notice of the AGM. Notice of the AGM is distributed by the Board in accordance with the Companies Act. Notice of the AGM, or alternatively any Extraordinary General Meeting (EGM) where the articles of association are to be changed, is to be distributed at the earliest six weeks in advance, and at the latest four weeks in advance. Notice of any other EGM is to be distributed at the earliest six weeks in advance and at the latest two weeks in advance. Notice of the AGM is to be published in the Swedish Official Gazette and on the Company's web site. At the time of notice, information about the published notice will also be advertised in Svenska Dagbladet. The AGM is an important channel for

communicating with shareholders. Barring any circumstances preventing this, the Board and the Company's management attend the general meeting to answer questions from shareholders. The Annual General Meeting considers, inter alia, questions relating to:

- Election of Board members and Chairman of the Board.
- When applicable, election of the auditor.
- Determination of the dividend.
- Adoption of the income statement and balance sheet.
- Guidelines for remuneration to executive management.
- Discharge from liability of the members of the Board and the CEO.

The 2023 Annual General Meeting

The 2023 AGM was held on 3 May at IVA Conference Centre, Grev Turegatan 16, in Stockholm. 42 shareholders were represented at the Annual General Meeting, corresponding to 61.4 per cent of the votes in the Company (excluding treasury shares held by the Company). The AGM 2023 approved, among others:

- Adoption of the financial statements of the 2022 financial year.
- Discharge from liability of executive management and the Board.
- A dividend of SEK 3.40 per share, paid in four instalments of SEK 0.85 per share.
- That there shall be six Board members.
- Re-election of Board members and the Chairman, and the election of Hanna Loikkanen as new Board member.
- Remuneration to the Board.
- Re-election of the auditor.
- Remuneration report.

↓ Download printable pdf



Corporate Governance Report

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
→ Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

- Mandate of the Board to decide on the acquisition and transfer of shares in treasury, in accordance with the proposal presented to the AGM.
- Mandate of the Board to decide on a share issue.

All documents from the AGM, including the minutes, are available on www.eastnine.com.

The 2024 Annual General Meeting

The AGM for Eastnine AB will take place on Thursday, 25 April 2024 at 15.00 at IVA Conference Centre on Grev Turegatan 16 in Stockholm. For more information, refer to pg. 130. The full notice is published on www.eastnine.com.

The Nomination Committee

The task of the Nomination Committee is to evaluate the Board and its work before the AGM, to prepare and present proposals to the meeting regarding the chairman of the meeting, chairman of the Board and the members of the Board, and to propose an auditor when appropriate. The Nomination Committee shall, in its proposal for Board, have taken into consideration the diverseness and breadth of the proposed member's competencies and experience, in relation to the Company's character, and shall also strive for an equal gender representation. The committee also proposes board remuneration, any remuneration to sub-committees and fees to the Company's auditor, as well as proposing a process to appoint a Nomination Committee for the next AGM. The interests of all shareholders shall be taken into consideration, and all shareholders have the opportunity to present suggestions to the Nomination Committee.

Work in the Nomination Committee during 2023/2024

According to the decision of the AGM on 15 May 2017, Eastnine shall have a Nomination Committee consisting of at least three and no more than four members, a maximum of three of whom shall be appointed by the three largest (based on voting rights) shareholders (or ownership groups) in the Company who wish to appoint a representative. The other member consisted of the Company's Chairman of the Board. Up until the 2023 AGM, the Nomination Committee held five minuted meetings. The composition of the Nomination Committee for the 2024 AGM was published in a press release and on the Company's website on

For the 2024 AGM, the Nomination Committee has consisted of:

- Liselotte Hjorth, as the Chairman of Eastnine's Board.
- Karine Hirn, representing Peter Elam Håkansson and East Capital Holding (the Chairman of the Nomination Committee).
- Erik Haegerstrand, representing Bonnier Fastigheter Invest.
- Martin Zetterström, representing Arbona.

28 September 2023. No remuneration has been paid to the members of the Nomination Committee. The shareholders have been given the opportunity to present suggestions to the committee. The Nomination Committee's proposal to the AGM will be included in the notice to the AGM and be available on www.eastnine.com ahead of the AGM.

External auditors

At the 2023 AGM, the registered public accounting firm KPMG was appointed, with Peter Dahllöf (born 1972) as auditor in charge, for the period up until the end of the AGM 2024. Peter Dahllöf is an Authorised Public Accountant and partner in KPMG, and is also active in KPMG's international real estate network. Peter has been the auditor in charge for Eastnine AB since 2018. Peter Dahllöf's other audit assignments include: Annehem, Areim, Hemsö, Ikano Bostad, K2A, and NP3.

Auditor fees

The Company's auditors have received fees for auditing, other prescribed review, as well as for advice in respect to observations made during auditing and review. During the 2023 financial year, the total audit fee amounted to EUR 248k (213), of which EUR 235k (213) was for KPMG.

Communication with the Company's auditors

The Board maintains a regular contact with the auditors. The auditors attend those board meetings in which the annual reports are considered, and normally also when the Board will consider interim reports which have been reviewed by the auditors. The auditors then present their observations from the audit of the year-end report and the interim report covering January–September, and also present their assessment of the Company's internal control. The Board meets with the auditor in

charge once annually without the presence of executive management, at which time the auditor reports on their observations to the Board.

The Board of Eastnine

The composition of the Board

According to the articles of association the Board shall consist of three to six members without deputies. The Board members are appointed by the AGM for the period up until the next AGM. At the 2023 AGM, the Board members Liselotte Hjorth, Christian Hermelin, Peter Elam Håkansson, Ylva Sarby Westman, and Peter Wågström were re-elected, and Hanna Loikkanen was elected as new Board member. Liselotte Hjorth was re-elected Chairman of the Board. In the Nomination Committee's view, it is essential to strive for diversity on the Board and to always actively look for competent candidates among both women and men. Eastnine's Board consists to 50 per cent of women and 50 per cent of men. The members of the Board of Directors have, according to the Nomination Committee, been appointed due to their broad experience in real estate and finance, as well as their knowledge of international circumstances and varied geographical markets, not least markets in eastern Europe. The Nomination Committee has, when developing its proposal for a Board, considered the requirements placed on the Board's competencies, diversity, composition, and independence, taking into account the international nature of the Company's activities, governance, and control, and its strategy with a focus on real estate investments and property development in the Baltics and Poland.

For the 2024 AGM, the following Board has been proposed:

- Liselotte Hjorth, Chairman of the Board
- Christian Hermelin
- Peter Elam Håkansson
- Hanna Loikkanen
- Louise Richnau (new election)
- Ylva Sarby Westman

The Board's independence

According to applicable regulations, Liselotte Hjorth, Christian Hermelin, Hanna Loikkanen, Louise Richnau (proposed for election in 2024), Ylva Sarby Westman, Peter Wågström (declined re-election in 2024) are

↓ Download printable pdf



Corporate Governance Report

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
→ Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

↓ Download printable pdf

considered independent in relation to the Company and its management, as well as in relation to the Company's major shareholders. Peter Elam Håkansson is considered independent in relation to the Company and its executive management, but not considered independent in relation to major shareholders as he is closely related to East Capital, which was a major shareholder in 2023 as defined in the Code. For more information about the Board, refer to pg. 106.

The Board's responsibility and duties

The Company's Board holds the overarching responsibility for the Company's strategy, internal control, risk management and long-term business focus. The Board is also responsible for other material concerns which, based on Eastnine's size and focus, is of extraordinary financial, legal or general character. The Board is responsible, inter alia, for the following points:

- Monitoring the activities carried out within Eastnine and its subsidiaries. Determining business plans, key policies and goals for Eastnine, and continually ensuring that they are followed, updated and revised when necessary.
- Determining the overall organisational structure and ensuring that the organisation is designed, and that the financial conditions are generally monitored in a satisfactory manner.
- Appointing and, if necessary, dismissing the CEO, as well as continually evaluating the CEO's performance in relation to the established short- and long-term goals.
- Recommending the guidelines for remuneration of the executive management to the Annual General Meeting, and determining the fixed and variable compensation to the management.
- Regularly monitoring and evaluating Eastnine's financial position and development, as well as discussing and deciding on questions relating to Eastnine's capital structure, including presenting proposals for shareholder dividends to the AGM.
- Approving acquisitions and divestment of holdings as well as any major additional investments or other significant agreements and commitments.
- Approving all financial reports before they are released.
- Adopting the budget for the next year.

The work of the Board is governed by the rules of procedure that have been adopted by the Company's Board. The Chairman of the Board,

Liselotte Hjorth, leads the work of the Board and maintains ongoing contact with the CEO and CFO for the purpose of monitoring the Company's activities. The Board has developed and approved the work instruction for the CEO as well as policy documents. The Company's CEO and CFO attended all board meetings in 2023 in order to report on their areas of responsibility. The Board shall meet for at least five ordinary meetings per year. Further meetings are held as necessary in order to discuss and decide on e.g. investments, financing, budgeting, and other strategic issues.

Board meetings and key topics

16 Board meetings were held in 2023, of which seven were ordinary meetings, one extraordinary, one meeting following the election, and seven per capsulam meetings. Areas of particular focus during the year have included:

- investment recommendations and divestments of non-essential holdings.
- Reporting from the executive management on operating activities.
- Financial reporting.
- Financing.
- Valuation.
- Sustainability issues.
- Strategic issues as well as the establishment of a new business plan with new financial, operational and sustainability targets.
- Long-term incentive programmes.
- Issues relating to internal risk and control.

The Board's governance of sustainability efforts

The Board holds the overarching responsibility for the governance of the Company's sustainability efforts. As part of the Board's annual oversight of the Company's strategy, the Board discusses and adopts proposals and updates to the Company's material topics. Monitoring of sustainability outcomes and target achievement is an integrated part of the Board's review of the Company's activities. The Company's Head of Sustainability provides the Board with an update at least once per quarter, and is in direct dialogue with the Chairman. In addition, the Board is offered at least one seminar annually relating to a specific area of sustainability. In 2023, this seminar was devoted to a discussion of AI and digitalisation in property management, including relevant sustainability aspects. The theme and focus of these training sessions are determined

by analysing the Board's current experience and future needs for knowledge in various sustainability areas. When properties are acquired, a review of climate-related risks takes place based on an ESG due diligence report, including e.g. physical climate risks in the geographical area in question as well as adjustment risks related to energy performance, emissions, and certification. In addition to this due diligence analysis, the Board regularly visits Eastnine's properties to give the Board members an opportunity to meet various stakeholders, such as tenants, employees in the Company, banks, industry experts, and public authorities. Insights from these activities are integrated into the strategic work of the Board. Internally, matters relating to gender equality, diversity and inclusivity are followed up, based partly on the findings and analysis obtained from the annual employee survey carried out in 2023 by Great Place to Work (GPTW), where it is possible to analyse answers based on gender. Any differences in well-being are monitored and discussed in the Board's Remuneration Committee. Overarching responsibility for governance of sustainability matters is delegated to the Company's CEO, while daily supervision and planning of initiatives and measures is delegated to the Company's Head of Sustainability.

Evaluation of the Board

The work of the Board is evaluated annually. The evaluation is used to improve the Board's work and as a basis for the Nomination Committee's evaluation of the composition of the Board. In the autumn of 2023, the Company's Board and management evaluated the work of the Board, including its work on sustainability. The evaluation was followed by a mutual summation to consider how the Board's potential can best be put to use, and to determine the issues that should be prioritised going forward. The Nomination Committee also interviewed the members of the Board and the executive management to create their own idea of how the Board operates.

Audit Committee

The duties of the Audit Committee is performed by the Board as a whole. The Board considers and monitors the financial statements as well as issues relating to audits and valuation. The Company's authorised public accountant from KPMG provided a general review of the year-end report 2022, the January - September 2023 interim report, and the 2022 annual accounts to the Board during the year.



Corporate Governance Report

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
→ Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

An equivalent review of the 2023 year-end report took place during the first quarter of 2024.

Remuneration Committee

The Remuneration Committee's primary task is to prepare issues of remuneration for Board meetings, in accordance with the Swedish Code of corporate governance. Among other things, this involves preparing matters related to the guidelines for remuneration, proposed remuneration and other terms of employment for the executive management as well as following up and evaluating ongoing and completed programmes for variable remuneration for the executive management and other employees concerned. The committee shall also evaluate application of the guidelines for remuneration for the executive management, which are by law to be decided upon by the Annual General Meeting and applicable remuneration structures and remuneration levels in the Company. The Remuneration Committee, consisting in 2023 of Liselotte Hjorth (Chairman), Ylva Sarby Westman and Peter Elam Håkansson, have met on four occasions in 2023.

The executive management of Eastnine

The executive management consists of the CEO and CFO. The management is responsible for ensuring that the ongoing administration of operating activities is performed in line with the Board's guidelines and directions. Management is responsible for the internal controls that are necessary for the Board to supervise investment and property management activities. Management regularly reports to the Board on these matters. The management team has weekly meetings where issues relating to transactions, organisation, communication and earnings are discussed. Weekly meetings also take place between the management team and country managers.

CEO

The CEO is responsible for the day-to-day activities of the Company according to the instructions from the Board and other guidelines and policy documents. Together with the Chairman of the Board, the CEO prepares the agenda for board meetings and is responsible for the preparation of such data and information as is necessary for the Board's decision-making. In addition, the CEO ensures that the Board is continually informed by the internal management about Eastnine's

development and conditions in its markets, so that the Board can make well-informed decisions. In 2023, the Company's CEO, Kestutis Sasnauskas, has had four board appointments outside of the Company: as a board member of Melon Fashion Group (until 26 October 2023), Rytu Invest, YPO Service AB, and his own company Schkval AB. Of these, the latter three remain at year-end. As at 1 March 2024, the CEO holds, directly and indirectly, 1,000,187 shares in Eastnine, corresponding to 4.5 per cent of the number of shares issued in the Company. For more information about the CEO, please refer to pg. 107.

Remuneration

Remuneration to board members

On 3 May 2023 the AGM decided that remuneration to the Chairman of the Board should amount to SEK 800,000 (800,000) for the period up until the 2024 AGM. Other Board members shall receive an annual remuneration of SEK 400,000 each, for the same period.

Remuneration to the executive management

During the year, remuneration to the executive management consisted of fixed and variable salary as well as pension, insurance, and other benefits. The Board decides discretionary, based on established internal performance-based goals, whether variable salary shall be paid to the management. The decision is based on pre-determined and measurable criteria, including an evaluation of e.g. strategic and operational, activity-based goals. The targets are set and evaluated every year by the Board. Variable compensation to the CEO and CFO may at most amount to 50 per cent of their fixed compensation. The Company's management have individual premium-based pension plans. During 2023, the CEO and CFO were granted variable salary for the 2022 financial year corresponding to 42 per cent of their fixed annual pay.

In the beginning of 2024, the Board granted the CEO and CFO variable compensation corresponding to 50 per cent of fixed annual compensation for the 2023 financial year. In addition, the CEO was awarded an extraordinary bonus for his very professional execution of the sale of the holding in Melon Fashion Group in Russia. The Board has a mandate to deviate from the remuneration guidelines, as adopted by the AGM, in individual cases, if there are particular reasons to do so and a deviation is necessary to safeguard the Company's long-term interests and sustainability. The Board has considered the matter and decided to deviate

from the remuneration guidelines following a recommendation from the Remuneration Committee, as the CEO has applied inexhaustible commitment to successfully handle this very complex transaction, and thereby created long-term growth opportunities for Eastnine.

For more information about remuneration to the executive management, see note 5 on pgs. 76–79 and the guidelines for remuneration to executive management on pg. 54 in the Administration Report.

Share-related incentive programmes

On 31 December, Eastnine has two long-term incentive programmes: LTIP 2021 and LTIP 2022. The purpose of these programmes is to boost shareholder value and the Company's long-term value creation, by creating the conditions required to retain and recruit competent staff, increase motivation among the participants, and encourage employees' shareholding in the Company.

LTIP 2020

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.

LTIP 2021

The AGM 2021 approved the Board's proposal to introduce a long-term incentive programme (LTIP 2021). The incentive programme is divided in three categories: Category A (CEO), Category B (CFO, other management and key staff) and Category C (other employees). Participation required participants to hold shares in the Company equivalent in value to one twelfth of the participant's annual, fixed gross salary, by 1 April 2021. Each participant is thereafter granted rights to performance shares, which confer to the participant the right to receive shares in the Company, provided that certain performance preconditions are fulfilled. Performance shares are expected to be awarded to the employees within 45 days of publication of the interim report for January – June 2024. In total, 15 employees are part of the programme.



Corporate Governance Report

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
→ Corporate Governance Report	101
Board of Directors	106
Management	107
Other information	108

Download printable pdf

LTIP 2022

The AGM 2022 approved the Board's proposal to introduce a long-term incentive programme (LTIP 2022). The incentive programme is divided in three categories: Category A (CEO and CFO), Category B (country managers and other posts considered business-critical) and Category C (other employees). Participation required participants to hold shares in the Company equivalent in value to one twelfth of the participant's annual, fixed gross salary, by 1 May 2022. Each participant is thereafter granted rights to performance shares, which confer to the participant the right to receive shares in the Company, provided that certain performance preconditions are fulfilled. Performance shares are expected to be awarded to the employees within 45 days of publication of the interim report for January – June 2025. In total, 18 employees are part of the programme.

Full terms and conditions for the incentive programmes

For details as to the terms and performance conditions that are to be met in order to receive performance shares in accordance with each of these incentive programmes, please visit Eastnine's web site on www.eastnine.com.

Risk management and internal control

Risk management

Through its operations, Eastnine is exposed to various risks. Eastnine's activities consist of investing in modern and sustainable office properties with a considerable proportion of international tenants, in prime locations on selected markets in Latvia, Lithuania, and Poland. The properties are financed using bank loans from five different banks; in addition, capital market financing was used in the form of a bond, which was redeemed early in October 2023. The investment and financing strategy entails that Eastnine is primarily exposed to risks such as interest rate and credit risk, as well as rental and vacancy risks. These risks are reflected in value changes. Until August 2023, the Company had one other holding on the balance sheet, MFG, which was then divested, bringing in around EUR 144m. Risk management and follow-up is an important and integrated part of Eastnine's operations. The Company uses a number of different tools to continually identify, evaluate and limit risks. Risk management is handled by the Company's executive management in accordance with relevant policies that have been

established by the Board. Financial risks are primarily handled by the finance function in accordance with the Company's financial policy. More information on the Company's risk management can be found on pgs. 57–64 and in note 28 (Financial risks and risk management) on pgs. 90–91.

Internal control

Internal control at Eastnine is designed to manage risks associated with financial reporting and property management activities. It includes ensuring that the buying and selling of holdings is reliably reported, that holdings and properties are valued correctly and that information is conveyed to the market effectively and correctly.

The Board is responsible for monitoring investment and property management activities and ensuring, by means of defined reporting routines and relevant policies, that it has access to the necessary information. The Board evaluates the suitability of all policies each year, and any change of policy are to be approved by the Board. The Board maintains an effective control environment for investment activities and financial reporting by means of a clear delegation of responsibilities and authority to management and employees. The Board discusses on a continual basis issues relating to accounting, valuations and financial reporting. The Company's management continually monitors that policies, instructions and administrative agreements are followed.

Each year, the Board of Eastnine assesses whether the Company is in need of an internal auditing function. This would be an independent investigative function that performs ongoing review and presents reports to the Board and management with recommendations for improvements to internal control of the Company's activities, such as outsourced service functions and internal procedures, in order to maintain good governance and compliance with the Company's policies. In 2023, the Board decided that, because of its limited size and its adequate competencies in evaluating service functions and internal activities itself, Eastnine did not need an internal auditing function. Eastnine acts in accordance with generally accepted practice on the stock market and regularly carries out an assessment to ensure that the Company is in compliance with the listing agreement.





This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
→ Board of Directors	106
Management	107
Other information	108

Board of Directors



Liselotte Hjorth (born 1957)
Chairman, elected 2014, as
Chairman since 2018

Education: BSc. Business Administration and Economics, Lund University.

Professional experience (selected): Formerly deputy CEO and Group Credit Officer, and Global Head of Commercial Real Estate, SEB.

Board appointments¹: Chairman of Niam Credit Advisory.

Shareholding¹: 14,000 incl. related parties and companies.

Independent in relation to the Company and management: Yes

Independent in relation to major shareholders: Yes

Annual remuneration, SEK thousands: 800

Attendance at Board Meetings 2023: 16 (16)



Christian Hermelin (born 1964)
Member of the Board since 2020

Education: BSc. Business Administration from Umeå University.

Professional experience (selected): Former CEO at Fabege and various roles in Storheden, Wihlborgs and Nacka Strand Förvaltning.

Board appointments¹: Board member in Prior & Nilsson Fond- och kapitalförvaltning.

Shareholding¹: 16,830 incl. related parties and companies.

Independent in relation to the Company and management: Yes

Independent in relation to major shareholders: Yes

Annual remuneration, SEK thousands: 400

Attendance at Board Meetings 2023: 16 (16)



Peter Elam Håkansson (born 1962)
Board member since 2014

Education: Msc. Economics, Stockholm School of Economics, and studies at EDHEC in Lille.

Professional experience (selected): Founder and Chairman and CIO at East Capital Group. Formerly Head of Equities Nordics and Global Head of Research at Enskilda Securities.

Board appointments¹: Chairman in East Capital Holding and Board appointments within the East Capital Group. Chairman of the foundation Svenska Musikkattens hus. Member of Atlantic Grupa in Croatia, Bonnier News Business, Cicero Fonder, Cicero Holding, Garna Stockholm Holding, LaSpa Group in Estonia, Nordic Broker Association and Royal Swedish Academy of Engineering Sciences (IVA), department of Economics.

Shareholding¹: 5,859,433 incl. related parties and companies.

Independent in relation to the Company and management: Yes

Independent in relation to major shareholders: No

Annual remuneration, SEK thousands: 400

Attendance at Board Meetings 2023: 16 (16)



Hanna Loikkanen (born 1969)
Board member since 2023

Education: Msc. in Business Administration and Economics at the Helsinki School of Economics. International Economics Studies at the University of New South Wales, Sydney, Australia.

Professional experience (selected): Investment manager at Finnfund since 2024. Senior positions at SEB, Nordea, FIM Group, and East Capital.

Board appointments¹: Board member in VEF Ltd and Bank of Georgia Group Plc.

Shareholding¹: None

Independent in relation to the Company and management: Yes

Independent in relation to major shareholders: Yes

Annual remuneration, SEK thousands: 400

Attendance at Board Meetings 2023: 10 (10), elected in May 2023



Ylva Sarby Westman (born 1973)
Board member since 2020

Education: Master of Engineering, Royal Institute of Technology in Stockholm.

Professional experience (selected): CEO at Neobo Fastigheter since 2022. Previously, deputy CEO/CFO at Castellum, deputy CEO/CFO at Kungsleden, and various positions at NewSec Investment and NCC.

Board appointments¹: None.

Shareholding¹: 2,638 incl. related parties and companies.

Independent in relation to the Company and management: Yes

Independent in relation to major shareholders: Yes

Annual remuneration, SEK thousands: 400

Attendance at Board Meetings 2023: 16 (16)



Peter Wågström (born 1964)
Member of the Board since 2018

Education: Master of Engineering, Royal Institute of Technology in Stockholm.

Professional experience (selected): Former CEO and group chief executive at NCC, Business Area Manager at NCC Property Development and NCC Housing.

Board appointments¹: Chairman of Arlandastad Group, and Brunkeberg Systems. Member of MVB Holding, Tredje AP-fonden and the own company Arrecta.

Shareholdings¹: 10,000 incl. related parties and companies.

Independent in relation to the Company and management: Yes

Independent in relation to major shareholders: Yes

Annual remuneration, SEK thousands: 400

Attendance at Board Meetings 2023: 16 (16)

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Table of contents	50
Administration Report	51
Financing	55
Risks	57
Financial Reports	65
Notes to the financial statements	72
Five-year overview of key figures	93
Assurance from the Board and CEO	95
Auditor's Report	96
Interview with the Chairman of the Board	100
Corporate Governance Report	101
Board of Directors	106
→ Management	107
Other information	108

Download printable pdf

Management



Kestutis Sasnauskas (born 1973)
CEO since 2017

Education: Studies in Economics at the Stockholm School of Economics, Vilnius University and Gotland University

Professional experience (selected): Formerly Chief Investment Officer Eastnine. Partner, co-founder and Head of Private Equity and Real Estate, East Capital.

Board appointments¹: Rytu Invest, YPO Service, and his own company Schkval.

Shareholdings¹: 1,000,187, incl. companies.



Britt-Marie Nyman (born 1965)
deputy CEO and CFO 2019

Education: Masters of Business Administration, Umeå University.

Professional experience (selected): Formerly Head of Capital Markets at Catella Corporate Finance; deputy CEO, Head of Finance and Investor Relations at Klövern; and Head of Communications and IR at Fastighets AB Tornet.

Board appointments¹: None.

Shareholdings¹: 26,966, incl. related parties.

¹ 1 March 2024



Eastnine is headquartered in the north tower of Kungstornen on Kungsgatan in Stockholm. This is where Eastnine's Group Management is located, as well as functions within accounting, investments, sustainability, finance and communication.



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
→ Other information	108
The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

Other information

In this chapter, we have gathered information about Eastnine's share and shareholders as well as sustainability disclosures, including GRI disclosures, GRI index, TCFD reporting and the EU taxonomy. Moreover, we also provide definitions for terms used in the annual report, information about the upcoming Annual General Meeting, and contact information for Eastnine.

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
→ The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

The share and shareholders

The real estate index of the Stockholm stock exchange, OMX Stockholm Real Estate GI, recovered in 2023 and rose by 20 per cent. Eastnine’s share price rose by 42 per cent. Long-term net asset value per share sank, primarily due to a previously higher valuation of the holding in MFG, which was sold during the year. At year-end, the net asset value amounted to SEK 207. Total return was 46 per cent.

Share price development, turnover, and total return

Eastnine’s share price rose by SEK 51.2, or 42 per cent, during the year and was SEK 172.0 (120.8) at year-end. The highest closing price was noted on 28 and 29 December, at SEK 172.0, and the lowest on 28 March at SEK 93.4. Eastnine’s overarching goal is to create a sustainable and attractive return on investment for its shareholders. In 2023, the total return was 46 per cent.

Eastnine’s market capitalisation amounted at year-end to SEK 3.8 billion (2.7). The average daily volume on Nasdaq amounted to 9,525 shares (11,997) during the year. The free float¹ was 40.6 per cent (44.8).

Net asset value

The long-term NAV per share fell by SEK 36 during the year, corresponding to 15 per cent, amounting at year-end to SEK 207 (243). The value in EUR fell by EUR 3.3, or 15 per cent, to EUR 18.6 (21.9). Equity per share decreased by SEK 40, corresponding to 17 per cent, to SEK 200 (240). The value in EUR fell by EUR 3.5, or 16 per cent, to EUR 18.0 (21.5).

Net asset value was impacted negatively during the year by unrealised changes in the value of properties as well as a realised negative value change in other investments, as the holding in MFG was divested at a lower price than that previously reported. A positive profit from property management increased net asset value per share. The long-term NAV discount has fallen, amounting to 17 per cent (50) at year-end.

¹ Free 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 amounted to 22,370,261 at the end of the year. Adjusted for repurchased shares held in treasury, 139,253 (162,515), the number of shares amounted to 22,231,008 (22,207,746). The quotient value amounted to EUR 0.1636 per share. The number of known shareholders was 5,603 (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. The proportion of shares that are Swedish-owned has increased and amounted to 84.7 per cent (80.0).

Share buy-back and LTIP

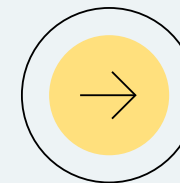
On 31 December 2023, the Company held 139,253 repurchased shares in treasury, corresponding to around 0.6 per cent of total number of shares. No shares have been repurchased during the year. Repurchased shares may come to be used in Eastnine’s Long-term incentive programmes (LTIP). The dilution effect, of those repurchased shares that may potentially be used for existing LTIPs, is presented for the key figure earnings per share. 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. Read more about Eastnine’s long-term incentive programmes in note 5 on pgs. 76–79.

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.

Dividend

The Board proposes a dividend for the 2023 financial year of SEK 4.64 (3.40) per share, to be evenly distributed into four instalments and paid in 2024 and early 2025. The dividend would comprise 53 per cent of profit from property management, translated using the exchange rate at year-end.

The 2023 Annual General Meeting adopted a dividend of SEK 3.40 per share (3.00) for the 2022 financial year, evenly distributed in four instalments. Payments were made in May, August, and November of 2023, and January of 2024.



46%

Total return on the Eastnine share 2023

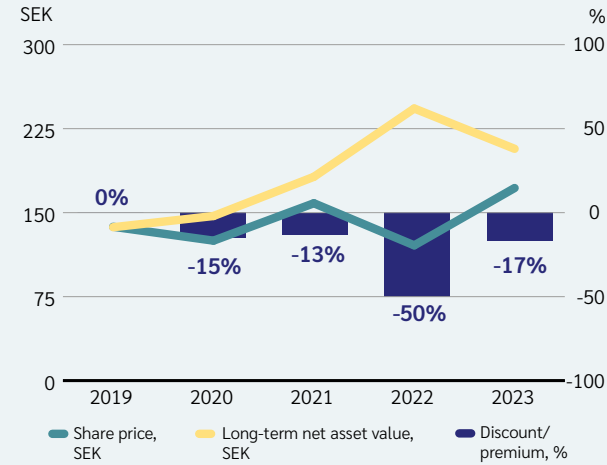
Download printable pdf



The share and shareholders

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
→ The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

Share price and net asset value



Share price



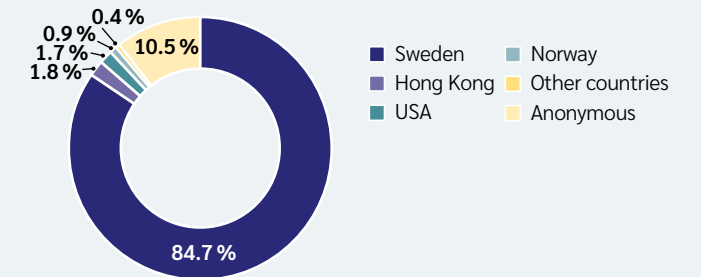
Largest shareholders (2023-12-31)	Number of shares	%
Peter Elam Håkansson ¹	5,859,433	26.2
Bonnier Fastigheter Invest AB	3,888,262	17.4
Arbona AB (publ)	2,284,345	10.2
Kestutis Sasnauskas ¹	1,000,187	4.5
Patrik Brummer ¹	832,930	3.7
Avanza Pension	526,424	2.4
Nordnet Pensionsförsäkring	452,680	2.0
Karine Hirn ¹	411,288	1.8
Dimensional Fund Advisors	321,610	1.4
Staffan Malmer	301,715	1.3
Albin Rosengren ¹	205,348	0.9
Gustaf Hermelin ¹	175,000	0.8
David Lindskog	172,000	0.8
Jacob Grapengiesser	167,861	0.8
Handelsbanken Fonder	133,761	0.6
Sum, 15 largest shareholders	16,732,844	74.8
Eastnine AB (repurchased shares)	139,253	0.6
Other	5,498,164	24.6
Total	22,370,261	100.0

¹ Privately and via companies.

Value per share	2023-12-31	2022-12-31
Equity, EUR	18.0	21.5
Long-term net asset value, EUR	18.6	21.9
Share price, EUR	15.5	10.9
Equity, SEK	200	240
Long-term net asset value, SEK	207	243
Share price, SEK	172.0	120.8

Ownership distribution by holdings Size category	Number of shares	Proportion, %	Number of known owners	Proportion of known owners, %
1–1,000	621,892	2.8	5,282	94.3
1,001–10,000	742,464	3.3	256	4.6
10,001–100,000	1,534,423	6.9	47	0.8
100,001–1,000,000	4,091,278	18.3	14	0.2
1,000,001–5,000,000	7,172,794	32.1	3	0.1
5,000,001–	5,859,433	26.2	1	0.0
Anonymous ownership	2,347,977	10.5	N/A	N/A
Total	22,370,261	100	5,603	100

Ownership distribution



Market	Shares	Proportion, %
Nasdaq	2,366,258	81.0
Cboe	434,497	14.9
London Stock Exchange	73,034	2.5
ITG Posit	22,063	0.8
Aquis Stock Exchange	17,925	0.6
Sigma x	3,205	0.1
Instinet Blockmatch Europe	2,581	0.1

Download printable pdf

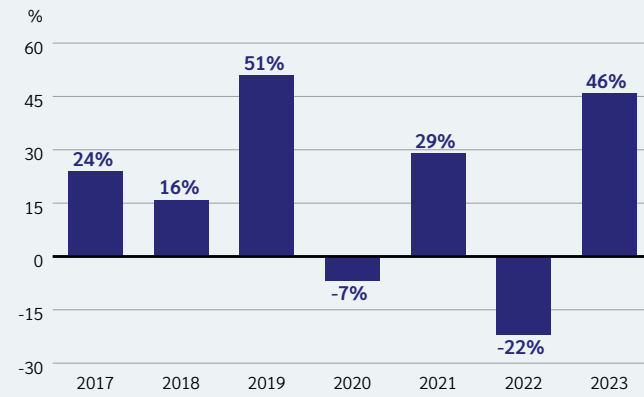
Source: Modular Finance, Reuters, Eastnine.



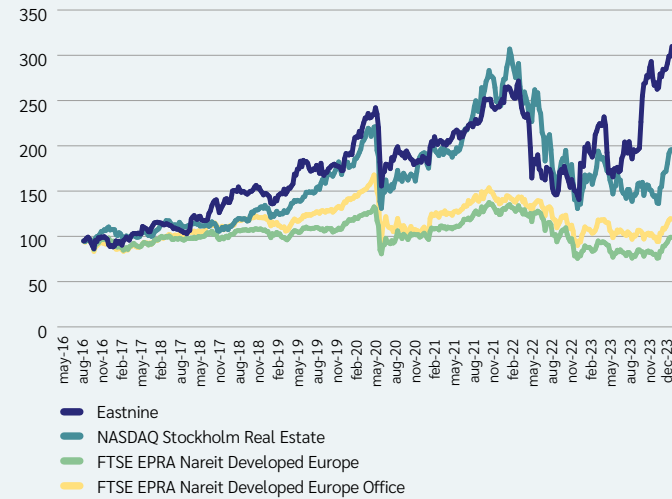
This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
→ The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

The share and shareholders

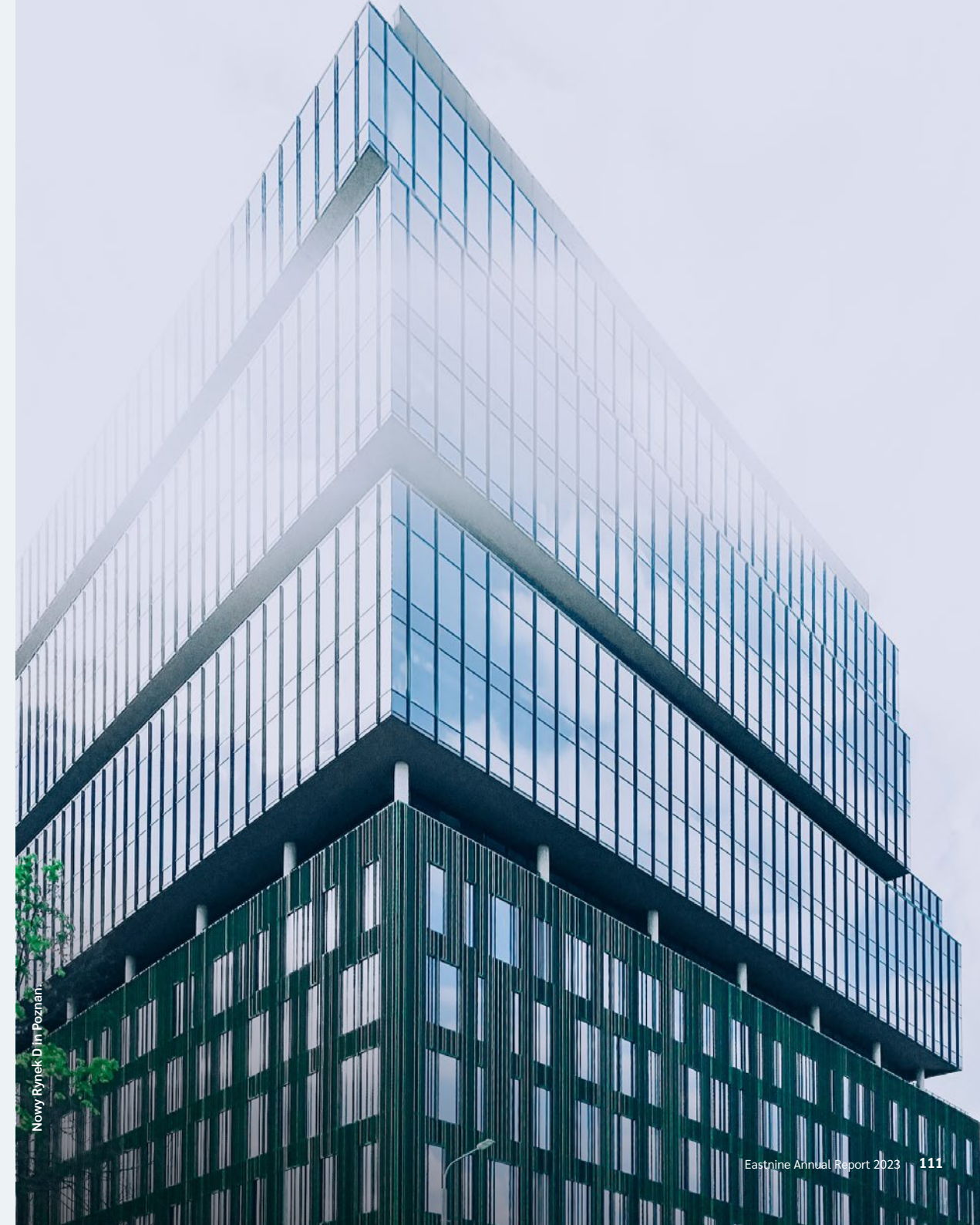
Total return on the Eastnine share, %



Total return on real estate shares



Download printable pdf





This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
→ Sustainability disclosures	112
GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

Sustainability disclosures

Eastnine’s sustainability disclosures have been drawn up in accordance with GRI Standards 2021 and cover the period 1 January to 31 December 2023. In this section, we also provide statements in accordance with TCFD and the EU taxonomy regulation.

Eastnine’s continual work with sustainability issues, including a presentation of goals and outcomes, can be read on pgs. 25–28. In this section, we account for further sustainability disclosures based on the Global Reporting Initiative (GRI) framework, including GRI disclosures and a GRI index. We also provide statements in accordance with the Task Force on Climate-related Financial Disclosure (TCFD) and the EU taxonomy regulation. The GRI index provides references for the location of relevant information in the annual accounts or in the sustainability disclosures. The GRI index on pgs. 122–123 specifies the cases in which requirements from the GRI framework could not be met. Sustainability information is based on a continuously updated

materiality analysis and annual dialogue with Eastnine’s stakeholders. Eastnine supports the UN Global Compact and this report also constitutes the Company’s Communication on Progress (CoP) which describes how Eastnine works with the ten principles of the Global Compact and contributes to a selection of the 17 global sustainability goals.

The report has not been externally assured. For further information about Eastnine’s work with sustainability, please contact Lilia Kouzmina, Head of Sustainability at Eastnine, lilia.kouzmina@eastnine.com.

GRI disclosures

Activities and Employees

2-7 Employees

At year-end, Eastnine had 22 employees, nine in Sweden, eight in Lithuania and five in Latvia.

	Sweden	Lithuania	Latvia	Total	
				2023	2022
Number of employees	9	8	5	22	23
of which, women	4	6	3	13	14
– full-time	4	6	3	13	14
– part-time	0	0	0	0	0
– temporary staff	0	0	0	0	0
Of which, men	5	2	2	9	9
– full-time	5	2	2	9	9
– part-time	0	0	0	0	0
– temporary staff	0	0	0	0	0

2-8 Workers who are not employees

Eastnine does not have its own property management team but uses suppliers for activities relating to property management such as technical support, cleaning, and security. The table below provides an insight into the number of people, counted as full-time equivalents at the end of the reporting period, involved in the provision of these services.

	Lithuania	Latvia	Poland	Total	
				2023	2022
Administrators	7.5	0.0	1.5	9.0	9.0
Technical property maintenance	15.0	5.0	5.0	25.0	25.0
Security	12.5	7.0	21.0	40.5	44.5
Cleaning	27.0	7.0	4.0	38.0	38.0
Total	62.0	19.0	31.5	112.5	116.5

Download printable pdf



Sustainability disclosures

Governance

2-21 Annual total compensation ratio

Eastnine has routines and guidelines regarding benefits, terms of employment and incentive schemes. These are in place in order to enable the retention of competent employees, increase motivation and to ensure a clear structure for remuneration and incentives.

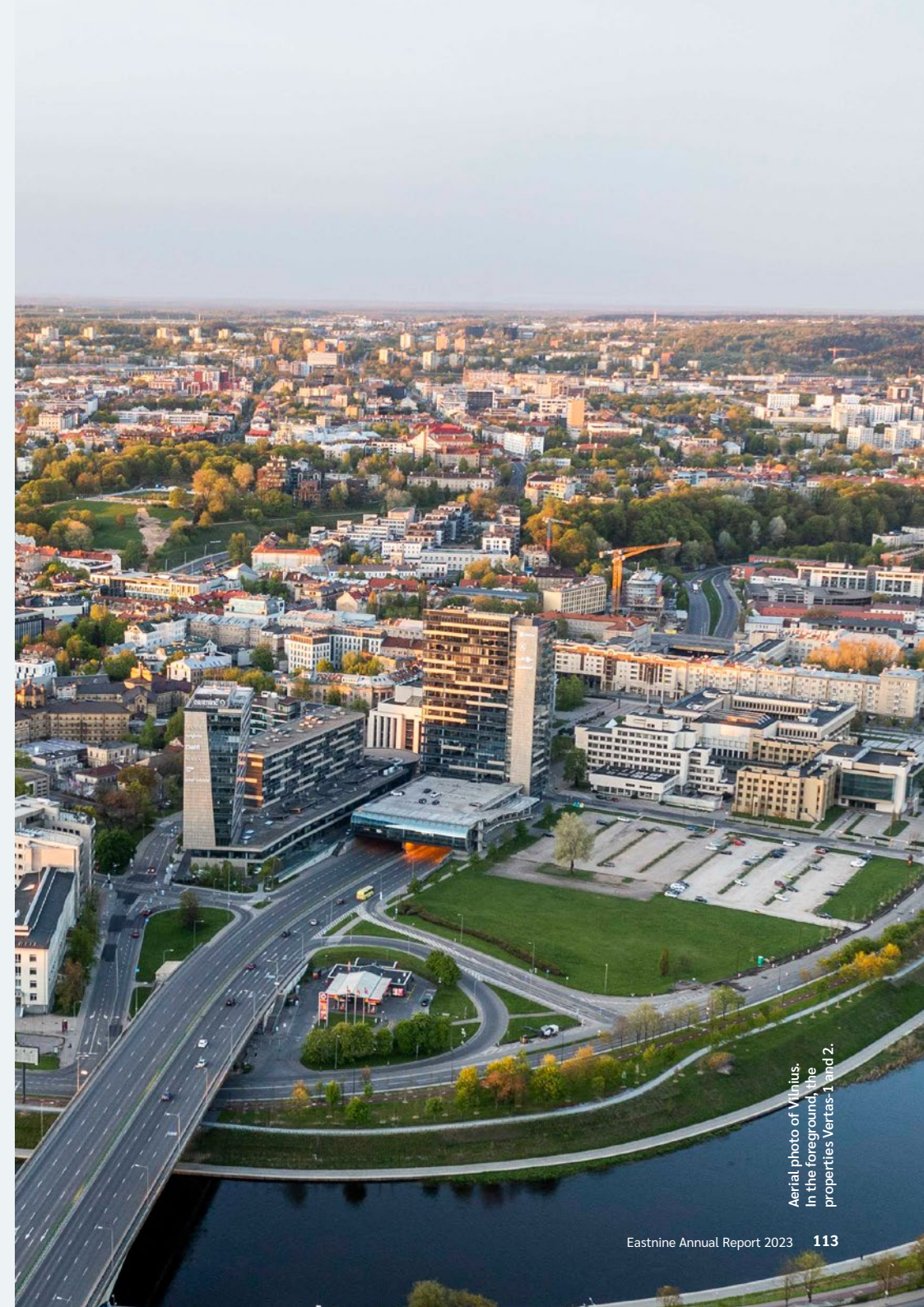
	2023	2022
Total remuneration to the CEO (highest paid), EURk	482	361
Median annual compensation for all employees (excluding highest annual remuneration), EURk	76	73
Relationship between highest-paid position and median (excluding highest annual remuneration), multiple	6.3	4.9
Median salary growth, all employees (excluding highest annual remuneration), %	4.2	2.2
Salary growth, CEO, %	33.5	2.6
Relationship between growth in highest salary and median (excluding highest annual remuneration), multiple	8.0	1.2

All employees that were employed at year-end have been included in the above data on salary differences. The CEO's compensation includes an extra bonus of EUR 1,383k, related to extraordinary efforts in connection with the divestment of the holding in MFG. No recalculation to FTE has been made. The remuneration includes fixed and variable salary. The Company's CEO has the highest remuneration. The name of the person with the highest remuneration is shown in the Company's remuneration report.

Other information

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
→ GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

Download printable pdf



Aerial photo of Vilnius. In the foreground, the properties Vertas 1 and 2.



Sustainability disclosures

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
→ GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

Strategy, policies and practice, and stakeholder engagement

- 2-23 Policy commitments**
- 2-24 Embedding policy commitments**
- 2-25 Processes to remediate negative impacts**
- 2-26 Mechanisms for seeking advice and raising concerns**
- 2-29 Approach to stakeholder engagement**

Eastnine's policies for responsible entrepreneurship and the code of conduct are based, inter alia, on the OECD guidelines for multinational companies, the OECD Due Diligence guidance for responsible entrepreneurship and the UN guiding principles for business and human rights. These principles have been translated into applicable rules of conduct in the specific policies that concern various aspects of Eastnine's operations (see table on internal policy documents).

Eastnine bases its work with sustainability on the precautionary principle, which means that if there is a risk of potentially serious damage to the environment, lack of scientific evidence shall not be regarded as a reason not to take this into consideration. In these cases, measures must be taken in order to avoid or mitigate the risk.

Eastnine's work with sustainability is governed by the following policies and guidelines: The Anti-Corruption Policy, Code of Business Conduct, Supplier Code of Conduct, Diversity & Equal Treatment Policy, Work environment & Employee Health Guidelines, Whistleblower Policy, Environmental Policy, Sustainability Strategy for New Developments and Reconstruction, IT Security Policy as well as the Privacy Policy and Privacy Guidelines.

Eastnine conducts its operations in compliance with all applicable local and international laws, regulations and conducts environmental risk assessment as a part of the due diligence process at acquisition. Read more about Eastnine's risk management on pgs. 57–64.

The company's policies are updated annually and all employees are informed about any changes or updates. A review of the Anti-Corruption Policy is made in connection with the annual training in this field.

Internal policy documents for Eastnine's work with sustainability

Policy/Guidelines	Purpose and goals	How the policy is implemented operationally
Anti-Corruption Policy	Create and conduct business in accordance with high ethical standards, transparency and ethical behaviour. Prevent and/or manage any occurrence of unethical behaviour and corruption.	New introduction to the policy for new employees, annual anti-corruption training for all employees.
Code of Business Conduct	See above.	See above.
Supplier Code of Conduct	See above.	Strategic suppliers are asked to fill out a self-assessment with questions relating to the environment, governance and social responsibility. The evaluation is analysed and any deviations are followed up by those responsible within Eastnine.
Diversity and Equal Treatment Policy	Create a favourable working environment that promotes diversity and takes into account human rights and the needs of the individual.	Gender equality is taken into account when hiring new employees. Employees are given the opportunity to adapt workload and times to individual family situations. In 2023, all countries have hosted workshops on Diversity, Equality and Inclusion.
Work environment & Employee Health Guidelines	See above.	See above.
Whistleblower Policy	Provide tools for anonymous reporting of unethical behaviour.	Instructions on how to proceed with reporting are provided on Eastnine's website.
Environmental Policy	Reduce negative impacts on the environment. Manage risks related to negative environmental impacts. Develop processes and procedures for sustainable property operation.	Introduction of requirements regarding the level of certifications, targets related to water and energy consumption, emission targets, etc. Goal outcomes are presented on pgs. 25–28.
Sustainability Strategy for New Developments and Reconstruction (Recommendations)	See above.	See above.
IT Security Policy, Privacy Policy & Privacy Guidelines	Protect and manage personally identifiable data and other sensitive information.	Employees are encouraged to review the policy and follow established guidelines. Updates are reviewed on an ongoing basis.

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
→ GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

Sustainability disclosures

External policy documents for Eastnine’s sustainability efforts

Laws, regulations, guidelines	Other external guidelines and initiatives
The Swedish Companies Act	The UN Sustainable Development Goals
The Swedish Work Environment Act	Global Compact
EU Taxonomy Regulation	GRI Standards
UN Convention on the Rights of the Child	Sustainability certification frameworks (Green Building, Miljöbyggnad, BREEAM, LEED, WELL, NOLL CO ₂)
The UN Guiding Principles for Business and Human Rights	OECD guidelines for multinational companies
The Swedish Environmental Code	The Paris Agreement
The Swedish Annual Accounts Act	TCFD (Task Force on Climate-Related Financial Disclosures)
Other applicable laws and regulations	Other regional climate and sustainability initiatives

The board has the overall responsibility for the governance of the Company’s work with sustainability and the set goals. Eastnine’s daily work with sustainability is delegated to the Company’s Head of Sustainability who reports to the Board, no less than once per quarter, on the ongoing work with sustainability and any deviations from the strategy. The Head of Sustainability also has a direct dialogue with the Chairman of the Board. No important deviations associated with work with sustainability and the Code of Conduct have been reported to the Board during the year. Read more about the Board’s governance of sustainability efforts on pg. 103.

Channels for stakeholder engagement

Group	Channels	Key sustainability topics
Tenants	Customer meetings, continual dialogue re. property management, customer satisfaction surveys	Office premises with good services and working environment, reduced environmental impact, business ethics
Staff	Workshops and seminars, employee surveys, performance reviews	Professional development, good conditions of employment, diversity, good working environment, business ethics and reduced environmental impact
Investors	Annual General Meeting, interim and annual reports, press releases, conference calls, seminars, investor meetings	Business ethics and anti-corruption measures, energy efficiency, reduced environmental impacts, customer and employee satisfaction, sustainable supply chain
Society	Dialogue with stakeholder and industry organisations, networking meet-ups, conferences	Energy efficiency, reduced environmental impact, business ethics and anti-corruption measures, sustainable supply chain
Suppliers	Supplier meetings, contract tenders, orders	Good business ethics in purchasing processes

Channels for continuous dialogue with important stakeholders are presented in the table above. The feedback provided through these channels from Eastnine’s various stakeholder groups is used continuously in evaluation of current strategies, policies and daily administration. Surveys including employees and tenant questionnaires, make it possible to take into consideration points of view and complaints from Eastnine’s two foremost stakeholder groups. The findings are analysed, systematised and used as a basis for plans of action. More general points of view that affect handling of environmental issues are obtained, for example, from legislation and continuous analysis of the media and public discussions. Participation in sector events, conferences, panel discussions and different types of collaboration with voluntary organisations offer additional input which affects the sustainability strategies. Eastnine has also set up a whistleblower function where employees, tenants and other stakeholder groups can anonymously provide points of view on how Eastnine conducts its operations.

↓ Download printable pdf



Material topics

- This is Eastnine 3
- Sustainability in focus 17
- Our business 29
- Financial information and governance 50
- Other information 108
 - The share and shareholders 109
 - Sustainability disclosures 112
 - GRI notes 112
 - GRI content index 122
 - TCFD report 124
 - EU taxonomy 126
 - Definitions 128
 - Other 130

3-1 Process to determine material topics

In collaboration with the Company’s stakeholders, work on sustainability was initiated by analysing the best practice in the industry and producing a list of material topics in the three areas (the environment, social responsibility and corporate governance) which are considered to have, or may potentially have, a material impact on Eastnine’s operations. In addition to this analysis, Eastnine communicates continuously with its most important stakeholders to identify their expectations on Eastnine’s operations and ensure that the Company can meet these expectations. Continuous dialogue with stakeholders, analysis of practice and trends in the sector are used continuously as input for verification and supplementation of the materiality analysis which was carried out for the first time in 2018, with a view to surveying the most important sustainability-related aspects of Eastnine’s operations. The points of view of the employees, the Board and the investors were gathered during a number of sustainability workshops and questionnaires in the same year. The tenants’ contributions were based on issues taken up during the ongoing dialogue and compiled by the property managers.

The supporting analysis consisted of an examination of relevant industry standards, reporting frameworks, the practice of competitors as well as guidance and recommendations, including the report “UNEP Sustainability Metrics: Translation and Impact on Property Investment and Management”. The result of this analysis and the identification of prioritised sustainability questions has since been validated by Eastnine’s management.

Since then, an evaluation of the materiality analysis is made every year, inter alia, with contributions from customer surveys in all directly managed properties. The conclusion of the most recent evaluation was that all sustainability issues that were previously identified are still material. The table below includes a list of material topics as well as the relevant GRI Standards disclosures, which Eastnine reports.

3-2 List of material topics

	Eastnine’s material topics	GRI Standards
Future-proof properties	Sustainability-certifying properties	–
	Energy performance and renewable energy	Energy
	Reduced climate impact	Emissions
	Efficient use of resources	Energy, water
	Circular use of resources	Waste
	Sustainable construction materials and installations	–
Future-proof organisation	High business ethics and anti-corruption	Anti-corruption
	High customer satisfaction	Customer health and safety
	Attract and retain talent	Staff training and education
	Health and well-being of our employees	–
	Equality and diversity	Diversity and equal opportunity
	Sustainable supply chains	Supplier evaluation regarding impact on the environment and social criteria

Anti-corruption

3-3 Management of material topics

205-2 Communication and training about anti-corruption policies and procedures

205-3 Confirmed incidents of corruption and actions taken

Corruption in the construction and real estate sector is relatively widespread. Eastnine has zero tolerance for corruption and the goal of its anti-corruption efforts is to eliminate the risk of corruption in its activities.

Eastnine’s CEO is responsible for leading the efforts against corruption. The Company has a whistleblowing function to make it easier for staff as well as outsiders to report on transgressions or suspicions of corruption. Suspicions of corruption may result in disciplinary actions, termination and/or reports being made to the police.

The anti-corruption work in the Company is based on Eastnine’s Code of Conduct for employees and suppliers, and the Company’s Anti-Corruption Policy. An anti-corruption training session is conducted at least once per year for all employees. In 2023, this was organised in connection with the Company’s annual kick-off. A review of the Company’s anti-corruption policy, case studies, and a quiz provided all employees with an update on key aspects of the topic. There is also continuous monitoring of compliance with policies and guidelines. The need for additional inputs to the regular monitoring and employee training is continuously evaluated. No suspicions or incidents of corruption were reported in 2023.

Download printable pdf



Sustainability disclosures

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
→ GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

Energy

3-3 Management of material topics

302-1 Energy consumption within the organisation

302-3 Energy intensity

Energy efficiency and use of renewable energy are important issues for Eastnine. Properties and the construction sector account for around 30 per cent of global energy consumption. Low energy use contributes to lower costs and lower emissions. The presented energy data for 2023 includes energy consumption in all properties in Eastnine's portfolio. Energy consumption includes electricity, district heating and any use of natural gas or other type of fuel for heating premises. Consumption is reported on two levels: the whole property portfolio and separately for directly managed properties. Electricity consumption in directly managed properties is further divided up into property-related electricity and business-related electricity (tenant consumption). Consumption data for cooling cannot be separated from electricity and heating consumption and is therefore not reported separately. Energy performance is calculated as total energy consumption including electricity, heating and fuel divided by the gross floor area. At present it is not technically possible to measure tenant electricity consumption in properties that are not directly managed, which explains why an intensity measure for property energy for all properties in the portfolio cannot be produced. Eastnine's work with energy efficiency is pursued in line with the strategic goals. One of the goals is to reduce energy consumption per sq.m.

in directly managed properties by 25 per cent between 2019 and 2025, to approximately 100 kWh per sq.m. (the measure excludes tenant electricity). The foremost tool to achieve this goal is systematic work with sustainability certifications of existing buildings and development projects. The targeted environmental certifications are LEED Gold or BREEAM Excellent. In the case of large new construction projects, the internal requirement is to achieve energy intensity of approximately 50 kWh/sq.m. To ensure that all certification work takes place with the focus on energy efficiency, 80 per cent of all available points in the energy category shall be achieved in all applied certification frameworks.

In 2023, we have launched a new internal system for measuring and analysing energy consumption, which together with new monitoring routines resulted in a more optimised use of energy. Investment in energy optimisation include updates to the building management systems in several properties, the installation of new solutions for effective heat transfer in ventilation and cooling systems, replacement of light bulbs with LED fittings in connection with refurbishments and tenant improvements, and the installation of UV window filters in two properties in Vilnius to improve the indoor climate and reduce the need for cooling in certain common areas with high exposure to sunlight.

The total, normalised energy consumption was reduced by 14 per cent in directly managed properties and by 12 per cent in the whole portfolio. The energy performance of property energy, a measure excluding tenant-related electricity usage, improved by 14 per cent. The proportion of renewable energy was essentially unchanged at 78 per cent (77),

as no major changes in electricity provision have taken place. All purchased electricity is renewable. The largest negative effect for the share of renewable energy arose in connection with the May 2022 acquisition of the property Nowy Rynek D in Poland, as the district heating system in Poland is more dependent on fossil fuels than in the Baltics.

The share of renewable fuels used in the district heating systems providing Eastnine's properties is estimated at 68 per cent in Lithuania, 50 per cent in Latvia, and 12 per cent in Poland. Since 2021, the share of renewable energy in district heating production is measured to calculate the total share of renewable energy in Eastnine's portfolio.

Total energy consumption¹,

Mwh	2023	2022	Change, %
Electricity	18,969	20,658	-8
District heating	11,412	13,200	-14
Natural gas	815	1,003	-19
Total	31,196	34,861	-11
Total (normalised)	32,950	37,342	-12
Proportion renewable energy, %	78	77	+1 pp

¹ Total energy use, including tenants' electricity use.

Energy performance, kWh/sq.m.	Absolute consumption			Normalised consumption ³		
	2023	2022	Change %	2023	2022	Change %
<i>Directly-managed properties¹</i>						
Total energy consumption ²	136	153	-12	145	169	-14
– of which, property energy	99	112	-11	109	127	-14
All properties						
Total energy consumption ²	132	148	-11	140	159	-12

¹ The S7 properties are not included.

² Total energy consumption refers to all types of energy at the property including tenants' electricity consumption.

³ The method to calculate normalised consumption has been developed, and historical values have therefore been updated.

Download printable pdf



Sustainability disclosures

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
→ GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

Water

3-3 Management of material topics 303-5 Water consumption

Water consumption is an important topic from an environmental perspective as well as in terms of operating cost. Efficient water use is also a prerequisite of high ratings in the sustainability certification of buildings. As property owner, Eastnine can influence how much water is consumed through our responsibility for technical systems and installations. The report includes water consumption at all properties, divided into two groups: directly managed and all properties. Water consumption is monitored on the basis of the Company's targets, its policy for new construction and refurbishment, as well as the requirements posed by sustainability certification. The management organisation in each country is responsible for equipping buildings with water-saving equipment such as low-flushing toilets and taps in new construction and refurbished properties. The target is to reduce water consumption per sq.m. by at least 2 per cent per year, as a five-year average. The reporting is based on actual consumption without any normalisation. In 2023, a total of 50,881 cubic metres (46,607) of water was used in directly-managed properties, corresponding to a water intensity of 284 litres/sq.m. compared with 260 litres/sq.m. in 2022. The increase is mainly due to higher utilisation of properties by our tenants after the pandemic, and higher average occupancy rate in the portfolio. Usage per sq.m. increased by 9 per cent in directly-managed properties and by 15 per cent in all properties.

Emissions

3-3 Management of material topics 305-1 Direct (Scope 1) GHG emissions 305-2 Indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions

About a third of total emissions globally stem from buildings. There are emissions from the entire life-cycle of a building, from construction to daily operation and finally to demolition. Considering the climate impact of a building across all of these phases is an important matter for property owners, as the transition to a low-carbon-dioxide economy entails greater economic risk and expense for market players with negative climate impacts. Therefore, the climate question is a high priority at Eastnine. Eastnine has adopted a goal of making its property management climate-neutral by 2030 and reduce emissions from its value chain. Governance on this issue emanates from Eastnine's overarching environmental policy, its policy for renovation and refurbishment, and its routines for operations, management, and maintenance, as regulated by applicable certification frameworks.

Eastnine's reported greenhouse gas emissions include direct and indirect emissions of greenhouse gases, in accordance with the Greenhouse Gas (GHG) Protocol. In our calculations of emissions, we use the so-called "operational approach". This means that emissions from our properties where the tenant is in charge of property operations (i.e., all S7 properties) are excluded from Scope 2 and instead part of Scope 3.

Climate impacts from activities owned by the company (Scope 1)

Eastnine's primary direct climate impact in this category is primarily attributable to refrigerant leakage from cooling installations in our properties. Coolant emissions can be assumed to correspond to the amount refilled in the properties during a given year. As refrigerant refills are only necessary relatively rarely, and not by the same amounts from year to year, there is considerable variation in the size of emissions in this category from year to year. Further climate impacts in Scope 1 result from the use of natural gas for heating of one property in Riga. All emissions factors, i.e. carbon impact coefficient, used to calculate Scope 1 have been provided by the Swedish Environmental Protection Agency. The calculation process has been automated.

Climate impacts from purchased energy (Scope 2)

Eastnine's energy purchasing comprises purchasing of electricity and district heating for the properties. Eastnine's climate impact in this category is primarily attributable to purchased district heating, as all of the Company's purchased electricity is renewable, as this is an internal requirement. Regarding the phase-out of fossil fuels in the district heating networks, the Baltic markets are expected to use 100 per cent biomass when generating district heating by 2030 at the latest, from the current level of 60–70 per cent. In Poland, the corresponding figure is around 10–15 per cent renewable energy, thus causing much greater climate impact from purchasing district heating for our property in Poznan. During the year, we have carried out a range of measures, including technical installations and operational adjustments, to reduce the use of district heating in our Poznan property, which has had positive outcomes.

Water	Total consumption, m ³			Consumption, litres per sq.m.			Consumption, litres per sq.m. in a comparable portfolio		
	2023	2022	Change, %	2023	2022	Change, %	2023	2022	Change, %
Directly-managed properties	50,881	46,607	9	284	260	9	284	260	9
All properties	72,319	63,134	15	307	268	15	307	268	15
Five-year overview Water consumption, litres/sq.m.	2023	2022	2021	2020	2019				
Directly-managed properties	284	260	229	304	450				
All properties	307	268	214	310	505				

↓ Download printable pdf



Sustainability disclosures

Climate impact from indirect emissions in the value chain (Scope 3)
Our analysis of emissions in the value chain has been updated for refurbishment and tenant improvements, as these constituted some of the largest items during the previous year. The Scope 3 emissions included in this year's report are tenant improvements, tenant electricity and heating, energy-related emissions, waste management and business travel. The quality of emissions calculations for tenant improvements has improved considerably compared to the previous year, as the previous calculation used generic values based on invoiced amounts. In 2023,

project-specific calculations were made based on material lists from specific projects. Specific LCA calculations have been carried out for all refurbishment projects over EUR 100,000, as well as for representative projects in several categories below EUR 100,000. Project-specific calculations were made for around 86 per cent of all projects, based on invested amounts, corresponding to 96 per cent of all emissions in this category. The generic emission factors used in 2022 resulted in significant overestimation of carbon emissions generated in this category. Calculations have been made by external climate consultants

in Lithuania, with the support of 2050 Consulting from Sweden, who assessed whether the results were reasonable. This year's report includes a calculation of climate impacts from purchases of goods and services. These calculations employed generic emissions factors in the categories "Real Estate services" and "Other business services" from Exobio's database, based on invoiced amounts.

See the table Greenhouse gas emissions for a more detailed presentation of Eastnine's emissions.

Greenhouse gas emissions, tonnes CO₂e

Emissions	Source of emissions	2023	2022	Comment
Scope 1	Total	484	259	
	Coolant leakage	335	76	72 % of total emissions in this category derive from refrigerant refills in buildings where no refrigerant refills occurred in the last three years (refers to the three S7 properties and Vertas 2).
	Natural gas	149	183	Natural gas is used to heat the Valdemara Centrs in Riga. It is planned to convert to district heating in 2024.
Scope 2	Total	3,363	3,836	
	District heating	3,363	3,836	The decrease is primarily due to energy-efficiency measures that resulted in around 20 % lower use of district heating in Lithuania and 10 % lower in Poland.
	Electricity	0	0	Using the location based method, emissions in Scope 2 in 2023 amount to 6,736 tonnes, compared to 7,249 tonnes in 2022.
Scope 3	Total	3,996	4,495	The calculation methods and the systems used to calculate climate impacts in the categories below have changed between 2022 and 2023. A comparison of Eastnine's Scope 3 emissions in these periods is therefore not possible. The value for total Scope 3 emissions in 2022 have been adjusted due to the addition of a new category, "Purchased goods and services".
	Energy consumption tenants	222	234	Lower heating use in indirectly-managed properties (S7-1,2,3).
	Tenant improvements and renovations	110	3,157	The calculation of emissions from tenant improvements have changed from the previous year: the spend-based model has been replaced by the average-data-based method. Life-cycle analysis is used for tenant improvements corresponding to 86 % of total costs in this category and 95 % of emissions. Previously, using the spend based method resulted in emissions being significantly overestimated. The LCA-based calculations for 2023 was subject to a reasonability assessment, with positive outcomes.
	Energy and fuel related emissions	787	897	Relates to indirect energy and fuel-related emissions (based on Scope 1 and 2).
	Business travel	21	26	Includes air travel, taxi, and overnight hotel stays in connection with business travel. Based on both actual data and standard estimates.
	Waste management	141	180	Indirect emissions stemming from tenant waste management. Calculated using standard values by reported amounts.
	Purchased goods and services	2,715	1,973	Comparability between the years is not informative as the system for emission calculation was changed in 2023.
Total (Scope 1, 2 & 3)		7,843	10,563	
Total (Scope 1 & 2)		3,847	4,095	
Emissions intensity (Scope 1 & 2)	kgCO ₂ e/sq.m.	21	23	Excluding S7 properties (reported in Scope 3).

Download printable pdf

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
→ GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
→ GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

Sustainability disclosures

Waste

3-3 Management of material topics 306-3 Waste generated

The real estate sector generates large quantities of waste when carrying out new construction and refurbishment projects that are sent to landfill or incineration for disposal. For that reason, waste management is considered to be an important part of Eastnine's environmental efforts. Waste to landfill causes environmental contamination, while incineration causes emissions of carbon dioxide in the atmosphere. At present, in the absence of new development and methods to register waste from refurbishment of our properties, our reporting is limited to waste from our tenants' operations, as Eastnine is often responsible for how waste is sorted and disposed of. The goal is to increase the proportion of waste for recycling and to reduce the proportion of landfill waste.

To calculate the proportion of recycled waste, estimates as well as the actual weighted quantities from waste contractors are used. At present, measurement of the actual amount of waste takes place in four properties (3Bures-1,2 and 3 as well as Vertas-1 and 2) and generic estimates based on waste provider data are used for the rest of the portfolio. In 2023, tenant waste in directly managed properties totalled 776 tonnes (834), of which 43 per cent (38) was recycled. For all properties, the proportion recycled was 40 per cent, compared to 33 per cent in 2022. At present, waste is not reported from new construction or refurbishment projects.

Supplier evaluation – environmental and social

3-3 Management of material topics 308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria

Since a significant part of the environmental and social impact arises in the supply chain, it is of considerable importance that Eastnine evaluates new and existing suppliers on the basis of these criteria. Our work with suppliers is based on our Code of Conduct for suppliers. We want suppliers to live up to the same standards as used internally when it comes to compliance, respect for human rights and working conditions. To achieve greater transparency, and ensure compliance with our code of conduct, Eastnine has implemented an analytical system solution based on an extensive questionnaire for suppliers, which enables a structured evaluation of Eastnine's partners based on environmental and social aspects. All suppliers, who are deemed to be included in a group of strategic suppliers, which includes services and products within construction, design, property maintenance and operation, as well as consultancy services, participate in the evaluation. Any risks and questions are dealt with after completed evaluation in a dialogue with the suppliers. We believe that by emphasising the importance of this evaluation for continued collaboration with our suppliers, and by engaging our suppliers in a dialogue on these issues, we raise awareness and the status of sustainability efforts in our markets. Evaluations are carried out continuously. All strategic suppliers have been evaluated and assessed with the aid of the tool.

Training and education

3-3 Management of material topics 404-3 Percentage of employees receiving regular performance and career development reviews

Retaining competent and engaged staff is of crucial importance for Eastnine's development and its ability to meet its operational targets. Employee satisfaction is regarded as an important issue. Eastnine strives to be an attractive employer and works with a long-term approach to create engagement and staff satisfaction among employees. Career and competence development are considered to be important for engagement and satisfaction with the employer, as shown by the annual employee survey via Great Place to Work. In 2023, Eastnine's employees have been provided access to a training portal, where each employee can access training materials online during working hours. Also, all employees have an annual employee conversation to discuss and plan training targets and other career-boosting measures.

Waste	Total, tonnes			kg/sq.m.			Proportion recycled waste, %	
	2023	2022	Change, %	2023	2022	Change, %	2023	2022
Directly-managed properties	776	834	-7	4.3	4.6	-7	43	38
All properties	1,029	1,171	-12	4.4	5.0	-12	40	33

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
→ GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

Sustainability disclosures

Diversity and equal opportunity

3-3 Management of material topics

405-1 Diversity of governance bodies and employees

406-1 Incidents of discrimination and corrective actions taken

Eastnine strives to be an inclusive workplace which supports diversity and inclusion, both in terms of behaviour and identity. These efforts are governed by the Diversity and Equal Treatment policy. Eastnine realises that diversity is a competitive advantage and sees the value of a variety of perspectives, backgrounds and competencies. Eastnine has zero tolerance for all forms of discrimination, prejudice and unequal treatment. All employees in Eastnine's organisation shall have the same opportunities for promotion, training and development regardless of their sexual orientation, ethnicity, gender identity, disabilities, faith or age. Issues relating to discrimination and unequal treatment are taken up in the annual employee survey and are handled anonymously. No cases of discrimination were reported in 2023.

Eastnine strives for equality and diversity among employees to ensure a broad range of knowledge, views and experiences within the organisation. The goal is to have an equal representation of women and men on the Board and in management. In the Company's management, men and women are equally represented. Once another woman was elected as Board member, in connection with the 2023 AGM, the Board's gender representation achieved an even distribution. The Board then comprised three women and three men, and the Chairman is a woman. In 2023, the Allbright Foundation therefore awarded Eastnine the first place on their "green list", a ranking of gender equality in Swedish listed companies. At the end of 2023, Eastnine employed a total of 22 people, of which 13 were women and nine were men.

Year	2023	2022
BOARD OF DIRECTORS		
Women		
under 30	–	–
30–50	1	1
over 50	2	1
Men		
under 30	–	–
30–50	–	–
over 50	3	3
MANAGEMENT		
Women		
under 30	–	–
30–50	–	–
over 50	1	1
Men		
under 30	–	–
30–50	1	1
over 50	–	–
OTHER EMPLOYEES		
Women		
under 30	1	1
30–50	10	12
over 50	1	1
Men		
under 30	–	–
30–50	7	7
over 50	1	1
Total	28	29

Customer health and safety

3-3 Management of material topics

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

Eastnine aims to deliver the highest possible level of service to its tenants and has an explicit focus on health and well-being in its properties. Eastnine's work with customers' health and safety is based on the Company's engagement policy for tenants which includes requirements and criteria concerning indoor climate, physical activity and safety. The policy is designed and inspired by the WELL certification framework, which focuses on the health and well-being of the people spending time in the buildings. Eastnine's property Nowy Rynek D is additionally certified WELL Gold, which is renewed every three years, and WELL Health and Safety, which is renewed annually. Eastnine communicates on health and well-being in local social media and news channels, offers activity-based furniture as a complement to traditional office furniture, and is implementing design elements in the properties which encourage physical exercise.

There were no incidents of non-compliance reported in 2023 with regards to health and safety aspects of the buildings. Routine complaints from our tenants relating to the indoor environment are reviewed, investigated, remedied and reported to the management in a systematic fashion by the country-level management organisation.



GRI content index

GRI standard	Disclosure	Principles of the UN Global Compact	Page	Comment
The organisation and accounting principles				
2-1	Organisational details		3	
2-2	Entities included in the organisations sustainability reporting			Property business in Lithuania, Latvia and Poland. The segment Other investments is excluded.
2-3	Reporting period, frequency and contact point		112	
2-4	Restatements of information			Where previously reported disclosures have been corrected, there are footnotes or comments in relation to reported disclosures.
2-5	External assurance			Not externally assured. The energy, water and waste data are verified by a third party. Scope 3 calculations are produced by a third party
Activities and employees				
2-6	Activities, value chain and other business relationships		14–16	
2-7	Employees	3, 6	112	
2-8	Workers who are not employees	3, 6	112	
Governance				
2-9	Governance structure and composition		101–102	
2-10	Nomination and selection of the highest governance body		101–102	
2-11	Chair of the highest governance body		106	
2-12	Role of the highest governance body in overseeing the management of impacts		103	
2-13	Delegation of responsibility for managing impacts		103	
2-14	Role of the highest governance body in sustainability reporting		103	

GRI standard	Disclosure	Principles of the UN Global Compact	Page	Comment
2-15	Conflicts of interest		91, 106, 110	
2-16	Communication of critical concerns		103	
2-17	Collective knowledge of the highest governance body		102, 106	
2-18	Evaluation of the performance of highest governance body		103	
2-19	Remuneration policies		104	
2-20	Process to determine remuneration		104	
2-21	Annual total compensation ratio		113	
Strategies, policies and practice				
2-22	Statement on sustainable development strategy		100	
2-23	Policy commitments	10	114–115	
2-24	Embedding policy commitments		114–115	
2-25	Policy to remediate negative impacts	7	114–115	
2-26	Mechanisms for seeking advice and raising concerns		114–115	
2-27	Compliance with laws and regulations		114–115	
2-28	Membership associations			UN Global Compact, Green Building Council Lithuania, GRESB, Proptech Association Lithuania
Stakeholder engagement				
2-29	Approach to stakeholder engagement		115	
2-30	Collective bargaining agreements			All employees are salaried professionals. No employees are currently part of a collective bargaining agreement.

- This is Eastnine 3
- Sustainability in focus 17
- Our business 29
- Financial information and governance 50
- Other information 108
 - The share and shareholders 109
 - Sustainability disclosures 112
 - GRI notes 112
 - GRI content index 122
 - TCFD report 124
 - EU taxonomy 126
 - Definitions 128
 - Other 130

↓ Download printable pdf



Sustainability disclosures

Material topics

Material topics	Disclosure		Principles of the UN Global Compact	UN Sustainable Development Goals	Page	Comment
Material topics						
	3-1	Process to determine material topics			116	
	3-2	List of material topics			116	
Finance						
Anti-corruption	3-3	Management of material topics			116	
	205-2	Communication and training about anti-corruption policies and procedures	10		27, 62, 114, 116	
	205-3	Confirmed incidents of corruption and actions taken	10		27, 116	
Environment						
Energy	3-3	Management of material topics			25, 117	
	302-1	Energy consumption within the organisation	6, 9	7	25, 117	
	302-3	Energy intensity	6, 9		25, 117	
Water	3-3	Management of material topics			26, 118	
	303-5	Total water consumption	7, 8, 9	11, 12	26, 118	
Emissions	3-3	Management of material topics			25, 118–119	
	305-1	Direct (Scope 1) GHG emissions	7, 8, 9	11, 12	25, 118–119	
	305-2	Energy indirect (Scope 2) GHG emissions	7, 8, 9		25, 118–119	
	305-3	Other indirect (Scope 3) GHG emissions	7, 8, 9		25, 118–119	

Material topics	Disclosure		Principles of the UN Global Compact	UN Sustainable Development Goals	Page	Comment
Waste	3-3	Management of material topics			26, 120	
	306-3	Waste generated		11, 12	26, 120	
Supplier environmental assessment	3-3	Management of material topics			28, 120	
	308-1	New suppliers that were screened using environmental criteria		12	28, 120	
Social						
Training and education	3-3	Management of material topics			120	
	404-3	Percentage of employees receiving regular performance and career development reviews	6		120	
Diversity and equal opportunity	3-3	Management of material topics			27, 121	
	405-1	Diversity of governance bodies and employees	1, 2, 4, 6		27, 121	
Non-discrimination	3-3	Management of material topics	1, 2, 4, 6		27, 121	
	406-1	Incidents of discrimination and corrective actions taken			27, 121	
Supplier social assessment	3-3	Management of material topics			28, 120	
	414-1	New suppliers that were screened using social criteria			28, 120	
Customer health and safety	3-3	Management of material topics			13, 121	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		11	121	

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
→ GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

Download printable pdf



TCFD report

This report provides additional disclosures in accordance with TCFD’s (Task Force on Climate-related Financial Disclosures) recommendations with regard to how Eastnine works with climate-related risks and opportunities.

The construction and real estate sector account for approximately one third of global greenhouse emissions and global energy consumption, which means that real estate companies are exposed to risks related to climate change. If we are to cope with the challenges that ensue from the transition to a low-carbon economy, we must have a good understanding of these risks and how they can be avoided or mitigated. At the same time, the green transition can offer new opportunities creating competitive advantage and long-term benefits for actors willing to raise their level of ambition and capture these opportunities at an early stage. This insight is fundamental for Eastnine’s approach to the governance of climate-related risks and opportunities and is reflected in our sustainability efforts.

Governance

Eastnine works systematically with strategies aimed at reducing the climate footprint and the climate-related risks. These risks are part of the Board’s and the management’s work with risk assessment. The risk assessment analysis is continuously reviewed and updated, while mitigation actions corresponding to each risk are evaluated in terms of continued relevance and effectiveness.

While the risks to the existing portfolio are evaluated continuously in the course of routine operations, the climate risks related to new acquisitions are addressed during the due diligence process.

Governance	Strategy	Risk management	Indicators and targets
a) Board of Directors’ overview of climate-related risks and opportunities. pg. 103	a) Description of climate-related risks and opportunities that we have identified. pgs. 23–26	a) Description of the process of identifying and assessing climate-related risks. pgs. 23–24, 58, 61–62	a) Indicators to measure and control climate-related risks and opportunities. pgs. 23–24
b) Role of management in assessing and managing climate-related risks and opportunities. pgs. 7–8, 103	b) Description of how the business, strategy and financial planning have been impacted. pgs. 23–26	b) Description of processes to manage climate-related risks. pgs. 23–24, 61–62, 124–125	b) Reporting of Scope 1, 2 and 3 emissions according to the Greenhouse Gas Protocol. pgs. 118–119
	c) Description of the organisation’s strategic resilience, and impact of various climate-related risks and opportunities. pgs. 124–125	c) Description of how the processes are integrated into the organisation’s overall risk management. pgs. 23–24, 61–62, 124–125	c) Description of targets used to manage climate-related risks and opportunities and the outcome of these targets. pgs. 23–24

Acquisitions

ESG due diligence for acquisitions

- Energy performance analysis
- Certification scorecard review
- Calculation of costs for upgrading/renewing certification
- Analysis of physical climate risks related to the geographical location of properties (Munich Re/GRESB)
- Review of EU taxonomy alignment

Management

Management systems including:

- Building certification
- Energy performance monitoring
- Water use monitoring
- Tenant engagement
- Green leases
- Indicators and key figures

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
→ TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

Download printable pdf



Sustainability disclosures

Transition risks

Transition risks are risks arising in conjunction with the global transition to a low carbon economy. This shift entails changes to policies, investments, business strategies and customer requirements, i.e. reduced environmental impacts. For the real estate sector, this transition will likely lead to increased demands on climate performance of buildings and increasing valuation differentials between green and non-green assets. The transition risks considered material for our operations are described in more detail on pgs. 61–62.

Physical climate risks

Physical climate risks refers to risks related to changing climate conditions which affect building operations and maintenance, for example, higher temperatures and a greater probability of extreme weather. Physical climate risks can be subdivided into risks relating to the geographical location of a building, and risks relating to its maintenance and operation. As regards the location related risks, Eastnine has carried out a climate risk analysis for all properties, based on the solution provided jointly by GRESB and Munich Re. This analysis is also carried out for all potential acquisitions and is included together with other findings in the ESG due diligence report used as the supporting documentation for the Board’s decision. In addition to this, property-specific climate risk analyses are conducted to ensure that the properties are sufficiently resilient, based on the most recently available science. Read more about the analyses carried out in 2023 on pgs. 23–24.

Our sustainability efforts result in new opportunities

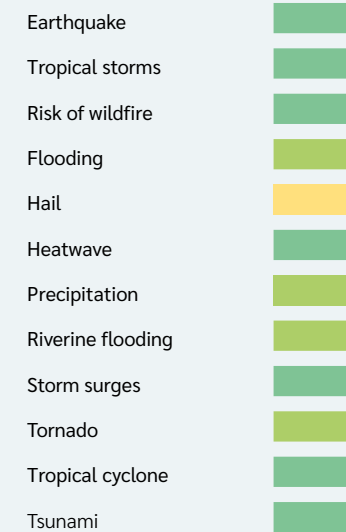
Eastnine is a responsible actor with a high level of environmental ambitions. The efforts targeting top levels of environmental certification, top energy performance, and emission reduction policies are meant to enhance Eastnine’s reputation as a responsible market actor, safeguard and increase the value of its property portfolio, meet and exceed tenants’ sustainability requirements, enhance employee engagement, and secure access to future financing. On pgs. 25–28, we describe how we intend to create value for our stakeholders by tapping into climate-related opportunities in the spheres of energy efficiency, carbon dioxide emissions and efficient use of resources.

Physical climate risks relating to geographical location

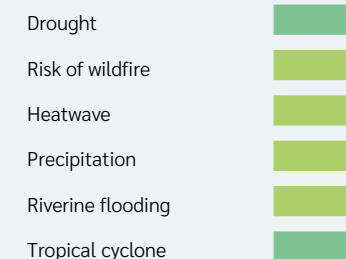
The diagram to the right provides an overview of physical climate risks in Eastnine’s property portfolio, including current risks and future risks up until 2050. The risk assessment is based on climate data provided by the GRESB Climate Risk Module and is based on a methodology developed by Munich Re, a global provider of insurance and reinsurance products. The worst possible scenarios for future risks is presented in accordance with RCP 8.5. The RCP 8.5 scenario represents the most negative outcome for climate changes described in the IPCC (the Intergovernmental Panel on Climate Change, the UN body mandated with summarising and evaluating research relating to global warming) report, i.e. the highest carbon dioxide content in the atmosphere, corresponding to the failure to reach the Paris agreement goals. The overview is based on aggregated data for all properties.

Physical climate-related risks to the properties

Exposure overview – at present



Exposure overview – RCP 8.5 / Year 2050



■ No / very little exposure
■ Low exposure
■ Moderate exposure
■ High exposure
■ Very high exposure



Other information

This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
→ TCFD report	124
EU taxonomy	126
Definitions	128
Other	130

Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
TCFD report	124
→ EU taxonomy	126
Definitions	128
Other	130

EU taxonomy

Eastnine is not subject to the requirement to report in accordance with the EU taxonomy of sustainable investments, but has decided to voluntarily include information about how Eastnine’s business contributes to the EU climate goals due to increased interest on the part of investors and financiers.

Economic activities outside the EU taxonomy

The application of the EU taxonomy has been produced as part of the EU plan of action for sustainable finance. It is a tool to enable identification of which investments are environmentally sustainable at the EU level, to be able to steer financing towards green assets and activities and thus achieve the EU climate goals. In order for an activity to be regarded as sustainable, it must, according to the EU taxonomy regulation, contribute to at least one of the six established environmental goals and not have a negative impact on the other environmental goals. In addition to this, requirements are posed for human rights and other social aspects. The activities in Eastnine’s operations that can be associated with the EU taxonomy are in the category of acquisitions and management of office properties and are thus covered by the regulation on financial activity 7.7. Acquisition and ownership of buildings.

Assessment of taxonomy-aligned activities

Considering the technical review criteria for activity 7.7. Acquisition and ownership of buildings, all buildings with energy class A, or that are among the 15 per cent most energy-efficient in the country, are considered aligned with the taxonomy. In 2023, a Lithuanian industry organisation published criteria for the top 15 per cent most energy efficient

buildings. Eastnine has used these guidelines in its classification of the portfolio. In Latvia, there are no corresponding published limits, but based on assessments made in connection with energy analyses, Eastnine’s properties Zala 1 and Valdemara Centrs, both in energy class B, are considered to fulfil the criteria for the “top 15 per cent”.

To be aligned with the taxonomy, it is necessary that a business does no significant harm (DNSH) to the other environmental goals. Eastnine carries out a climate risk analyses for all sites where it conducts business, and additionally analyses climate risks on a property level when considering an acquisition. In 2023, an updated climate risk analysis of all S7 properties and Uniq in Vilnius was ordered. These analyses are used as the basis of adaptation plans. Further information about the climate risk analyses can be found on pgs. 23–24. Considering this background, the assessment is that all of Eastnine’s existing properties are aligned with the DNSH criteria for activity 7.7.

Concerning “minimum safeguards” connected to human rights, anti-corruption, and business transparency, these criteria are met for Eastnine as a whole, following from our codes of conduct, ethical guidelines, and procedures tied to supplier screening and internal anti-corruption training.

Presentation of economic activities according to the EU taxonomy

The tables on the next page specify the proportions of net turnover, operating expenditure, and capital expenditure that are aligned with the EU taxonomy for activity 7.7.

Table 1 shows net turnover, referring to Eastnine’s rental income as recognised in the income statement. The proportion of turnover aligned with the EU taxonomy is assessed using criteria described above, and refer to rental income from properties that meet the criteria for activity 7.7.

Table 2 shows operating expenditure and include costs for property cleaning, regular maintenance and repairs, as well as tenant improvements, that have been taken up as costs. The proportion of operating expenses aligned with the EU taxonomy is assessed using criteria described above, and refer to operating expenses from properties that meet the criteria for activity 7.7.

Table 3 shows capital expenditure, and refers to acquisitions and investments that increase the value of Eastnine’s properties aligned with the assessment criteria for activity 7.7.

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
TCFD report	124
→ EU taxonomy	126
Definitions	128
Other	130

Sustainability disclosures

Table 1. Economic activities	Net turnover, EURm	%	Limitation of climate change %	DNSH criteria, Yes/No	Minimum safeguards, Yes/No	Taxonomy- aligned proportion, %	Enabling/ Transition, E/T
A. Activities eligible in the EU Taxonomy	36.2	100					
A.1 Activities that are aligned with the EU Taxonomy	28.7	79					
7.7 Acquisition and ownership of buildings	28.7	79	100	Yes	Yes	79	-
A. 2 Activities that are not aligned with the EU Taxonomy	7.5	21					
7.7 Acquisition and ownership of buildings	7.5	21					
B. Activities not eligible in the EU Taxonomy	0.0	0					
Total (A+B)	36.2	100					

Table 2. Economic activities	Operating expenses, EURm	%	Limitation of climate change %	DNSH criteria, Yes/No	Minimum safeguards, Yes/No	Taxonomy- aligned proportion, %	Enabling/ Transition, E/T
A. Activities eligible in the EU Taxonomy	10.5	100					
A.1 Activities that are aligned with the EU Taxonomy	8.3	78					
7.7 Acquisition and ownership of buildings	8.3	78	100	Yes	Yes	78	-
A. 2 Activities that are not aligned with the EU Taxonomy	2.3	22					
7.7 Acquisition and ownership of buildings	2.3	22					
B. Activities not eligible in the EU Taxonomy	0.0	0					
Total (A+B)	10.5	100					

Table 3. Economic activities	Capital expenditure, EURm	%	Limitation of climate change %	DNSH criteria, Yes/No	Minimum safeguards, Yes/No	Taxonomy- aligned proportion, %	Enabling/ Transition, E/T
A. Activities eligible in the EU Taxonomy	2.2	100					
A.1 Activities that are aligned with the EU Taxonomy	1.4	61					
7.7 Acquisition and ownership of buildings	1.4	61	100	Yes	Yes	61	-
A. 2 Activities that are not aligned with the EU Taxonomy	0.9	39					
7.7 Acquisition and ownership of buildings	0.9	39					
B. Activities not eligible in the EU Taxonomy	0.0	0					
Total (A+B)	2.2	100					

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
→ Definitions	128
Other	130

Definitions

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

Yield, earning capacity

Net operating income in relation to the value of the 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 property, and future vacancy risk.

Average rental income

Contracted rental income for premises in relation to the let area at the end of the year.

Rental value

Contracted annual rents which are current at the end of the year with supplements for discounts and estimated market rent for vacancies.

Sustainability-certified properties

Sustainability-certified area (at least LEED Gold or BREEAM Excellent) as a proportion of total property area, excluding properties expected to undergo considerable redevelopment.

Triple-net lease

Lease agreements 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.

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 year in relation to the rental value. *This indicator is used to facilitate the estimation of rental income for vacant premises and other financial vacancies.*

Vacancy rate, financial

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

Vacancy rate, by area

Vacancy rate in relation to lettable area.

WAULT

Average remaining contract length for leases at the end of the period, weighted by agreed rental income. *The indicator shows the weighted risk of future vacancies.*

Surplus ratio

Net operating income in relation to rental income.

Financial key figures

Return on equity

Net profit or loss for the year in relation to average equity.

LTV (loan-to-value) ratio

Interest-bearing liabilities, less cash and cash equivalents, in relation to the value of the investment properties.

Net operating income

Rental income less property expenses.

EBITDA

Earnings before interest, tax, depreciation and amortisation.

Profit from property management

Earnings before value changes, dividends received and taxes.

Average interest rate

The average interest rate on interest-bearing liabilities at year-end.

Rental income

Debited rents, rental accruals, and rental guarantees less rental discounts.

Capital tie-up period

The average remaining term on interest-bearing liabilities at year-end.

Net debt ratio

Interest-bearing liabilities, less cash and cash equivalents, at year-end, in relation to net operating income, less central administration expenses.

Fixed interest term

The average remaining fixed interest term on interest-bearing liabilities at year-end.

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
→ Definitions	128
Other	130

Definitions

Interest coverage ratio

Profit from property management, with reversal of interest expenses, in relation to interest expenses. *The key figure shows the extent to which cash flow is sufficient to cover interest expenses.*

Debt coverage ratio

Interest-bearing liabilities at year-end in relation to the net operating income less deductions for central administration expenses.

Equity/asset ratio

Equity in relation to total assets.

Share-related key figures

Equity per share

Total equity at year-end in relation to the number of issued shares, less repurchased shares at year-end.

Profit from property management per share

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

Cash flow per share

Cash flow for the year divided by the weighted average number of shares during the period.

Cash flow from operating activities per share

Cash flow from operating activities for the year divided by the weighted average number of shares during the period.

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 divided by the number of shares issued, less treasury shares.

Earnings per share (definition as per IFRS)

Earnings for the year attributable to equity holders of the Parent Company in relation to the average number of shares issued, less repurchased shares held in treasury.

Glossary

Break option

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

Gross floor area

Gross floor 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.

CBD

Central Business District; a city's centre for shops, offices and services.

Property

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

GRESB

Short for Global Real Estate Sustainability Benchmark.

Green leases

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

Sustainability certification systems

BREEAM is an abbreviation of Building Research Establishment Environmental Assessment Method. LEED is an abbreviation of Leadership in Energy and Environmental Design.

WELL and Fitwel are international systems used to certify buildings that promote the health and well-being of people at work.

ICT

Abbreviation for Information and Communications Technology.

IFRS

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

Net letting

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

Interest 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 NAV the shares are traded at a NAV discount; if market cap is higher, shares are traded at a premium.

Fair value

Fair value is the price at which a 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.

WACC

Abbreviation for Weighted average cost of capital.

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 general meeting.

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
→ Other	130

Other

Annual General Meeting 2024

The Annual General Meeting for Eastnine AB will take place on Thursday, 25 April 2024 at 15.00 at IVA Conference Center, on Grev Turegatan 16 in Stockholm.

Registration

Shareholders wishing to participate in the Annual General Meeting must be registered in the share register kept by Euroclear Sweden AB on Wednesday, 17 April 2024, or, if the shares are registered in the name of a nominee, request that the nominee registers the shares in the shareholder’s own name for voting purposes in such time that the registration is completed by Friday, 19 April 2024; and give notice of their intention to participate at the Annual General Meeting no later than Friday, 19 April 2024, using one of the following methods:

- by telephone, +46 8-505 977 00
- via e-mail, agm@eastnine.com
- or by mail, to: Eastnine AB (publ), “Annual General Meeting”, Box 7214, SE-103 88 Stockholm.

Intermediated shares

Holders of intermediated securities must temporarily re-register the shares in their own name in order to have the right to participate in the Annual General Meeting. Such re-registration must be effected at Euroclear Sweden AB no later than Friday 19 April 2024.

Proxies

If shareholders are represented by proxy, a written and dated proxy form signed by the shareholder shall be sent to Eastnine in good time before the general meeting. The proxy form is available on Eastnine’s website, at www.eastnine.se. If the shareholder is a corporate entity, a certificate of incorporation or other authorisation must be attached.

Complete notice

The complete notice for the 2024 Annual General Meeting is available on www.eastnine.com

Contact us

Head office, Stockholm

Eastnine AB (publ)
Box 7214, 103 88 Stockholm,
Sweden
Visiting address: Kungsgatan 30
Tel: +46 8-505 977 00
E-mail: info@eastnine.com

Latvia

Eastnine Latvia
Kr. Valdemara iela 21-9
Riga LV-1010, Latvia
E-mail: info@eastnine.lv

Lithuania

Eastnine Lithuania UAB
Lvivo g.25-701,
LT-09320 Vilnius, Lithuania
E-mail: info@eastnine.lt



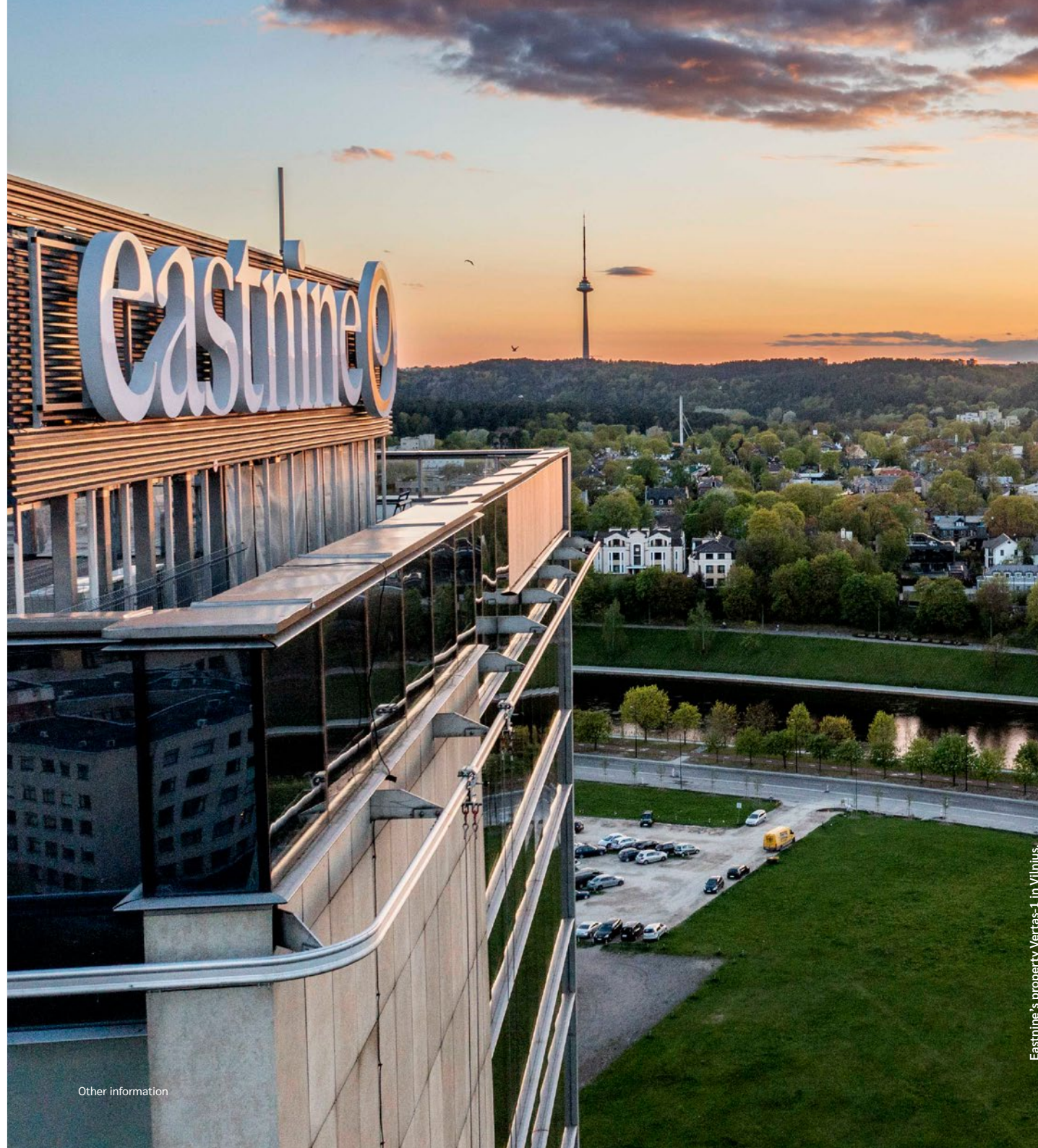
Calendar

- Interim report January–March 2024: 24 April 2024
- Annual General Meeting: 25 April 2024
- Interim report January–June 2024: 4 July 2024
- Interim report January–September 2024: 24 October 2024
- Year-end report 2024: 5 February 2025

↓ Download printable pdf



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
→ Other	130



Eastnine's property Vertas-1 in Vilnius.

Download printable pdf

Other information

ESEF information

Name of reporting entity	Eastnine AB (publ)
Domicile of entity	Stockholm
Country of incorporation	Sweden
Address of entity's registered office	Box 7214, 103 88 Stockholm
Principal places of business	Latvia . Lithuania . Poland
Description of the nature of entity's operation	Real estate company
Name of parent entity	Eastnine AB (publ)
Legal form of entity	Limited liability company
Name of ultimate parent of group	Eastnine AB (publ)

This version of the Annual Report is in a PDF format and thus is not the XHTML format compliant with the ESEF regulation. Eastnine's ESEF report is available on eastnine.com.

The English version of the Annual Report 2023 is a translation of the Swedish original.

Photography: Norbert Tukaj, Johan Paulin, Laimonas Ciunys, and photography provided by Skanska.

Cover: Laimonas Ciunys.

Design and production: Eastnine in collaboration with Narva Communications. **Printing:** Elanders Sweden.



This is Eastnine	3
Sustainability in focus	17
Our business	29
Financial information and governance	50
Other information	108
The share and shareholders	109
Sustainability disclosures	112
GRI notes	112
GRI content index	122
TCFD report	124
EU taxonomy	126
Definitions	128
→ Other	130



Eastnine AB (publ)
Box 7214, 103 88 Stockholm
Office address: Kungsgatan 30
Phone: +46 8 505 97 700
E-mail: info@eastnine.com
www.eastnine.com

↓ Download printable pdf