

## Year-end report 2019

**2019 was a year of strong growth in profit from property management and positive value growth in both the property portfolio and other investments. Good letting work meant that the fourth quarter presented a positive net leasing to higher rent levels than was the case for the property portfolio at the end of the year.**

### January – December 2019

- Rental income increased by 46 per cent to EUR 13,348k (9,130), due to a larger real estate portfolio and higher rent level.
- Net operating income increased by 55 per cent to EUR 11,946k (7,690).
- Profit from property management increased by 73 per cent to EUR 5,489k (3,180).
- Unrealised value changes amounted to EUR 26,944k (8,386) of which EUR 10,208k (5,483) is attributable to properties, EUR -1,006k (-782) to derivatives, and EUR 17,742k (3,685) to investments.
- Realised changes in value and dividends from investments amounted to EUR 5,403k (5,402).
- Profit/loss for the year amounted to EUR 35,266k (15,641), corresponding to EUR 1.66 per share (0.71).
- The equity/asset ratio amounted to 64 per cent (76) and the loan-to-value ratio to 47 per cent (43).
- The occupancy rate increased by 3.9 percentage points to 92.7 per cent (88.8).
- The Board proposes a dividend of 2.70 SEK per share (2.30), to be paid on two occasions in May and November respectively, each of 1.35 SEK per share. The dividend corresponds to 2.0 per cent of the net asset value as of year-end 2019 and a 17 per cent increase.

### Key events during the fourth quarter

- The office properties Valdemara Centrs, comprising around 8,600 sq.m. in Riga, as well as S7-2, comprising around 16,000 sq.m. in Vilnius, were taken into possession in October.
- In December, Eastnine acquired and took possession of the property Kimmel in Riga, mainly comprised by a development site.
- In October, Eastnine divested its entire holding in East Capital Baltic Property Fund III at net asset value.
- Net leasing was positive during the quarter and amounted to EUR 99k annually. Average rent level was EUR 15.2 per sq.m. and month compared to an average of EUR 14.7 by the end of December 2019.

### Key events after the end of the year

- No significant events have occurred after the end of the year.

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## **Comment from CEO**

### **Rapid portfolio growth and improved earnings**

“Eastnine ended 2019 on a strong note, in the same way as the year began. Profit from property management increased considerably, due primarily to an expanded portfolio but also due to higher rent level. Positive developments in both our property portfolio as well as in the fashion retailer Melon Fashion Group led to considerable unrealised value changes during the year, especially in the last quarter.

The property portfolio grew with large acquisitions in Vilnius and in Riga, and we have a clear picture of our goals. Numerous interesting acquisition properties in our pipeline allows us to continue our growth journey. A larger property portfolio means that we can increase our efficiency and hone our market offering.

In line with Eastnine's strategy cash flow properties should be sprinkled with some interesting and profitable development projects. In newly acquired Kimmel quarter in Riga up to 38,000 sq.m. could be developed. The central location and size of the property gives us the chance not just to develop offices, but also venues for people to meet, including restaurants and entertainment for the benefit of the people of Riga. We also have the same view in Vilnius. Our ambition is for Eastnine to be the foremost landlord within our segment. We want our office premises to give our tenants a competitive edge when it comes to attracting talent and creating business opportunities. Many of our tenants conducts highly skilled operations with international focus, often within IT.

The ambition to become the leading landlord can only be achieved with our own staff. We have during the year begun the process of establishing an office in Riga, and also recruited several talented colleagues to Eastnine, further expanding our competent team. Together, we are ready to take on yet another exciting year”, says Kestutis Sasnauskas, CEO of Eastnine.

### **Presentation of the report**

Today at 10 a.m. (CET) Kestutis Sasnauskas CEO at Eastnine and Britt-Marie Nyman CFO and deputy CEO will present the year-end report at a telephone conference. Please dial the following telephone numbers to participate: +46 8 566 427 04 (SE), +1 833 823 05 89 (US), +44 333 300 92 64 (UK), +45 781 501 09 (DK). The presentation for the telephone conference will be made available on [www.eastnine.com](http://www.eastnine.com) 15 minutes before the conference begins.

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*Eastnine AB (publ) is a Swedish real estate company with a property value of EUR 290m and a net asset value of EUR 268m. Eastnine's vision is to create and provide prime venues where ideas can flow, people can meet, and successful business can be developed. The mission is that Eastnine shall be the leading long-term provider of modern and sustainable office premises in prime locations in the Baltic capitals. Eastnine is listed on Nasdaq Stockholm, Mid Cap, sector Real Estate.*

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