



**EFTEN  
KINNISVARAFOND II**

## **Consolidated half-year report 2022**

### **EfTEN Kinnisvarafond II AS**

**Commerical register number: 12781528**

**Beginning of financial period: 01.01.2022**

**End of financial period: 30.06.2022**

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## MANAGEMENT REPORT

The portfolio of EFTEN Kinnisvarafond II AS includes 6 individual investments with a total fair value of 259 million euros. Due to the achievement of the fund's activity volume, the fund will no longer acquire new objects and the fund has entered the holding phase.

As of April 2022 the renovation of Radisson Collection Hotel was completed and a state-of-the-art hotel with two restaurants, a relaxation center, a spa and a fitness center along with a new conference center was opened to guests.

## Financial overview

EFTEN Kinnisvarafond II AS's consolidated sales revenue for the first half of 2021 was 9 million euros (first half of 2020: 7 million euros) and net profit of 6.4 million euros (first half of 2021: 3.2 million euros). Rent reductions caused by the Covid-19 totaled 0.35 million euros in the first half of 2022 (first half of 2021: 1.25 million euros).

In the first half of 2022, the fund earned an EBITDA of 6 million euros (first half of 2021: 5.4 million euros). Consolidated gross profit margin was 81% (first half of 2021: 87%)

Expenses related to the Group's real estate, marketing expenses, overheads and other income and expenses accounted for 33% of sales revenue in the first half of 2022 (first half of 2021: 28.4%).

6 months	2021	2021
<i>EUR million</i>		
Rental revenue	8.842	7.360
Expenses related to investment properties, incl. marketing expense	-2.182	-1.218
<b>Net rental revenue less finance costs</b>	<b>6.660</b>	<b>6.142</b>
Interest expense and interest income	-1.517	-1.258
Management fees	-0.720	-0.670
Other income and expenses	-0.019	-0.204
<b>Profit before changes in the value of investment properties, change in success fee and income tax expense</b>	<b>4.404</b>	<b>4.010</b>

The structure of the consolidation group and the direct and indirect participation of the consolidating entity in the consolidated entities are presented in Note 1 of the report

Until 31.03.2022 EFTEN Kinnisvarafond II AS owned a 100% stake in Astlanda Hotelli AS, the operating company of the Radisson Blu Sky Hotel. As of 01.04.2022 Astlanda Hotelli AS was merged with the parent company EFTEN Sky OÜ, the merging company was EFTEN Sky OÜ. Until the moment of the merger, the operating results of the hotel have been consolidated in the fund's report.

The volume of the Group's assets as of 30.06.2022 was 268 million euros (31.12.2021: 260 million euros), including investment properties at fair value and property, plant and equipment accounted for 259 million euros (31.12.2021: 250 million euros). The net value of the share of EFTEN Kinnisvarafond II AS increased by 2.4% in the first half of the year (first half of 2021: increased by 2.7%)

	31.12.2021	31.12.2020
<i>EUR million</i>		
Investment properties	258,920	190,990
Property, plant and equipment and intangible assets	0,057	59,196
Other non-current assets	0,008	0,008
Current assets, excluding cash	1,438	2,034
Net debt	-114,814	-110,042
Net asset value (NAV)	145,6090	142,1850
Net asset value (NAV) per share, in euros	15.8034	15.4318

The weighted average interest rate of the Group's loan agreements was 2.29% as of the end of the reporting period, with interest rate swap agreements 2.52% (31.12.2021: 2.18% and 2.52%) and LTV (Loan to Value) 44% (31.12.2021:44%)

6 months or as at June 30	2022	2021
ROE, % (net profit of the period / average equity of the period) x 100	4.4	2.4
ROA, % (net profit of the period / average assets of the period) x 100	2.4	1.3
ROIC, % (net profit of the period / average invested capital of the period) x 100	6.5	3.3
Sales revenue (EUR thousands)	8,842	7,360
EBITDA (EUR thousands)	5,987	5,386
EBITDA marginal, %	67.7	73.2
Liquidity ratio (current assets / short-term liabilities)	0.2	0.7
DSCR (EBITDA/(interest costs + scheduled loan payments))	1.9	2.3

<sup>1</sup> The average invested capital for the period is the paid-in share capital of EFTEN Kinnisvarafond II AS. The indicator does not take into account the actual investment of funds raised as equity.

The principles and objectives used in the risk management of the Group's assets are described in Note 20 of the report.

Risks related to interest rates that occurred during the financial year and during the period of preparation of the report are described in Note 20 of the report.

## Real estate portfolio

The portfolio of EFTEN Kinnisvarafond II AS includes 6 individual investments, the fair value of which was as of 30.06.2022 is a total of 259 million euros (31.12.2021: 250 million euros). In connection with reaching the fund's operating volume, the fund no longer continues to acquire new objects and has entered the holding phase.

Real estate investments, as of 31.12.2021	Address	Type	Fair value of investments (€ thousands)	Net leasable area (m <sup>2</sup> )	Rental income per year (€ thousands)	Occupancy (%)	Average length of leases (years)
Duntes Biroji office building	Duntes 6, Riga Latvia	office building	25,820	12,664	1,840	99	1.52
Magistral shopping centre	Sõpruse pst 201/203 Tallinn Estonia	shopping centre	29,900	11,771	2,578	96	4.03
Domina shopping centre	Ieriku 3, Riga Latvia	shopping centre	96,170	54,160	7,483	94	3.32
Kaunas Terminal logistics centre	Terminalo 8 ja 10, Kaunas Lithuania	logistics centre	18,270	28,708	1,506	97	3.27
Marienthali centre	Mustamäe tee 16, Tallinn Estonia	office and shopping centre	23,330	14,128	1,604	84	2.93
Radisson Collection hotel <sup>1</sup>	Rävala pst 3/ Kuke tn 2 Tallinn Estonia	hotel	65,430	22,814	1,577	100	6.91
<b>Total</b>			<b>258,920</b>	<b>144,245</b>	<b>16,588</b>	<b>95</b>	<b>3.36</b>

<sup>1</sup> In March 2022, the Group's subsidiary EFTEN Sky OÜ acquired a 46% stake of HMP Hotellid OÜ. HMP Hotellid OÜ has been operating the Radisson Collection hotel since April, and a lease agreement has been signed between the operator and the Group's subsidiary for the use of the building. The former operator of the hotel, Astlanda Hotelli AS, a subsidiary of the Group, merged with EFTEN Sky OÜ on April 01, 2022. Due to the change in ownership, EFTEN Sky OÜ no longer has control over the activities of the operating company, therefore, starting from 01.04.2022, the hotel was no longer recorded as a tangible fixed asset, and also Radisson Collection will be recorded as a property investment.

As of 30.06.2022, the Group has a total of 441 (31.12.2021: 362) lease agreements. The weighted average expiration date of lease agreements is 3.4 (31.12.2021: 2.9) years. The rental income of any lease does not exceed 10% of the consolidated rental income.

### Comparable rental income of the real estate portfolio by property

€ thousand	Fair value 30.06.2022	Rental income 2022/6 months	Rental income 2021/6 months	Change	Change, %
Duntes Biroji office building	25,820	920	914	7	0.7%
Magistraal shopping centre	29,900	1,289	1,092	197	18.0%
Domina shopping centre	96,170	3,742	2,583	1,159	44.9%
Kaunas Terminal logistics centre	18,270	753	775	-22	-2.9%
Marienthali centre	23,330	802	827	-25	-3.0%
<b>Total comparable assets and rental income</b>	<b>193,490</b>	<b>7,506</b>	<b>6,191</b>	<b>1,315</b>	<b>21.2%</b>
Radisson Blu Sky hotel (opened after renovation 05.2022)	65,430	359	82	277	340.0%
<b>Total real estate portfolio assets and rental income</b>	<b>258,920</b>	<b>7,865</b>	<b>6,272</b>	<b>1,592</b>	<b>25.4%</b>

€ thousand	Fair value 30.06.2022	Rental income 2022/6 months	Rental income 2021/6 months	Change	Change, %
Estonia	53,230	2,091	1,919	172	9.0%
Latvia	121,990	4,662	3,497	1,165	33.3%
Lithuania	18,270	753	775	-22	-2.9%
<b>Total comparable assets and rental income</b>	<b>193,490</b>	<b>7,506</b>	<b>6,191</b>	<b>1,315</b>	<b>21.2%</b>
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EFTEN Kinnisvarafond II AS regularly evaluates property investments twice a year – in June and December. The Group's property investments are evaluated by Colliers International Advisors OÜ

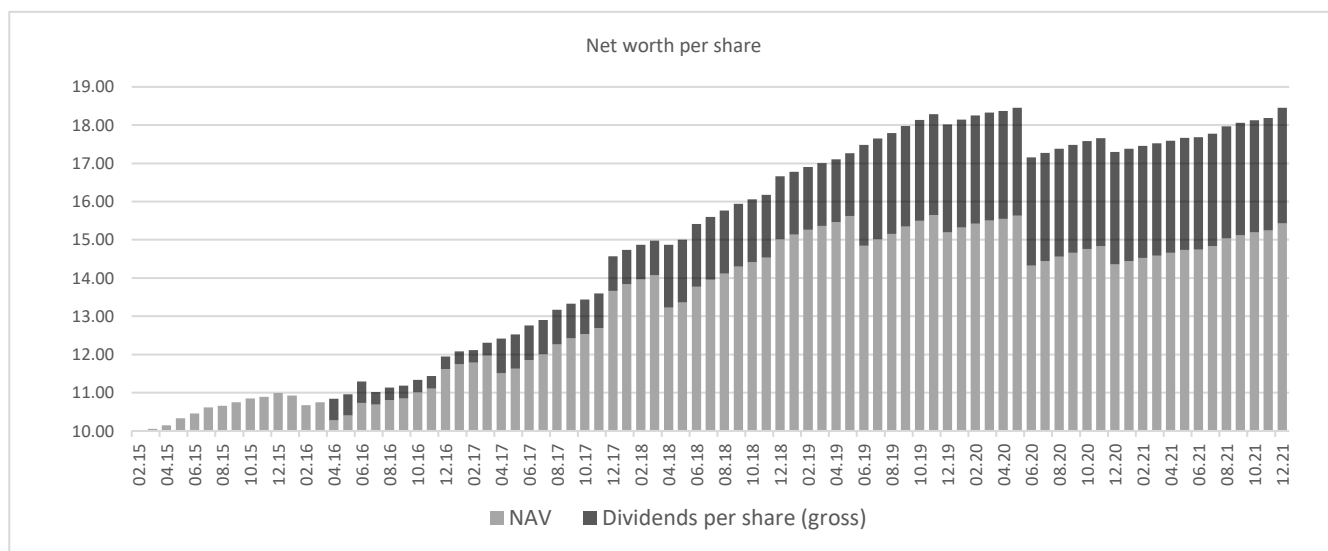
The group's independent appraiser evaluates property investments individually using the discounted cash flow method. The cash flow forecasts of all objects are updated when finding the fair value, and the discount rates and exit yields are differentiated depending on the location of the objects, the technical condition and the risk level of the tenants.

As a result of the evaluation, the value of the fund's property investments increased by 0.9% in the first 6 months of 2022 (in 2021, it increased by 0.7%)

## Information on shares

As at 30.06.2022 payments made to the share capital of EFTEN Kinnisvarafond II AS total 98 million euros (31.12.2021: same), including share capital 92.138 million euros and premium of 5.861 million euros. The number of shares as of 30.06.2022 was 9,213,756 (31.12.2021: same)

	30.06.2022	31.12.2021
Net asset value of the group, € thousand	145,609	142,185
Number of shares on the balance sheet date	9,213,756	9,213,756
Net worth per share, EUR	15.8034	15.4318



The group's dividend policy has been agreed upon in the terms of the fund with the fund's shareholders.

## Shareholder structure of EFTEN Kinnisvarafond II AS as at 30.06.2022

	Ownership percentage in the share capital, %
Swedbank Pension Funds	67.5%
Luminor Pension Funds	15.2%
SEB Bankas AB	4.2%
ERGO Life Insurance SE Estonian Branch	4.0%
Other	9.1%
	100.0%

## FINANCIAL STATEMENTS OF THE CONSOLIDATION GROUP FOR THE FIRST HALF OF 2022

### CONSOLIDATED INCOME STATEMENT

	Notes	First half of the year	
		2022	2021
€ thousand			
Revenue	4	8,842	7,360
Cost of services and goods sold	5	-1,665	-973
Gross profit		7,177	6,387
Marketing costs	6	-516	-245
General and administrative expenses	7	-1,321	-1,092
Gain / loss from revaluation of investment properties	14	2,088	-649
Other income	8	582	220
Other expenses	8	0	-2
Operating profit		8,009	4,619
Financial income		0	1
Finance costs	9	-1,518	-1,259
Profit before income tax		6,492	3,361
Income tax expense	10	-134	-131
Net profit for the accounting period		6,358	3,230

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	First half of the year	
		2022	2021
€ thousand			
Net profit for the financial period		6,358	3,230
Other comprehensive income / loss:			
Revaluation of property, plant and equipment	14,15	405	87
Profit / loss from revaluation of hedging instruments	19	181	256
<b>Total other comprehensive income / loss</b>		<b>586</b>	<b>343</b>
<b>Total comprehensive income for the financial year</b>		<b>6,944</b>	<b>3,573</b>

Notes on pages 10-39 are integral parts of the semi-annual accounting report

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30.06.2022	31.12.2021
€ thousand			
<b>ASSETS</b>			
Cash and cash equivalents	11	7,804	8,456
Receivables and accrued income	12	1,271	1,923
Prepaid expenses	13	158	99
Inventories		9	12
<b>Total current assets</b>		<b>9,242</b>	<b>10,490</b>
Long-term investments in securities		8	8
Investment property	14	258,920	190,990
Property, plant and equipment	15	57	59,196
<b>Total non-current assets</b>		<b>258,985</b>	<b>250,194</b>
<b>TOTAL ASSETS</b>		<b>268,227</b>	<b>260,684</b>
<b>LIABILITIES AND EQUITY</b>			
Borrowings	16	39,432	11,232
Derivative instruments	19	42	223
Payables and prepayments	17	3,475	3,771
<b>Total current liabilities</b>		<b>42,949</b>	<b>15,226</b>
Borrowings	16	74,653	98,001
Other long-term liabilities	17	1,455	1,470
Deferred income tax liability	10	3,562	3,801
<b>Total non-current liabilities</b>		<b>79,669</b>	<b>103,272</b>
<b>Total liabilities</b>		<b>122,618</b>	<b>118,498</b>
Share capital	21	92,138	92,138
Share premium	21	5,861	5,861
Statutory reserve capital	21	2,988	2,492
Hedging reserve	19	-42	-223
Revaluation reserve	14,15	-2,966	-3,371
Retained earnings		47,631	45,289
<b>Total equity</b>		<b>145,609</b>	<b>142,186</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>268,227</b>	<b>260,684</b>

Notes on pages 10-39 are integral parts of the semi-annual accounting report

## CONSOLIDATED STATEMENT OF CASH FLOWS

		First half of the year	
	Notes	2021	2021
€ thousand			
Net profit		6,358	3,230
Adjustments:			
Financial income		0	-1
Finance costs	9	1,518	1,259
Gains / losses from investment property revaluation	14	-2,088	649
Depreciation	15	65	118
Income tax expense	10	134	131
Total adjustments with non-cash changes		-371	2,155
Cash flow from operations before changes in working capital		5,987	5,386
Change in receivables and payables related to operating activities		355	-345
Change in inventories		3	0
Net cash generated from operating activities		6,345	5,041
Aquisition of property, plant and equipment	15	-4,405	-5,428
Aquisition of investment property	14	-2,405	-4,219
Acquisition of associates		-1	0
Interest received		1	1
Net cash generated from investing activities		-6,810	-9,646
Loans received	16	6,552	0
Scheduled repayments of loans	16	-1,712	-1,043
Change in loan guarantee deposit account		0	-370
Interest paid		-1,507	-1,526
Dividends paid	21	-3,520	0
Net cash generated from financing activities		-187	-2,938
NET CASH FLOW		-652	-7,543
Cash and cash equivalents at the beginning of the period	11	8,456	20,418
Change in cash and cash equivalents		-652	-7,543
Cash and cash equivalents at the end of the period		7,804	12,875

Notes on pages 10-39 are integral parts of the semi-annual accounting report



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Statutory reserve capital	Hedging reserve	Revaluation reserve	Retained earnings	Total
<i>€ thousand</i>							
<b>Balance as at 31.12.2020</b>	<b>92,138</b>	<b>5,861</b>	<b>2,391</b>	<b>-653</b>	<b>-2,888</b>	<b>35,467</b>	<b>132,316</b>
Transfers to statutory reserve capital	0	0	100	0	0	-100	0
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>-100</b>	<b>0</b>
<b>Net profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,230</b>	<b>3,230</b>
Revaluation of property, plant and equipment	0	0	0	0	87	0	87
Loss from revaluation of hedging instruments	0	0	0	256	0	0	256
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>256</b>	<b>87</b>	<b>3,230</b>	<b>3,573</b>
<b>Balance as a 30.06.2021</b>	<b>92,138</b>	<b>5,861</b>	<b>2,491</b>	<b>-397</b>	<b>-2,801</b>	<b>38,597</b>	<b>135,888</b>
<b>Balance as at 31.12.2021</b>	<b>92,138</b>	<b>5,861</b>	<b>2,492</b>	<b>-223</b>	<b>-3,371</b>	<b>45,289</b>	<b>142,186</b>
Transfers to statutory reserve capital	0	0	496	0	0	-496	0
Dividends paid	0	0	0	0	0	-3,520	-3,520
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>496</b>	<b>0</b>	<b>0</b>	<b>-4,016</b>	<b>-3,520</b>
<b>Net profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,358</b>	<b>6,358</b>
Revaluation of property, plant and equipment	0	0	0	0	405	0	405
Loss from revaluation of hedging instruments	0	0	0	181	0	0	181
<b>Total comprehensive income / loss</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>181</b>	<b>405</b>	<b>6,358</b>	<b>6,944</b>
<b>Balance as at 30.06.2022</b>	<b>92,138</b>	<b>5,861</b>	<b>2,988</b>	<b>-42</b>	<b>-2,966</b>	<b>47,631</b>	<b>145,609</b>

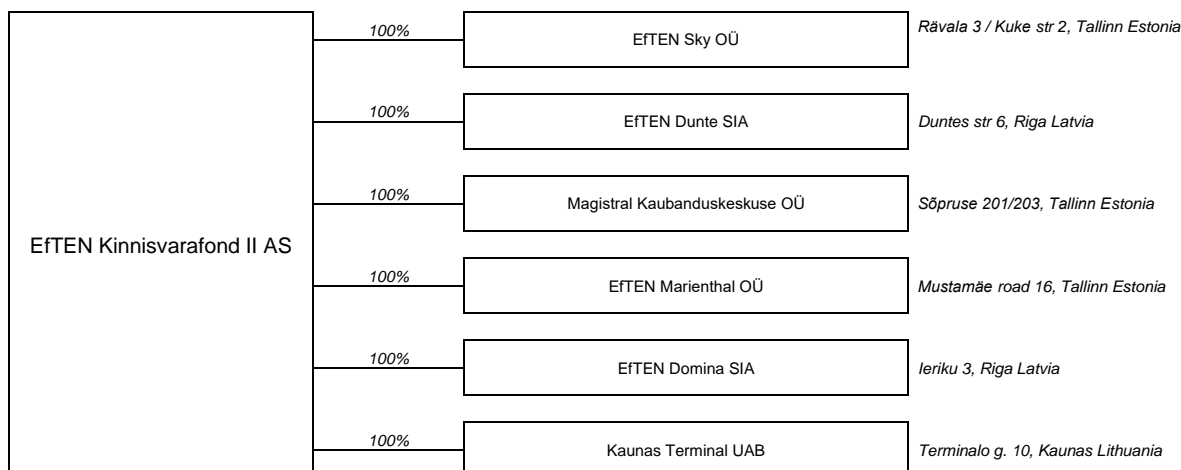
Additional information on changes in share capital and equity is provided in Notes 19, 21 and 22.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2022

## 1 General principles used in preparing the financial statements

EFTEN Kinnisvarafond II AS (Parent company) is a company registered and operating in Estonia.

The structure of EFTEN Kinnisvarafond II AS Group as at 30.06.2022 is as follows:



As at 01.04.2022 EFTEN Sky OÜ, a subsidiary of EFTEN Kinnisvarafond II AS, merged with its 100% subsidiary Astlanda Hotelli AS.

The consolidated financial statements of EFTEN Kinnisvarafond II AS and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union

The financial statements of the Group are presented in thousands of euros.

The financial statements have been prepared under the historical cost convention, except for land and buildings that have been revalued and measured using the revaluation model as described in the respective accounting policies and investment property that has been measured at fair value.

### 1.1 Summary of the most important accounting principles

#### Management's critical estimates and judgements

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union requires management to give judgments and make decisions that affect the principles and the value of assets and liabilities recognised as at balance sheet date, the disclosure of contingent assets and liabilities taking into account the probability of their realisation and income and expense for the reporting period.

Although estimates and underlying assumptions are reviewed by the management on an ongoing basis and they are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances, actual results may differ from the estimates.

Information about management's critical judgements and estimates that have a material effect on the amounts reported in the financial statements is provided below.

#### Estimation uncertainty

The estimates made by management are based on historical experience and the information that has become available by the date of the preparation of the financial statements. Therefore, there is a risk with the assets and liabilities presented at the balance sheet date, and the related revenue and expenses, that the estimates applied need to be revised in the future. The key sources of estimation uncertainty that have a significant risk of causing material restatements to the financial statements are described below.

##### a) Valuation of property, plant and equipment measured using the revaluation model – up to 31.03.2022

The Group owns land and buildings (Radisson Collection Hotel), which were used in their business activities until 31.03.2022 and were recorded as property, plant and equipment using the revaluation method. As of 31.12.2021, the management has assessed the value of property, plant and equipment recognized

using the revaluation method (fair value minus depreciation and discounts) based on the assessment of the market value of the object given by an independent expert. Colliers International Advisors OÜ's assessment of the hotel's market value has been used in the fair value assessment. The group's independent appraiser has valued the asset using the discounted cash flow method, taking into account the asset's location, condition and wear and tear, as well as current market conditions. The balance sheet value of tangible fixed assets reported using the revaluation method is reported in Note 15

As at 01.04.2022, the hotel was leased out and the land and building previously recorded as fixed assets were reclassified as real estate investment.

b) Property, plant and equipment: Assets with a significant residual value – until 31.03.2022

According to the Group's Management Board, it is very likely that the Radisson Collection hotel building will be sold by Eften Kinnisvarafond II AS within the 10-year term. According to the Management Board, the estimated final value of the building after ten years is at least as high as the acquisition cost, which is why it has been decided to divide the acquisition cost of the hotel building into two parts - the non-depreciable part and the depreciable part. Based on the assumption that it is necessary to make fixed asset investments in the amount of 150 thousand euros per year in order to maintain the current condition of the hotel building, the Management Board determined the depreciable cost of the building to be 1,500 thousand euros over ten years. The rest of the cost of the building is allocated to the non-depreciating portion

In the case of assets with a significant residual value, only the depreciable amount between the acquisition cost and the residual value is depreciated over the useful life of the asset. The valuation of the final value is based on Colliers International Advisors OÜ's valuation of the hotel market value. The group's independent valuer has estimated the asset using the discounted cash flow method, taking into account the location, condition and depreciation of the asset and market conditions. If the terminal value has dropped significantly by the balance sheet date, the management of the group reviews the estimates made for depreciation rates, depreciation methods and estimated residual values and, if necessary, changes them. The effect of the amortization rate, depreciation method or change in the residual value is recognized as a change in accounting estimates.

c) Investment property: determination of the fair value

Investment property is measured at its fair value at each balance sheet date. The Group's real estate investments are valued by Colliers International Advisors OÜ. The Group's independent appraiser evaluates investment properties individually using the discounted cash flow method. All of the Group's investment property earns (or will earn when completed) rental income, which is why the method used best represents the fair value of the investment property among the alternatives (for example, the comparative method). The cash flow projections for all properties have been updated to determine the fair value, and discount rates and exit productivity have been differentiated depending on the location of the facilities, the technical condition and the risk level of the tenants

Additional information on the assumptions used in valuation provided in Note 14.

d) Assessments of the presence of control or significant influence in other companies

The Group owns 100% of all subsidiaries and only the members of the management board of the Group's parent company belong to the control bodies of the subsidiaries. Therefore, the Group has full control over its subsidiaries both in the distribution of profits and in the adoption of management decisions.

### Classification of real estate

Classification of real estate objects as investment property or property, plant and equipment is based on both initial recognition and subsequent reclassification of management's intentions for subsequent use of the asset. Implementation of the plans may require additional decisions independent of the Group (alteration of the purpose of the land, approval of detailed plans, granting of building permits, etc.), which reduces the accuracy of the classification of assets. The purpose of the investment property acquisition is to obtain income from the lease of the real estate object or the increase in the market value, as well as objects that are kept for a longer period of time and have several possible uses.

### Investment company

The management of the Group has assessed its activities to meet the definition of an investment company and considers that EFTEN Kinnisvarafond II AS does not meet the definition of an investment company as it has the characteristics of a real estate company rather than a pure investment company. Although investors of EFTEN Kinnisvarafond II AS expect both an increase in the value of their assets and a return on their current economic activity, EFTEN Kinnisvarafond II AS also carries a significant part of its investment risks that are typical of a typical real estate company. An investment firm should also make direct investments in companies that are measured at fair value in accordance with IFRS 10. For the parent company of EFTEN Kinnisvarafond II AS, the fair value measurement is indirect - the fair value is the value of assets held in subsidiaries of EFTEN Kinnisvarafond II AS, which results in the fair value of the subsidiary not necessarily being the ultimate market price of the subsidiary. The Group also estimates its financial performance on the basis of rental income, profit margins, volume of assets and other financial indicators of the real estate business, which cannot be measured solely by the fair value of the subsidiary

### Consolidation

The consolidated financial statements present the financial information of EFTEN Kinnisvarafond II AS and its subsidiaries, consolidated on a line-by-line basis. The subsidiaries are consolidated from the date on which control, or joint control is transferred to the Group, and subsidiaries are deconsolidated from the date that control or joint control ceases.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The subsidiaries use the same accounting policies in preparing their financial statements as the parent company. All inter-company transactions, receivables, payables and unrealised gains and losses from transactions between the Group companies have been fully eliminated in the financial statements. Unrealised losses are not eliminated if it constitutes asset impairment by substance.

The subsidiaries are recognized in the consolidated financial statements using the acquisition method.

The cost of a business combination accounted for using the acquisition method is allocated to the fair value of assets, liabilities and contingent liabilities as at the date of acquisition. The difference between the cost of the acquisition and the fair value of acquired assets, liabilities and contingent liabilities is recognised as goodwill. If fair value exceeds cost, the difference (negative goodwill) is immediately recognised as income of the period.

## Segment reporting

The Group allocates raised capital and available resources for investments in accordance with the Group's investment policy, analysing the reasonable allocation of risks by real estate sector.

In disclosing information on segments, the Group adheres to the principles of grouping used in the Group's internal accounting and reporting. Independent business segments are sub-sectors of commercial real estate, which differentiate from one another by type of rented space and have different yield rates (rental income per sqm, acquisition price of one sqm capitalization rates).

The Group's four business segments and three geographical segments are presented in the following table:

Premises / Country	Estonia	Latvia	Lithuania
Retail premises	Sõpruse pst 201/203, Tallinn	Ieriku 3, Riga	
	Mustamäe tee 16, Tallinn		
Office premises	Rävala pst 3 / Kuke tn 2, Tallinn	Duntse iela 6, Riga	
	Mustamäe tee 16, Tallinn		
Logistics			Terminalo 8 ja 10, Kaunas
Hotels and restaurants	Rävala pst 3 / Kuke tn 2, Tallinn		

The main indicators used by the management in making business decisions is sales revenue, net operating income (net sales less the cost of sales and marketing costs), EBITDA and operating profit. It is also important to monitor the volume of property investments by segments. The Group analyses all indicators on a monthly basis.

## Investments in subsidiaries in the unconsolidated balance sheet of the Parent company

In the separate balance sheet of the parent company (presented in Note 25), the investments in subsidiaries are measured at fair value. Dividends paid by subsidiaries are recognized at the moment when the parent company obtains the right to these dividends.

## Revenue accounting policies

Revenue is an income generated in the course of Company's ordinary business activities. Revenue is recognized at the transaction price. The transaction price is the consideration to which the Company is entitled for the delivery of the promised services to the customer less the amounts collected on behalf of third parties. An entity recognizes revenue when control of a good or service is transferred to a customer.

The Group's revenue includes rental income, administration fees, marketing fees, and utility and administrative expenses.

Lease income from operating leases is recognised on a straight-line basis over the lease term. If the Group agrees with the tenants during the lease-free period, the said expense is also recognised on a straight-line basis over the lease term, reducing rental income.

Administrative fees and marketing fees are recognised in the period in which the control over the services is transferred to the customer, i.e. during the service period.

Some management fees may include different service components. In this case, the Group assesses whether they give rise to a number of implementation obligations. If such different implementation obligations exist, then the total transaction fee is allocated to each obligation to execute on the basis of a separate selling price. If there is no separate selling price, it is derived from the expected cost-plus margin.

The Group acts as an agent for resale of utility and administrative expenses, and therefore such income is not shown in gross amount but is offset by the related expense

### Financing component

The Company does not have any contracts in which the period between delivery of the promised goods or services to the customer and receipt of payment from the customer is longer than one year. Consequently, the Company does not adjust the transaction price for the time value of money.

## Cash and cash equivalents

Cash and cash equivalents are cash and short-term (up to 3 months from the moment of acquisition) high-liquidity investments that are readily convertible into a known amount of cash for up to three months from the actual transaction date and which are subject to an insignificant risk of changes in market value. Such assets are cash, demand deposits and term deposits with a maturity of up to three months.

## Financial assets

### Investments and other financial assets

#### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

#### (ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Regular purchases and sales of financial assets are recognised on the trade date, the date the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### (iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. All Company's debt instruments are classified in amortised cost measurement category

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income/expenses.

As of December 31, 2021 and June 30, 2022 all the Company's financial assets were classified in these categories:

- cash and cash equivalents;
- trade receivables;
- contractual assets;
- other financial assets.

Assets that do not meet the criterion of cost or fair value through profit or loss are recognized at fair value through profit or loss. Gains or losses on debt instruments with changes to profit or loss are recognized in the income statement in the period in which the change in fair value has occurred. Such fair value gains and losses also include contractual interest earned on the respective instruments.

#### Equity instruments

The company does not have any investments in equity instruments

#### (iv) impairment

The company estimates the expected credit loss of the debt instruments reflected in the adjusted cost and fair value through the statement of comprehensive income on the basis of future information. The applied impairment methodology depends on whether the credit risk has increased significantly.

The measurement of expected credit losses takes into account: (i) an unbiased and probability-weighted amount, the determination of which evaluates a number of different possible-outcomes, (ii) the time value of money, and (iii) reasonable and reasonable information available at the end of the reporting period without undue cost or effort regarding past events, current conditions and forecasts of future economic conditions.

For trade receivables and contract assets without a significant financing component the Company applies a simplified approach permitted by IFRS 9 and measures the allowance for impairment losses at expected lifetime credit losses from initial recognition of the receivables. The Company uses a provision matrix in which allowance for impairment losses is calculated for trade receivables falling into different ageing or overdue periods.

### Loans and receivables from other parties

After initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method. Amortized cost is calculated for the whole term of useful life of the financial asset, including any discount or premium arising upon acquisition and any directly attributable transaction costs.

If there is objective evidence, which indicates that an impairment loss on a financial asset carried at amortized cost has been incurred, the carrying amount of the financial asset is written down by the difference between the book value and the recoverable amount. The recoverable amount is the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Financial assets that are individually significant are assessed for impairment on an individual basis. If 180 days or more has passed from the due date of the receivable, the amount receivable is classified as a doubtful receivable and written off as an expense to the extent of 100%. If a decrease in the value of assets becomes evident more quickly, the receivables are written down earlier.

If a receivable that has been written down is collected or any other event occurs which reverses an impairment loss that has been recognised, the reversal is recognised by reducing the line item in the income statement within which the impairment loss was originally recognized.

Interest income from receivables is recognised in the income statement on the line "Finance income".

Financial assets are derecognized when the company loses the right to cash flows from the financial assets and also when a liability arises to transfer these cash flows in full extent and without significant delay to third parties, to whom most of the risks and benefits related to the financial assets are transferred.

### Derivative instruments

The risk policy of the Group specifies that company may use interest rate swaps from among derivative instruments to hedge the risks related to change in interest rates of financial liabilities. Such derivative instruments are initially recognised in the balance sheet at their fair value at the date of entering into a contract and subsequently remeasured in accordance with the change in the fair value of the instruments at the balance sheet date. A derivative instrument with a positive fair value is recognised as an asset and a derivative instrument with a negative fair value is recognised as a liability. In determining the fair value of interest rate swaps, bank quotations at the balance sheet date are used as a basis.

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

#### *Cash flow hedge*

The effective portion of changes in the fair value of derivative instruments that are designated and qualify as cash flow hedges is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement on the line item "Finance income" or "Finance costs". Amounts accumulated in equity are reclassified in the income statement in the periods when the hedged item affects profit or loss. The gain or loss that is related to the effective portion of an instrument that hedges a credit risk with a variable interest rate is recognised in the income statement on the line item "Interest expense". When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss accumulated in equity at that time remains in equity and is classified in the income statement when the forecast transaction takes place. If the future transaction is no longer expected, the cumulative gain or loss recognised in equity is immediately recognised in the income statement.

### Property, plant and equipment

Property, plant and equipment are assets with a useful life of over one year if it is probable that future economic benefits will flow from their use

Land and buildings are accounted for using the revaluation method: land and buildings are carried at revalued amount after initial recognition, which is the fair value of the asset at the date of the revaluation less accumulated depreciation and any impairment losses. Evaluations are carried out regularly by independent real estate experts. Earlier accumulated depreciation is eliminated at the revaluation date and the asset's historical cost is replaced by its fair value at the date of the revaluation.

The increase in the carrying amount of land and buildings as a result of revaluation is recognized in the statement of comprehensive income and accumulated in equity under the item "Revaluation reserve". An increase in the value of assets previously derecognised through profit or loss is recognized in the income statement. Impairment of an asset is recognized through other comprehensive income in the amount of the accumulated revaluation reserve of the same item. The remaining amount is recognized as an expense in the period. The difference in depreciation arising from the difference between the initial cost of the assets and the revalued amounts is entered annually in the 'Revaluation reserve' under 'Non-distributed profit'.

Other non-current assets are recognized in the balance sheet at their acquisition cost less accumulated depreciation and any impairment losses. Other noncurrent assets are initially recognized at cost, which consists of the purchase price and the costs directly attributable to the acquisition.

In the event that the disposal of an item of property, plant and equipment for its intended use expires over a longer period, the cost of borrowing related to the asset is capitalized at the cost of the asset. Capitalization of borrowing costs is discontinued from the moment when the asset is substantially ready for its intended use or its active development is suspended for a longer period of time.

Subsequent expenditure on an item of property, plant and equipment is recognized as a non-current asset when it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably. Other maintenance and repair costs are expensed as incurred.

The straight-line method is used for depreciation. Depreciation rates are determined separately for each property, plant and equipment item, depending on its useful life.

Depreciation rates for property, plant and equipment are as follows:

Buildings	2.5-10%
Machinery and equipment	7-10%
Fixtures	15-20%
Computers	20-33%

Depreciation begins when the asset is available for management's intended purpose and is terminated when the final value exceeds its carrying amount, when the asset is definitively decommissioned or reclassified as 'available-for-sale'. At each balance sheet date, the reasonableness of depreciation rates, depreciation methods and residual values assigned to assets is assessed.

At each balance sheet date, management assesses whether there are indications of impairment of property, plant and equipment assets. If circumstances that may cause impairment of these assets is known, the management determines the recoverable amount of the assets (i.e., the higher of the fair value less costs to sell and the value of the asset). If the recoverable amount is less than its carrying amount, the items of property, plant and equipment are written down to their recoverable amount. A write-down recognized in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount and the recoverable amount has increased.

Gains and losses on disposal of property, plant and equipment determined by subtracting residual value from sales proceeds are recognized in other income and expenses in the income statement.

## Investment property

Investment property is property (land or a building or both) held or developed to earn rental income or for capital appreciation rather than for use in the production or supply of goods or services for administrative purposes. In addition, investment property includes properties, which are held over an extended period for an undetermined future use.

An investment property is initially recognised in the balance sheet at cost, including any directly attributable expenditure (e.g. notary fees, property transfer taxes, professional fees for legal services, and other transaction costs without which the transaction would not have taken place). After initial recognition, investment property is measured at fair value at each balance sheet date. The fair value of investment property reflects market conditions at the balance sheet date.

The fair value of investment property is determined based on the valuation performed by qualified appraisers. In determining the fair value, the method of discounted cash flows is used. In order to calculate the present value of a property's future cash flows, the appraiser has to forecast the property's future rental income and operating expenses. Depending on the terms of the lease (whether and how easily the lease can be terminated by the lessee), the appraiser will base the projections on either the property's existing cash flows or the market's current average cash flows for similar properties. The present value of the future net cash flow is found by applying a discount rate, which best reflects the current market assessments of the time value of money and the risks specific to the asset. The discount rate is selected based on the market's average capital structure, not asset structure. The discounted cash flow method is used to determine the value of investment properties that generate stable rental income. Gains and losses arising from changes in the value of investment property are recognised in profit or loss in other income and other expenses, respectively.

An investment property is derecognised from the balance sheet on disposition or when the property is permanently withdrawn from use and the asset is expected to generate no future economic benefits. Gains and losses arising from the derecognition of investment property are recognised in profit or loss in other income and other expenses, respectively.

When the purpose of use of an investment property changes, the asset is reclassified in the balance sheet. From the date of the change, the accounting policies of the group where the item has been transferred are applied. For a transfer from investment property to property, plant and equipment, the property's deemed cost for subsequent accounting is its fair value at the date of transfer.

## Financial liabilities

All financial liabilities (trade payables, borrowings, accrued expenses, bonds issued and other current and non-current liabilities) are initially measured at cost that also includes all directly attributable expenditure incurred in the acquisition. Subsequent measurement is at amortised cost (except for financial liabilities acquired for the purpose of resale that are measured in fair value).

The amortised cost of current financial liabilities generally equals their nominal value; therefore, current financial liabilities are carried in the balance sheet in their net realisable value. For determining the amortised cost of non-current financial liabilities they are initially recognised at the fair value of the consideration received

(less transaction costs), and subsequently interest expense is recognised on the liabilities using the effective interest rate method. Interest expenses on financial liabilities are recognised on the line "finance income" and "finance costs" in the income statement on an accrual basis. Interest expenses on financing the development of assets from the start of the development period until the acceptance of completed assets (real estate projects carried as inventories, investment properties, and items of property, plant and equipment) are capitalised and added to the carrying amount of the asset as borrowing costs.

A financial liability is classified as current if it is due within 12 months from the balance sheet date or if the company does not have an unconditional right to postpone payment of the liability more than 12 months after the balance sheet date. Loans with due date within 12 months after the balance sheet date which are refinanced as non-current after the balance sheet date but before the financial statements are authorized for issue, are recognised as current. Borrowings that the lender has the right to recall at the balance sheet date as a consequence of a breach of contractual terms are also recognised as current.

A financial liability is removed from the statement of financial position when it is discharged or cancelled or expires.

### **Success fee liability**

EFTEN Kinnisvarafond II AS and EFTEN Capital AS have entered into a management agreement according to which EFTEN Capital AS is entitled to receive a success fee in the amount of 20% of the difference between the sales and acquisition price of investment property above a hurdle rate of 7% on an annual basis. If the actual return on an object is less than 7% per annum during the lifetime of the investment, the difference between the effective return on investment and the hurdle rate will be deducted from the sales price so that the yield before the performance fee would be at least 7%. According to the management agreement, the success fee is payable upon termination of the fund.

The basis for accounting for success fees on an accrual basis is the fair value estimates of investment property. Period expenses from the change in success fees are included in the general and administrative expenses of the Group.

### **Provisions and contingent liabilities**

A provision is recognised in the balance sheet only when the company has a present legal or factual obligation as a result of an event that occurred before the balance sheet date, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Present obligations arising from events that occurred before the balance sheet date, the realization of which according to management's judgement is improbable, are also disclosed as contingent liabilities.

### **Leases**

Leases, which transfer substantially all the risks and rewards incidental to ownership to the lessee, are classified as finance leases. Other leases are classified as operating leases.

Assets subject to operating leases are recognised in the lessor's balance sheet. Operating lease payments received and made are recognised as income and expenses, respectively, on a straight-line basis over the period of the lease.

### **Statutory reserve capital**

According to the Estonian Commercial Code, the statutory reserve capital of a company has to amount to at least 10% of its share capital. Based on that, the parent company shall allocate at least 5% of the net profit to the statutory reserve capital annually. Transfers are continued until the required level has been achieved. The statutory reserve capital may not be paid out as dividends, but it may be used for covering accumulated losses if there is an insufficient amount of unrestricted equity to cover the losses. The statutory reserve capital may also be used to increase equity through issuing new shares.

### **Income tax**

#### Parent company and subsidiaries registered in Estonia

According to the Income Tax Act, the annual profit earned by entities is not taxed in Estonia. Corporate income tax is paid on dividends. The tax rate on (net) dividends is 20/80. Income tax arising from dividend distribution is expensed when dividends are declared.

From 2019, tax rate of 14/86 can be applied to dividend payments. The more beneficial tax rate can be used for dividend payments in the amount of up to the average dividend payment during the three preceding years that were taxed with the tax rate of 20/80.

Due to the nature of the taxation system, a company registered in Estonia does not have deferred income tax assets or liabilities, with the exception of a possible deferred income tax liability from the company's investments in subsidiaries, associates and joint ventures and branches.

#### Subsidiaries in Latvia

In Latvia, from 1 January 2018, profits made after 2017 will be taxed at a rate of 20/80. The transitional rules of the Act allow for a reduction in the profit payable on dividends if the company has unused tax losses or certain provisions as of December 31, 2017.



As a result of the implementation of the Income Tax Act effective from 2018, there are no longer any differences between the tax accounting and balance sheet values of assets and liabilities in Latvia, and therefore deferred income tax assets and liabilities are not recognized in relation to Latvian subsidiaries. All deferred income tax assets and liabilities that were recorded in previous periods were written off the balance sheet in 2017 and the corresponding income tax expense/income was recognized in the income statement.

#### Subsidiary in Lithuania

In Lithuania, the company's net profit is taxable at a 15% income tax rate. Taxable income is calculated from the company's profit before income tax, which is adjusted by temporarily or permanently allowed income and expense additions based on the requirements of local income tax laws in income tax returns.

For Lithuanian subsidiaries, the deferred income tax assets or liabilities are determined for all temporary differences between the tax bases of assets and liabilities and their carrying amounts at the balance sheet date. Deferred tax assets are recognised in the balance sheet only when it is probable that future taxable profit will be available against which the deductions can be made.

#### Recognition of deferred income tax liability in consolidated financial statements

The Group's deferred income tax liability arises in the case of companies located in those countries where the profit for the reporting year is taxed.

The Group's deferred income tax liability also arises from investments in Estonian and Latvian subsidiaries and associates, unless the Group can control the timing of the reversal of taxable temporary differences and their reversal is not probable in the foreseeable future. Examples of reversals of taxable temporary differences are the payment of dividends, the sale or liquidation of an investment and other transactions. As the Group controls the dividend policies of its subsidiaries, it is also able to control the timing of the reversal of temporary differences associated with that investment. If the parent has decided not to distribute the profit of the subsidiary in the foreseeable future, it does not recognize a deferred income tax liability. If the parent estimates that the dividend will be paid in the foreseeable future, the deferred income tax liability is measured to the extent of the planned dividend payment, provided that there are sufficient funds and equity to pay the dividend at the reporting date. In measuring deferred income tax liabilities, the Group uses tax rates that are expected to apply to the temporary differences when they reverse, based on the tax rates that have been enacted or substantively enacted by the reporting date.

#### **Government grants**

Government grant is an aid provided by the government to the companies by making certain resources available and to be eligible, the business operations of a company must meet certain pre-set criteria. Government grant does not include aid provided by the government, where the value of the aid is not reliably measurable (i.e. state guarantee and free consultations by the government) nor economic transactions with the public sector at an arm's length. Government grants are recognised at fair value, when it is adequately certain, that the government will be received and all the conditions related to government grant are met. Government grants related to expenses are recognised as income in income statement („other operating income“), when the expense covered by government grant has incurred.

## **2 Subsidiaries and associates**

Company name	Country of domicile	Investment property	Group's ownership interest, %	
			30.06.2022	31.12.2021
Parent company				
EFTEN Kinnisvarafond II AS	Estonia			
Tütaretevõtted				
EFTEN Sky OÜ	Estonia	Rävala pst 3 / Kuke tn 2, Tallinn Estonia	100	100
Astlanda Hotelli AS	Estonia	Hotel's operation, Rävala pst 3 / Kuke tn 2, Tallinn Estonia	0	100
EFTEN Dunte SIA	Latvia	Duntes 6, Riga Latvia	100	100
Magistral Kaubanduskeskuse OÜ	Estonia	Sõpruse pst 201/203, Tallinn Estonia	100	100
EFTEN Domina SIA	Latvia	Ieriku 3, Riga Latvia	100	100
Kaunas Terminal UAB	Lithuania	Terminalo g. 10, Kaunas Lithuania	100	100
EFTEN Marienthal OÜ	Estonia	Mustamäe tee 16, Tallinn Estonia	100	100

As at 01.04.2022 EFTEN Sky OÜ, a subsidiary of EFTEN Kinnisvarafond II AS, was merged with its 100% subsidiary Astlanda Hotelli AS. The merging company is EFTEN Sky OÜ.

All subsidiaries are engaged in the acquisition and rental of property investments.

The shares and stocks of any subsidiary are not listed on the stock exchange.

As of 30.06.2022, the Group owns one associated company:

Company name	Country of domicile	Investment property	Group's ownership interest, %	
			30.06.2022	31.12.2021
Associated company				
HMP Hotellid OÜ	Estonia	hotels and restaurants	46	0

During the reporting period, the following changes have occurred in the investment to the associated company:

	30.06.2022	31.12.2021
<b>Book value at the beginning of the period</b>	0	0
Acquisitions	1	0
Loss from an associated company using the equity method (Note 9)	-1	0
<b>Book value at the end of the period</b>	<b>0</b>	<b>0</b>

The group has signed a lease agreement for the Radisson Collection hotel with the associated company. The lease term of the contract is 10+10 years from 01.04.2022. (Notes 3 and 23)

The shares of the associate are not listed on the stock exchange.

### 3 Segment reporting

#### SEGMENT RESULTS

	Retail 6 months		Office 6 months		Logistics 6 months		Hotels and restaurants 6 months		Unallocated 6 months		Total 6 months	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
€ thousand												
<b>Revenue (Note 4), incl.</b>	<b>6,226</b>	<b>4,941</b>	<b>1,594</b>	<b>1,636</b>	<b>753</b>	<b>775</b>	<b>269</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>8,842</b>	<b>7,360</b>
Estonia	1,698	1,475	624	685	0	0	269	8	0	0	2,591	2,168
Latvia	4,528	3,466	970	951	0	0	0	0	0	0	5,498	4,417
Lithuania	0	0	0	0	753	775	0	0	0	0	753	775
<b>Net revenue, incl.</b>	<b>5,268</b>	<b>4,171</b>	<b>1,498</b>	<b>1,502</b>	<b>742</b>	<b>766</b>	<b>-331</b>	<b>-52</b>	<b>0</b>	<b>0</b>	<b>7,177</b>	<b>6,387</b>
Estonia	1,660	1,456	551	569	0	0	-331	-52	0	0	1,880	1,973
Latvia	3,608	2,715	947	933	0	0	0	0	0	0	4,555	3,648
Lithuania	0	0	0	0	742	766	0	0	0	0	742	766
<b>Operating profit, incl.</b>	<b>7,071</b>	<b>2,061</b>	<b>809</b>	<b>1,388</b>	<b>941</b>	<b>1,206</b>	<b>-756</b>	<b>19</b>	<b>-56</b>	<b>-55</b>	<b>8,009</b>	<b>4,619</b>
Estonia	2,623	2,176	-352	521	0	0	-756	19	-56	-55	1,459	2,661
Latvia	4,448	-115	1,161	867	0	0	0	0	0	0	5,609	752
Lithuania	0	0	0	0	941	1,206	0	0	0	0	941	1,206
<b>EBITDA, incl.</b>	<b>4,795</b>	<b>3,424</b>	<b>1,277</b>	<b>1,262</b>	<b>686</b>	<b>716</b>	<b>-715</b>	<b>39</b>	<b>-56</b>	<b>-55</b>	<b>5,987</b>	<b>5,386</b>
Estonia	1,459	1,273	445	442	0	0	-715	39	-56	-55	1,133	1,699
Latvia	3,336	2,151	832	820	0	0	0	0	0	0	4,168	2,971
Lithuania	0	0	0	0	686	716	0	0	0	0	686	716
<b>Operating profit</b>											<b>8,009</b>	<b>4,619</b>
Net finance expenses											<b>-1,517</b>	<b>-1,258</b>
<b>Profit before income tax</b>											<b>6,492</b>	<b>3,361</b>
<b>Income tax expense (Note 10)</b>											<b>-134</b>	<b>-131</b>
<b>Net profit for the financial year</b>											<b>6,358</b>	<b>3,230</b>

#### SEGMENT ASSETS

	Retail		Office		Logistics		Hotels and restaurants		Total	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021
€ thousand										
<b>Investment property (Note 14)</b>										
Estonia	35,733	34,480	22,402	18,120	0	0	60,525	0	118,660	52,600
Latvia	96,170	94,900	25,820	25,480	0	0	0	0	121,990	120,380
Lithuania	0	0	0	0	18,270	18,010	0	0	18,270	18,010
<b>Total investment property</b>	<b>131,903</b>	<b>129,380</b>	<b>48,222</b>	<b>43,600</b>	<b>18,270</b>	<b>18,010</b>	<b>60,525</b>	<b>0</b>	<b>258,920</b>	<b>190,990</b>
<b>Property, plant and equipment (Note 15)</b>										
Estonia	3	5	0	5,533	0	0	0	53,597	3	59,135
Latvia	33	35	0	0	0	0	0	0	33	35
Lithuania	0	0	0	0	21	26	0	0	21	26
<b>Total property, plant and equipment</b>	<b>36</b>	<b>40</b>	<b>0</b>	<b>5,533</b>	<b>21</b>	<b>26</b>	<b>0</b>	<b>53,597</b>	<b>57</b>	<b>59,196</b>
Other non-current assets									8	8
Net debt									-114,814	-110,042
Other current assets									1,438	2,034
<b>NET ASSETS</b>									<b>145,609</b>	<b>142,186</b>

In 2022 and 2021, no transactions were made between business segments. The Group's main income is from investment property located in the same countries where the subsidiary that made the property investment is located.

#### 4 Revenue

Areas of activity	First half of the year	
	2022	2021
€ thousand		
Rental income from office premises	1,542	1,545
<i>incl. rental income from investment property</i>	1,511	1,485
<i>incl. rental income from property, plant and equipment</i>	31	60
Rental income from commercial and service premises	5,355	3,952
<i>incl. rental income from investment property</i>	5,331	3,931
<i>incl. rental income from property, plant and equipment</i>	24	21
Rental income from hotel premises (Note 2, 23)	215	0
<i>incl. rental income from investment property</i>	215	0
Rental income from warehouses	753	775
<i>incl. rental income from investment property</i>	753	736
Other revenue from rental premises	968	1,076
Other sales revenue	9	12
<b>Total revenue by areas of activity (Note 3)</b>	<b>8,842</b>	<b>7,360</b>

Geographic areas	First half of the year	
	2022	2021
€ thousand		
Estonia	2,591	2,168
Latvia	5,498	4,417
Lithuania	753	775
<b>Total revenue by geographic areas (Note 3)</b>	<b>8,842</b>	<b>7,360</b>

	Retail		Office		Logistics		Total	
	2022 6 months	2021 6 months	2022 6 months	2021 6 months	2022 6 months	2021 6 months	2022 6 months	2021 6 months
€ thousand								
<b>Rent discounts due to the Covid pandemic:</b>								
Estonia	8	110	4	13	0	0	11	123
Latvia	338	1,128	0	4	0	0	338	1,132
Lithuania	0	0	0	0	0	0	0	0
<b>Total discounts</b>	<b>345</b>	<b>1,238</b>	<b>4</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>349</b>	<b>1,255</b>

## 5 Cost of goods and services sold

Müüdnud teenuste ja kaupade kulu	First half of the year	
	2022	2021
€ thousand		
Repair and maintenance of rental premises	-802	-578
Wages and salaries of operations, incl taxes	-128	-5
Administrative expenses of operations	-70	-15
Property insurance	-26	-24
Land tax	-236	-225
Other administrative expenses	-13	-11
Depreciation of property, plant and equipment (Note15)	-59	-112
Improvement costs	-331	-3
<b>Total cost of services and goods sold</b>	<b>-1,665</b>	<b>-973</b>

## 6 Marketing costs

Marketing costs	First half of the year	
	2022	2021
€ thousand		
Commission expenses on rental premises	-13	-2
Wages and salaries, incl. taxes	-61	0
Advertising, promotional events	-442	-243
<b>Total marketing costs</b>	<b>-516</b>	<b>-245</b>

## 7 General and administrative expenses

General and administrative expenses	First half of the year	
	2022	2021
€ thousand		
Management services (Note 23)	-720	-670
Office expenses	-81	-33
Wages and salaries, incl. taxes	-337	-245
Consultation expenses	-137	-121
Other general administrative expenses	-40	-17
Depreciation of property, plant and equipment (Note 15)	-6	-6
<b>Total general and administrative expenses</b>	<b>-1,321</b>	<b>-1,092</b>

## 8 Other operating income and expenses

	First half of the year	
	2022	2021
<b>Other operating income</b>		
€ thousand		
Fines and penalties received	4	21
Government grants	578	178
Other income	0	21
<b>Total other operating income</b>	<b>582</b>	<b>220</b>

	First half of the year	
	2022	2021
<b>Other operating expenses</b>		
€ thousand		
Interest on late payments and fines	0	-2
<b>Total other operating expenses</b>	<b>0</b>	<b>-2</b>

## 9 Finance costs

	First half of the year	
	2022	2021
<b>Finance costs</b>		
€ thousand		
Loss from associate calculated under the equity method (Note 2)	-1	0
Interest expense, incl.	-1,516	-1,259
Interest expense on borrowings	-1,341	-1,015
Interest expense on swap transactions (Note 19)	-175	-244
<b>Total finance costs</b>	<b>-1,518</b>	<b>-1,259</b>

## 10 Income tax

	First half of the year	
	2022	2021
€ thousand		
Income tax expenses on the profit of subsidiaries in Lithuania	-134	-131
<b>Total income tax expenses</b>	<b>-134</b>	<b>-131</b>

As at 30.06.2022 and 31.12.2021, the Group has a deferred income tax liability in the following amount:

	30.06.2022	31.12.2021
€ thousand		
Deferred income tax liability (Lithuania)	314	256
Deferred income tax liability (dividends)	3,248	3,545
<b>Total deferred income tax liability</b>	<b>3,562</b>	<b>3,801</b>

Additional information on income tax is provided in Note 3.

## 11 Cash and cash equivalents

	30.06.2022	31.12.2021
€ thousand		
Demand deposits	7,804	8,456
<b>Total cash and cash equivalents</b>	<b>7,804</b>	<b>8,456</b>

Additional information on cash and cash equivalents in Note 20.

## 12 Receivables and accrued income

### Short-term receivables

	30.06.2022	31.12.2021
€ thousand		
<b>Trade receivables</b>		
Receivables from customers	860	1,153
Doubtful receivables	-83	-83
<b>Total trade receivables</b>	<b>777</b>	<b>1,070</b>
<b>Other short-term receivables</b>		
Loan guarantee on a bank account	370	370
Other short-term receivables	33	38
<b>Total other short-term receivables</b>	<b>403</b>	<b>408</b>
<b>Accrued income</b>		
Interest	0	1
Tax prepayments and refunds	11	354
Other accrued income	80	90
<b>Total accrued income</b>	<b>91</b>	<b>445</b>
<b>Total short-term receivables</b>	<b>1,271</b>	<b>1,923</b>

Trade receivables	30.06.2022	31.12.2021
€ thousand		
Not expired	433	343
<b>Expired, incl.</b>	<b>427</b>	<b>810</b>
Up to 30 days	188	521
30-60 days	39	116
More than 60 days	200	173
Allowance for doubtful receivables	-83	-83
<b>Total trade receivables</b>	<b>777</b>	<b>1,070</b>

Additional information on receivables and accrued income is presented in Note 20.

### 13 Prepaid expenses

	30.06.2022	31.12.2021
€ thousand		
Prepayments to suppliers	29	2
Prepayments for insurance	6	4
Prepayments for utilities intermediation	84	72
Deferred expenses	39	21
<b>Total prepayments</b>	<b>158</b>	<b>99</b>

### 14 Investment property

As at 30.06.2022, the Group owns three investment properties in Estonia, two in Latvia and one in Lithuania:

Name of the property	Location	Net leasable area (m2)	Date of acquisition	Acquisition cost	Market value at 30.06.2022	Share of market value of the fund's assets
€ thousand						
Dundes Biroji office building	Dundes 6, Riga Latvia	12,664	Nov. 15	24,287	25,820	10%
Magistral shopping centre	Sõpruse pst 201/203 Tallinn Estonia	11,771	Feb. 16	24,281	29,900	11%
Domina shopping centre	Ieriku 3, Riga Latvia	54,160	Jul. 16	96,760	96,170	36%
Kaunas Terminal logistics centre	Terminalo 8 and 10, Kaunas Lithuania	28,708	Aug. 17	16,389	18,270	7%
Marienthal center	Mustamäe tee 16, Tallinn Estonia	14,128	Apr. 18	25,081	23,330	9%
Radisson Blu Sky hotel	Rävala pst 3/ Kuke tn 2 Tallinn Estonia	22,814	Jan. 15	69,471	65,430	24%
<b>Total</b>		<b>144,245</b>		<b>256,269</b>	<b>258,920</b>	<b>97%</b>

The following changes have occurred in the Group's investment property in the first half of 2022:

	Completed investment property	Prepayments for investment property	Total investment property
€ thousand			
<b>Balance as at 31.12.2020</b>	<b>183,751</b>	<b>238</b>	<b>183,989</b>
Acquisitions and developments	3,884	0	3,884
Reclassifications	174	-174	0
Gain/loss on changes in the fair value (Note 8)	-649	0	-649
<b>Balance as at 30.06.2021</b>	<b>187,160</b>	<b>64</b>	<b>187,224</b>
<b>Balance as at 31.12.2021</b>	<b>190,990</b>	<b>0</b>	<b>190,990</b>
Acquisitions and developments	3,348	0	3,348
Reclassifications from property, plant and equipment	62,127	0	62,127
Revaluation with change through comprehensive income statement	367	0	367
Gains/loss from changes in the fair value	2,088	0	2,088
<b>Balance as at 30.06.2022</b>	<b>258,920</b>	<b>0</b>	<b>258,920</b>

The income statement and balance sheet of the Group include, among other items, the following income and expenses and balances related to investment property:

	2022	2021
Rental income from investment property, 6 months (Note 4)	7,809	6,191
Costs directly attributable to management of investment property, 6 months	-1,396	-814
Outstanding receivables from investment property development as of June 30 (Note 17)	1,268	44
Prepayments of investment property as of June 30	0	64
Carrying amount of investment property pledged as collateral to borrowings as at June 30	258,920	187,160



Investment properties are pledged as collateral to long-term bank loans (Note 16).

Lease agreements concluded between the Group and tenants correspond to the terms of non-cancellable operating leases. The income from these leases is divided as follows:

Payments from non-cancellable operating leases	30.06.2021	31.12.2021
€ thousand		
up to 1 year	12,948	11,668
2-5 years	24,947	22,717
Over 5 years	6,482	5,051
<b>Total</b>	<b>44,377</b>	<b>39,436</b>

### Assumptions and basis for the calculation of fair value of investment property

An independent appraiser values the investment property of the Group. As of 30.06.2022 and 31.12.2021, the fair value of all investment properties presented in the financial statements of the Group was determined using the discounted cash flow method.

The following assumptions are used to determine fair value:

Sector	Fair value	Valuation method	Rental income per annum	Discount rate	Capitalisation rate	Average rent €/m2
€ thousand						
Office premises	48,222	Discounted cash flows	3,586	7.8-8.3%	6.5%-7.2%	11.97
Logistics	18,270	Discounted cash flows	1,645	8.6%	7.8%	4.77
Retail premises	131,903	Discounted cash flows	12,241	7.9%-8.2%	7.0%-7.2%	14.69
Hotels and restaurants	60,525	Discounted cash flows	3,346	7.8%	6.5%	13.2
<b>Total</b>	<b>258,920</b>					

As at 31.12.2021:

Sector	Fair value	Valuation method	Rental income per annum	Discount rate	Capitalisation rate	Average rent €/m2
€ thousand						
Office premises	43,600	Discounted cash flows	3,363	7.9%-8.2%	6.6%-7.2%	10.12
Logistics	18,010	Discounted cash flows	1,586	8.6%	7.75%	4.42
Retail premises	129,380	Discounted cash flows	10,944	8.0%-8.2%	7.0%-7.5%	13.26
<b>Total</b>	<b>190,990</b>					

The fair value of investment property is based on the following:

- Rental income: real growth rates and rents used under current lease agreements are used;
- Vacancy rate: the actual vacancy rate of the investment properties, taking into account the risks associated with the property;
- Discount rate: calculated using the weighted average cost of capital (WACC) associated with the investment property;
- Capitalisation rate: based on the estimated level of return at the end of the estimated holding period, taking into consideration the forecasted market conditions and risks associated with the property.

## Fair value sensitivity analysis

The table provided below illustrates as at 30.06.2022 the sensitivity of the fair value of investment property included in the balance sheet of the Group to the most significant assumptions:

Sector	Sensitivity to management estimates				Sensitivity to discount rate and exit yield			
	Assessment	Effect of decrease to value	Effect of increase to value		Change in discount rate			
					-0.5%	0.0%	0.5%	
€ thousand					Fair value			
Office premises	Change in rental income +/- 10%	-5,101	5,263	Change in the exit yield	-0.5%	52,206	51,123	50,070
					0.0%	49,235	48,221	47,237
					0.5%	46,666	45,713	44,780
Logistics premises	Change in rental income +/- 10%	-1,390	2,550	Change in the exit yield	-0.5%	19,550	19,160	18,780
					0.0%	18,650	18,270	17,910
					0.5%	17,850	17,500	17,150
Retail premises	Change in rental income +/- 10%	-17,236	18,123	Change in the exit yield	-0.5%	142,286	139,338	136,473
					0.0%	134,673	131,903	129,216
					0.5%	128,063	125,448	122,906
Hotels and restaurants	Change in rental income +/- 10%	-6,244	6,244	Change in the exit yield	-0.5%	65,688	64,319	62,987
					0.0%	61,812	60,526	59,287
					0.5%	58,491	57,279	56,114

As at 31.12.2021:

Sector	Sensitivity to management estimates				Sensitivity to discount rate and exit yield			
	Assessment	Effect of decrease to value	Effect of increase to value		Change in discount rate			
					-0.5%	0.0%	0.5%	
€ thousand					Fair value			
Office premises	Change in rental income +/- 10%	-4,475	4,911	Change in the exit yield	-0.5%	47,150	46,172	45,222
					0.0%	44,515	43,600	42,712
					0.5%	42,255	41,385	40,550
Logistics premises	Change in rental income +/- 10%	-1,920	1,890	Change in the exit yield	-0.5%	19,270	18,880	18,500
					0.0%	18,380	18,010	17,650
					0.5%	17,590	17,240	16,900
Retail premises	Change in rental income +/- 10%	-15,851	15,954	Change in the exit yield	-0.5%	139,450	136,578	133,778
					0.0%	132,085	129,380	126,748
					0.5%	125,685	123,125	120,630

Level three inputs are used to determine the fair value of all of the investment properties of the Group

Additional information on investment property is presented in Notes 3 and 20.

## 15 Property, plant and equipment

	Land and buildings <sup>1</sup>	Depreciated buildings	Machinery and equipment	Other property, plant and equipment	Prepayments	Total
€ thousand						
<b>Carrying amount as at 31.12.2020</b>	<b>42,462</b>	<b>612</b>	<b>117</b>	<b>124</b>	<b>0</b>	<b>43,315</b>
Cost as at 31.12.2020	42,462	1,500	337	232	0	44,531
Accumulated depreciation as at 31.12.2020	0	-888	-220	-108	0	-1,216
Acquisitions and developments	6,191	0	0	0	3	6,194
Revaluation through comprehensive income	87	0	0	0	0	87
Depreciation charge	0	-75	-21	-22	0	-118
<b>Carrying amount as at 30.06.2021</b>	<b>48,740</b>	<b>537</b>	<b>96</b>	<b>103</b>	<b>3</b>	<b>49,479</b>
Cost as at 30.06.2021	48,740	1,500	337	232	3	50,812
Accumulated depreciation as at 30.06.2021	0	-963	-241	-129	0	-1,333
<b>Carrying amount as at 31.12.2021</b>	<b>58,568</b>	<b>462</b>	<b>75</b>	<b>90</b>	<b>0</b>	<b>59,196</b>
Cost as at 31.12.2021	58,568	1,500	337	241	0	60,646
Accumulated depreciation as at 31.12.2021	0	-1,038	-262	-151	0	-1,451
Acquisitions and developments	3,009	0	0	0	8	3,016
Reclassification to investment property	-61,614	-425	-66	-24	0	-62,127
Revaluation through comprehensive income	38	0	0	0	0	38
Depreciation charge	0	-38	-9	-18	0	-65
<b>Carrying amount as at 30.06.2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>8</b>	<b>57</b>
Cost as at 30.06.2022	0	0	0	184	8	193
Accumulated depreciation as at 30.06.2022	0	0	0	-136	0	-136

<sup>1</sup> The Group's only object recognized as land and buildings – Radisson Collection Hotel - is recognized by the revaluation method as an investment in fixed assets until 31.03.2022.

Revaluation gains and losses on property, plant and equipment are recognized as a provision in the Group's equity.

The group owns the Radisson Collection hotel, which is valued at its balance sheet date on each balance sheet date. Colliers International Advisors OÜ's assessment of the hotel's market value has been used in the assessment of the final value. The group's independent appraiser has valued the asset using the discounted cash flow method, taking into account the asset's location, condition, wear and market conditions. Starting from 01.04.2022, the Group is no longer using the hotel building in its business activities and the hotel has been reclassified as an investment property.

### Assumptions and basis for the calculation of fair value of land and buildings

The fair value of land and buildings recognized in the Group's annual report as at 30.06.2021 is based on the discounted cash flow method. The following assumptions have been used to find the fair value:

	Fair value	Valuation method	Average 6 year rental income	Discount rate	Capitalisation rate	Average rent €/m2
€ thousand						
Radisson Blu Sky hotel	59,030	Discounted cash flows	4,109	8.5%	6.8%	13.98
<b>Total</b>	<b>59,030</b>					

## Fair value sensitivity analysis

The table provided below illustrates the sensitivity of the fair value of land and buildings recorded in the Group's balance sheet as at 30.06.2022 to the key assumptions of estimates:

		Sensitivity in hotel occupancy and average price				Sensitivity in discount rate and exit yield				
		Change in hotel occupancy				Change in discount rate				
		-5.0%	0.0%	5.0%		-0.5%	0.0%	0.5%		
€ thousand		Fair value				Fair value				
Radisson Blu Sky hotel	Change in average daily price (ADR)	-0.5%	50,860	54,300	57,740	Change in exit yield	-0.5%	64,380	62,940	61,540
		0.0%	55,410	59,030	62,660		0.0%	60,380	59,030	57,720
		0.5%	59,970	63,770	67,580		0.5%	56,930	55,670	54,430

The Group's profit and loss statement and balance sheet reflect, among other things, the following revenues and expenses and balances related to fixed assets:

	2022	2021
€ thousand		
Rental income on property, plant and equipment, 6 months	55	82
Direct costs related to the management of property, plant and equipment, 6 months	-22	-41
Depreciation of property, plant and equipment, 6 months	-65	-118
Outstanding amounts from the development of tangible fixed assets as of June 30 (Note 17)	0	1,137
The carrying amount of property, plant and equipment pledged as collateral for loan commitments as at 30 June	0	49,277

Leases entered into between the Group and its lessees comply with the terms of uninterrupted operating leases. Revenue from these leases is distributed as follows:

Payments from non-cancellable operating leases	30.06.2022	31.12.2021
€ thousand		
Up to 1 year	0	343
2-5 years	0	672
Over 5 years	0	53
<b>Total</b>	<b>0</b>	<b>1 068</b>

Additional information on property, plant and equipment is disclosed Notes 3, 16 and 20.

## 16 Borrowings

As of 30.06.2022, the Group has the following borrowings:

Lender	Country of lender	Loan amount as per agreement, € thousand	Loan balance as at 30.06.2022	Contract term	Interest rate as at 30.06.2022	Loan collateral (note14)	Value of collateral	Loan balance share of the fund's net asset value
SEB	Estonia	23,000	23,000	28.01.23	1.338%	mortgage - Rävala 3	65,430	15.8%
SEB	Latvia	4,420	3,414	30.11.25	2.100%	mortgage - Duntse iela 6, Riga Latvia	25,820	2.3%
SEB	Latvia	11,780	9,451	30.11.25	2.100%			6.5%
SEB	Estonia	14,900	13,348	17.04.23	1.835%	mortgage - Mustamäe tee 16, Tallinn Estonia	23,330	9.2%
LHV	Estonia	16,500	16,319	25.02.26	2.750%	mortgage - Sõpruse pst 201/203, Tallinn Estonia	29,900	11.2%
Citadele/Swedbank	Latvia	42,000	39,784	22.03.26	2.950%	mortgage - Ieriku 3, Riga Latvia	96,170	27.3%
Nordea	Lithuania	9,720	9,073	16.06.27	1.900%	mortgage - Terminalo 8 and 10, Kaunas Lithuania	18,270	6.2%
<b>Total</b>		<b>122,320</b>	<b>114,389</b>				<b>258,920</b>	<b>78.6%</b>

As of 31.12.2021, the Group had the following borrowings:

Lender	Country of lender	Loan amount as per agreement, € thousand	Loan balance as at 31.12.2021	Contract term	Interest rate as at 31.12.2021	Loan collateral (Note 14, 15)	Value of collateral	Loan balance share of the fund's net asset value
SEB	Estonia	23,000	23,000	28.01.23	1.202%	mortgage - Rävåla 3, Astlanda Hotelli AS warranty	59,130	16.2%
SEB	Latvia	4,420	3,489	30.11.25	2.100%	mortgage - Duntse Iela. 6, Riga Latvia	25,480	2.5%
SEB	Latvia	11,780	9,660	30.11.25	2.100%	mortgage - Mustamäe tee 16, Tallinn Estonia	24,160	6.8%
SEB	Estonia	14,900	13,534	17.04.23	1.835%	mortgage - Sõpruse pst 201/203, Tallinn Estonia	28,440	9.5%
LHV	Estonia	16,500	10,850	25.02.26	2.750%	mortgage - Ieriku 3, Riga Latvia	94,900	7.6%
Citadele/Swedbank	Latvia	42,000	40,831	22.03.26	2.950%	mortgage - Terminalo 8 and 10, Kaunas Lithuania	18,010	28.7%
Nordea	Lithuania	9,720	8,185	30.06.22	1.029%			5.8%
<b>Total</b>		<b>122,320</b>	<b>109,549</b>				<b>250,120</b>	<b>77%</b>

Short-term borrowings	30.06.2022	31.12.2021
€ thousand		
Repayments of long-term bank loans in the next period	39,540	11,327
Discounted contract fees on bank loans	-109	-95
<b>Total short-term borrowings</b>	<b>39,432</b>	<b>11,232</b>

Long-term borrowings	30.06.2022	31.12.2021
€ thousand		
<b>Total long-term borrowings</b>	<b>114,085</b>	<b>109,233</b>
Incl. current portion of borrowings	39,432	11,232
<i>Bank loans</i>	39,541	11,327
<i>Discontinued contract fees on bank loans</i>	-109	-95
Incl. non-current portion of borrowings, incl.	74,653	98,001
<i>Bank loans</i>	74,848	98,222
<i>Discounted contract fees on bank loans</i>	-195	-221

Banks loans are divided according to repayment dates as follows:

Repayment of bank loans by maturity dates	30.06.2022	31.12.2021
€ thousand		
Less than 1 year	39,541	11,327
2-5 years	74,848	98,222
<b>Total repayment of bank loans</b>	<b>114,389</b>	<b>109,549</b>

In the first half of 2022, the following changes occurred in bank loan balances:

lender	Loan balance as at 31.12.2021	Received loans	Loan repayments	Loan balance as at 30.06.2022
€ thousand				
SEB	23,000	0	0	23,000
SEB	3,489	0	-75	3,414
SEB	9,660	0	-209	9,451
SEB	13,534	0	-186	13,348
LHV	10,850	5,552	-83	16,319
Citadele/Swedbank	40,831	0	-1,047	39,784

Luminor Bank	8,185	1,000	-112	9,073
<b>Total</b>	<b>109,549</b>	<b>6,552</b>	<b>-1,712</b>	<b>114,389</b>

Additional information on borrowings is disclosed in Note 20.

## 17 Payables and prepayments

### Short-term payables and prepayments

	30.06.2022	31.12.2021
€ thousand		
Payables to suppliers related to the fixed asset development project (Note 15)	0	1,389
Payables to suppliers related to real estate investment development projects (Note 14)	1,268	325
Other trade payables	798	1,042
<b>Total trade payables</b>	<b>2,066</b>	<b>2,756</b>
<b>Tax liabilities</b>		
Value added tax	263	172
Corporate income tax	346	40
Personal income tax	4	20
Social tax	4	36
Other tax liabilities	-1	3
<b>Total tax liabilities</b>	<b>616</b>	<b>271</b>
<b>Accrued expenses</b>		
Interest liabilities	47	49
Payables to employees	56	95
Accrued liabilities related to real estate investment development projects (note 14)	0	7
Tenant security deposits	544	486
Other accrued liabilities	115	97
<b>Total accrued expenses</b>	<b>761</b>	<b>734</b>
<b>Prepayments</b>		
Other deferred income	32	10
<b>Total prepayments</b>	<b>32</b>	<b>10</b>
<b>Total short-term payables and prepayments</b>	<b>3,475</b>	<b>3,771</b>

### Long-term payables

	30.06.2022	31.12.2021
€ thousand		
Tenant security deposits	1,455	1,470
<b>Total other long-term payables</b>	<b>1,455</b>	<b>1,470</b>

For additional information on payables, please see Note 20.

## 18 Success fee liability

The accrual-based calculation of the success fee is based on estimates of the fair value of investment properties as of the balance sheet date. The cost of the change in success fee is included in the Group's general and administrative expenses (Note 7).

As of 30.06.2022 and 31.12.2021, the Group has not taken into account the performance fee obligation.

## 19 Derivative instruments

As of 30.06.2022, the Group had one interest rate swap to fix the interest rate on long-term loan obligations for an amount with a nominal value of 23,000 thousand euros (31.12.2021: two contracts with a nominal value of 31,185 thousand euros).

	Country of residence	Nominal amount of the contract, € thousand	Fixed interest rate	Contract deadline	Fair value, € thousand	
					30.06.2022	31.12.2021
SEB	Estonia	23,000	1-month EURIBOR at 0.65%	30.08.2022	-42	-186
Nordea	Lithuania	0	3-month EURIBOR at 0.35%	30.06.2022	0	-37
<b>Kokku</b>		<b>23,000</b>			<b>-42</b>	<b>-223</b>

The terms and terms of interest rate swaps track the repayment schedule of the hedged loan and are treated as a cash flow hedging instrument in accounting.

The maturity of the derivative transaction is in 2022, the base interest rate for transactions is 1 month EURIBOR. The group's floating interest rate is fixed at 0.65% according to the interest rate swap agreement.

The basis of the fair value of derivative instruments is the quotation of banks that are contractual partners, the fair value of the derivative transaction was negative in the amount of 42 thousand euros as of 30.06.2022 (31.12.2021: negative in the amount of 223 thousand euros).

The Group's interest expense from interest rate swaps was 175 thousand euros in the first six months of 2022 (six months of 2021: 244 thousand euros) (Note 9).

Additional information on derivatives is provided in Note 20

## 20 Financial instruments, management of financial risks

The main financial liabilities of the Group are loan liabilities taken to finance the Group's investments.

The Group's balance sheet also includes cash, trade receivables, other receivables, trade payables and payables from interest rate derivatives used to hedge interest rate risks. The table below shows the distribution of the Group's financial assets and financial liabilities by type of financial instrument.

### Carrying amounts of financial instruments

	Notes	30.06.2021	31.12.2021
€ thousand			
<b>Financial assets – loans and receivables measured at amortized cost</b>			
Cash and cash equivalents	11	7,804	8,456
Trade receivables	12	777	1,070
<b>Total financial assets measured at amortized cost</b>		<b>8,581</b>	<b>9,525</b>
<b>Financial liabilities measured at amortized cost</b>			
Borrowings	16	114,085	109,233
Trade payables	17	2,066	2,756
Tenant security deposits	17	1,998	1,956
Accrued expenses	17	115	104
<b>Financial liabilities measured at amortized value</b>		<b>118 264</b>	<b>114,050</b>
Derivative instruments (interest rate swaps)	19	42	223
<b>Financial liabilities measured at fair value</b>		<b>42</b>	<b>223</b>
<b>Total financial liabilities</b>		<b>118,306</b>	<b>114,273</b>

The fair value of such financial assets and financial liabilities that are measured at amortized cost, presented in the table provided above, does not materially differ from their fair value.

The following changes in the carrying amounts of financial liabilities occurred in the first half of 2022:

			<u>Non-monetary change</u>	
	As at 31.12.2021	Changes in cash flow	Change in fair value	As at 30.06.2022
€ thousand				
Borrowings	109,234	4,851	0	114,085
Trade payables	2,756	-690	0	2,066
Tenant security deposits	1,956	42	0	1,998
Accrued expenses	104	11	0	115
Derivative instruments (interest rate swaps)	223	0	-181	42
<b>Total financial liabilities</b>	<b>114,273</b>	<b>4,214</b>	<b>-181</b>	<b>118,306</b>

Risk management of the Group is based on the principle that risks must be assumed in a balanced manner, by taking into consideration the rules established by the Group and by applying risk mitigation measures according to the situation, thereby achieving stable profitability of the Group and growth in the value of shareholder assets. In making new investments, extensive evaluation is undertaken on the solvency of potential customers, duration of lease contracts, possibility of replacing tenants and the risk of increases in the interest rates. The terms and conditions of financing agreements are adjusted to match the net cash flow of each property, ensuring the preservation of sufficient unrestricted cash for the Group and growth even after the financial liabilities have been met.

In investing the Group's assets, the risk expectations of the Group's investors are taken as a basis, therefore, excessive risk-taking is unacceptable and suitable measures need to be applied for the mitigation of risks.

The Group considers a financial risk to be risk that arises directly from making investments, including the market risk, liquidity risk and credit risk, thus reducing the company's financial capacity or reducing the value of investments

## Market risk

Market risk is a risk involving change in the fair value of financial instruments due to changes in market prices. The Group's financial instruments most influenced by changes in market prices are borrowings and interest rate derivatives. The main factor influencing these financial instruments is interest rate risk.

## Interest rate risk

Interest rate risk is the risk of changes in the future cash flows of financial instruments due to changes in market interest rates. A change in market interest rates mainly influences the long-term floating rate borrowings of the Group.

As at 30.06.2022 878% of the Group's loan agreements are based on floating interest (31.12.2021: 88%), of which 31% of loan liabilities are linked to the 1-month EURIBOR (31.12.2021: 33%) and 8% of the liabilities to the 3-month EURIBOR (31.12.2021: 8%) and 49% of the liabilities to the 6-month EURIBOR (31.12.2021: 47%). In the first half of 2021 the 1-month EURIBOR fluctuated within the range of -0.487% to -0.576% (in the first half of 2021: -0.545% to -0.573%) and 3-month EURIBOR fluctuated within the range of -0.163% to -0.576% (in the first half of 2021: -0.529% to -0.0,556%) and 6-month EURIBOR fluctuated within the range of 0,291% to -0.541% (in the first half of 2021: -0,505% to 0,534%).

Due to the currently prevailing low level of interest rates and market expectations as to the persistence of such interest rates in the near future, the mitigation of interest rate risk is mainly important in the long-term perspective. The Group's management assesses the most significant impact arising from the potential increase in interest rates over the perspective of 2-4 years.

As a result of the long-term nature of the Group's investments and the long-term borrowings associated with the investments, the management of EFTEN Kinnisvarafond II AS decided in 2015 to mitigate the risk of an increase of the long-term floating interest rate applicable to the loan portfolio by fixing the applicable floating interest rate. It was decided to use interest rate swap agreements for the risk mitigation whereby the floating interest rate loan agreement was exchanged for a fixed interest rate. The decision was made to enter into the interest rate swap agreements considering the following conditions:

- (1) Assets held as collateral for a loan contract with a cash flow risk are unlikely to be sold before the maturity of the fund (i.e., before 2025);
- (2) The loan agreement for which the cash flow risk is hedged shall be extended upon maturity up to the maturity date of the swap contract so that the cash flows of the loan agreements overlap with the cash flows of the payment schedules underlying the swap contract.

As of 30.06.2022, the Group has one (2021: two) interest-swap contracts to hedge the interest rate risk:

	Country of residence	Nominal amount of the contract, € thousand	Fixed interest rate	Contract deadline	Fair value, € thousand	
					30.06.2022	31.12.2021
SEB	Estonia	23,000	1-month EURIBOR at 0.65%	30.08.2022	-42	-186
Nordea	Lithuania	0	3-month EURIBOR at 0.35%	30.06.2022	0	-37
<b>Total</b>		<b>23,000</b>			<b>-42</b>	<b>-223</b>



As at 30.06.2022, the loan liabilities related to the swap agreements account for 20% of all the Group's total borrowings (31.12.2021: 28%)

The Group recognizes interest rate swaps on a hedge accounting basis. The fair value of the Group's interest rate swaps as at 30.06.2022 was negative in the amount of EUR 42 (31.12.2021: negative in the amount of EUR 223) thousand (Note 19).

## Liquidity risk

Liquidity risk arises from potential changes in the financial position, reducing the Group's ability to meet its liabilities in due time and in a correct manner. Above all, the Group's liquidity is affected by the following factors:

- Decrease or volatility of rental income, reducing the Group's ability to generate positive net cash flows;
- Vacancy of rental property;
- Hotel occupancy;
- Mismatch between the maturities of assets and liabilities and flexibility in changing them;
- Volume and pace of real estate development activities;
- Financing structure

The Group's goal is to manage net cash flows in such a way that no more than 60% of the acquisition cost of the investment is involved in making investments. As of 30.06.2022, the share of the Group's interest-bearing debt liabilities in cash-generating investment properties was 44% (31.12.2021: 44%) and the debt coverage ratio was 1.9 (31.12.2021: 2.1).

The financing policy of the Group specifies that loan agreements for raising debt are entered into on a long-term basis, also taking into consideration the maximum duration of the lease agreements on these investment objects. The table below summarizes the information on the maturities of the Group's financial liabilities (undiscounted cash flows):

<b>As at 30.06.2022</b>	Less than 1 month	1-4 months	Between 4 and 12 months	Between 1 and 5 years	Over 5 years	<b>Total</b>
<i>€ thousand</i>						
Interest-bearing liabilities	286	861	38,284	74,653	0	<b>114,085</b>
Interest payments	240	687	1,560	5,269	0	<b>7,755</b>
Interest derivatives liabilities	0	42	0	0	0	<b>42</b>
Interest payable	47	0	0	0	0	<b>47</b>
Trade payables	2,066	0	0	0	0	<b>2,066</b>
Tenant security deposits	55	296	193	1,291	164	<b>1,998</b>
Accrued expenses	115	0	0	0	0	<b>115</b>
<b>Total financial liabilities</b>	<b>2,808</b>	<b>1,886</b>	<b>40,037</b>	<b>81,213</b>	<b>164</b>	<b>126,108</b>

<b>As at 31.12.2021</b>	Less than 1 month	1-4 months	Between 4 and 12 months	Between 1 and 5 years	Over 5 years	<b>Total</b>
<i>€ thousand</i>						
Interest-bearing liabilities	254	848	10,130	98,001	0	<b>109,233</b>
Interest payments	233	680	1,652	5,215	0	<b>7,780</b>
Interest derivatives liabilities	0	0	223	0	0	<b>223</b>
Interest payable	49	0	0	0	0	<b>49</b>
Trade payables	2,756	0	0	0	0	<b>2,756</b>
Tenant security deposits	46	243	197	1,209	261	<b>1,956</b>
Accrued expenses	104	0	0	0	0	<b>104</b>
<b>Total financial liabilities</b>	<b>3,442</b>	<b>1,771</b>	<b>12,202</b>	<b>104,425</b>	<b>261</b>	<b>122,101</b>

At the beginning of 2023, two of the Group's long-term loan agreements will come to an end in the total amount (balance on 30.06.2022) of 36,348 thousand euros, which is why the coverage ratio of the Group's short-term liabilities as of 30.06.2022 is only 0.2. The fair value of the collateral of the mentioned loan

agreements is as of 30.06.2022. 88,760 thousand euros and LTV (Loan to Value) 41%. Property investments pledged as collateral for loan agreements have a strong existing cash flow and tenant base, therefore, according to the Group's management, it is unlikely that the refinancing of these loans would be difficult and would cause liquidity problems for the Group.

## Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the group by failing to discharge an obligation. The Group is subject to credit risk due to its business operations (mainly arising from trade receivables) and transactions with financial institutions, including through cash on bank accounts and deposits.

The Group's activities to prevent and minimize the risk of credit risk arising from credit risk are the daily monitoring and routing of customers' payment behaviour, which enables operational measures to be taken quickly.

The Group's companies generally only enter into co-operation and lease agreements with parties that have been determined to be eligible for credit. The corresponding analysis of customers is carried out before entering into a contract.

If it becomes evident that there is a risk of a client or tenant becoming insolvent, the Group assesses each receivable individually and decides whether the receivables should be classified as doubtful. In general, receivables that have exceeded the payment term by more than 180 days are classified as doubtful, except in cases where the Group has sufficient certainty as to the collectability of the receivable or there is a payment schedule in place for the payment of the receivables.

Accounts receivable are illustrated by the table below:

Trade receivables	30.06.2022	31.12.2021
€ thousand		
Undue	433	343
<b>Past due</b>	<b>427</b>	<b>810</b>
up to 30 days	188	521
30-60 days	39	116
More than 60 days	200	173
Doubtful receivables	-83	-83
<b>Total trade receivables</b>	<b>777</b>	<b>1,070</b>

The maximum credit risk of the Group is provided in the table below:

	30.06.2022	31.12.2021
€ thousand		
Cash and cash equivalent	7,804	8,456
Trade receivables	777	1,070
<b>Total maximum credit risk</b>	<b>8,581</b>	<b>9,525</b>

The bank account balances presented as part of the cash and cash equivalents of the Group are divided according to the credit ratings of banks (Moody's longterm) as follows:

Rating	30.06.2022	31.12.2021
Aa3	4,737	6,222
Baa2	2,100	1,539
Baa3	967	695
<b>Total</b>	<b>7,804</b>	<b>8,456</b>

## Capital management

The aim of the Group in capital management is to ensure the Group's going concern status to provide an investment return to shareholders and maintain an optimal capital structure. The Group's capital includes borrowings and equity. The Group invests in cash-generating real estate in Estonia and Latvia. The Group's investment policy requires that no more than 30% of the value of the fund's assets be invested in one investment object. The required amount of equity is calculated individually for each investment, taking into account the volume and proportion of net cash flows and loan payments for a particular investment.

## Fair value

The table below analyses assets and liabilities measured at fair value by valuation methods. The valuation methods have been defined as follows:

Level 1 – quoted prices in active markets

Level 2 – inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly;

Level 3 – unobservable inputs at the market.

As at 30.06.2022 and 31.12.2021, the Group has no assets measured at fair value that would be included within Level 1 of the fair value hierarchy. All of the Group's investment properties (Note 14) and property, plant and equipment measured at revaluation method (Note 15) are measured at fair value and according to the valuation method are included within Level 3 of the fair value hierarchy. All of the Group's borrowings and the derivative contracts entered into to mitigate the interest risk are included within Level 2 of the fair value hierarchy.

To hedge interest rate risk, the Group has entered into interest rate swaps (Note 19), the fair value of which is obtained by discounting the cash flows of interest rate swaps so that incoming and outgoing cash flows are estimated and discounted at zero rate. The Group uses the information received from credit institutions that are contractual counterparties to recognize interest rate swaps at fair value.

## 21 Share capital

The registered share capital of EFTEN Kinnisvarafond II AS as of 30.06.2022 is 92,138 thousand euros. As of 30.06.2022, the share capital consisted of 9,213,756 shares with a nominal value of 10 euros. Without changing the articles of association, the company has the right to increase the share capital to 100,100 thousand euros.

In the reporting period (15.06.2022) a regular general meeting of shareholders took place, where it was decided to pay dividends of 3,519,665 euros (38.2 euro cents per share) from retained earnings and to transfer 496 thousand euros to the reserve capital.

Additional information on the share capital is disclosed in Note 27.

## 22 Contingent liabilities

### Contingent income tax liability

	30.06.2022	31.12.2021
€ thousand		
The company's retained earnings	47,631	45,289
Potential income tax liability	9,526	9,058
The amount that can be paid out as dividends	38,105	36,231

The calculation of the maximum potential income tax liability is based on the assumption that the net dividends distributed and the arising income tax expense in total cannot exceed the profit eligible for distribution as at 30.06.2022 and 31.12.2021.

### Potential liabilities arising from the tax audit

#### Estonia

The tax authorities have neither started nor performed any tax audits or individual case audits in any of the Group companies. The tax authorities have the right to verify the company's tax records up to 5 years from the time of filing the tax return and upon finding errors, impose additional taxes, interest and fines. The management estimates that there are not any circumstances, which may lead the tax authorities to impose additional significant taxes on the Group.

#### Latvia and Lithuania

The management estimates that there are no circumstances, which may lead the tax authorities to impose additional significant taxes on the Group.

## 23 Related party transactions

EFTEN Kinnisvarafond II AS considers the following as related parties:

- members of the Management Board and companies owned by the members of the Management Board of EFTEN Kinnisvarafond II AS;
- members of the Supervisory Board and companies owned by the members of the Supervisory Board of EFTEN Kinnisvarafond II AS;
- employees and companies owned by the employees of EFTEN Kinnisvarafond II AS;
- EFTEN Capital AS (fund management company).

During the reporting period, the Group purchased management services from EFTEN Capital AS in the amount of 720 (six months of 2021: 670) thousand euros (Note 7) and accounting and brokerage services from subsidiaries and affiliates of EFTEN Capital AS in the amount of 34 (six months of 2021 : 26) thousand euros. The Group has signed a lease agreement with the affiliated company, HMP Hotellid OÜ, for the lease of the Radison Collection hotel with a term of 10+10 years from 01.04.2022. During the reporting period, the Group received rental income of 215 thousand euros from the associated company (Notes 2, 3, 9).

During the reporting period, the group had 45 (six months of 2021: 14) employees, for whom a total of 527 (six months of 2021: 250) thousand euros in fees, including related taxes. No remuneration was calculated or paid to the members of the Group's Management Board or Supervisory Board during the reporting period. The members of the management board of the Group work in the company EFTEN Capital AS, which provides management services to the Group, and the expenses related to the activities of the members of the management board are part of the management service.

## 24 Parent company's unconsolidated income statement

Pursuant to the Accounting Act of the Republic of Estonia, information of the unconsolidated financial statements (primary statements) of the consolidating entity (Parent Company) shall be disclosed in the notes to the consolidated financial statements. In preparing the primary financial statements of the Parent Company, the same accounting policies have been used as in preparing the consolidated financial statements. The accounting policy for reporting subsidiaries has been amended in the separate primary financial statements disclosed as supplementary information in the annual report in conjunction with IAS 27, Consolidated and Separate Financial Statements.

In the parent separate primary financial statements, disclosed to these consolidated financial statements (Supplementary disclosures), investments in subsidiaries are measured at fair value.

	First half of the year	
	2022	2021
€ thousand		
Revenue	703	654
<b>Gross profit</b>	<b>703</b>	<b>654</b>
General and administrative expenses	-759	-709
<b>Operating loss</b>	<b>-56</b>	<b>-55</b>
Profit from subsidiaries	3,205	2,266
Dividend income	3,520	1,200
Finance income	275	162
<b>Profit before income tax</b>	<b>6,944</b>	<b>3,573</b>
<b>Total comprehensive income for the financial period</b>	<b>6,944</b>	<b>3,573</b>

**25 Parent company's unconsolidated balance sheet**

	30.06.2022	31.12.2021
€ thousand		
<b>ASSETS</b>		
Cash and cash equivalents	136	467
Receivables and accrued income	18,849	8,854
<b>Total current assets</b>	<b>18,985</b>	<b>9,321</b>
<b>Non-current assets</b>		
Shares of subsidiaries	121,752	122,548
Long-term receivables	4,930	14,362
<b>Total non-current assets</b>	<b>126,682</b>	<b>136,910</b>
<b>TOTAL ASSETS</b>	<b>145,667</b>	<b>146,231</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Loan obligations	0	4,000
Payables and prepayments	58	45
<b>Total current liabilities</b>	<b>58</b>	<b>4,045</b>
<b>Total liabilities</b>	<b>58</b>	<b>4,045</b>
<b>Equity</b>		
Share capital	92,138	92,138
Share premium	5,861	5,861
Statutory reserve capital	2,988	2,492
Retained earnings	44,623	41,695
<b>Total equity</b>	<b>145,609</b>	<b>142,186</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>145,667</b>	<b>146,231</b>

**26 Parent company's unconsolidated statement of cash flows**

	First half of the year	
	2022	2021
<i>€ thousand</i>		
<b>Cash flows from operating activities</b>		
<b>Net profit</b>	<b>6,944</b>	<b>3,573</b>
<i>Adjustments to net profit</i>		
Financial income and costs	-275	-162
Gain/-loss on the fair value adjustment of subsidiaries	-3,205	-2,266
Dividends received	-3,520	-1,200
<b>Total adjustments from non-monetary changes</b>	<b>-7,000</b>	<b>-3,628</b>
<b>Cash flow from operations before changes in the working capital</b>	<b>-56</b>	<b>-55</b>
Change in receivables and payables related to operating activities	-11	-6
<b>Total net cash generated from operating activities</b>	<b>-67</b>	<b>-61</b>
<b>Total net cash generated from investing activities</b>		
Cash flows from investments in subsidiaries	3,390	0
Loans granted	-7,090	-3,790
Repayments of loans granted	3,308	2,300
Dividends received	3,520	1,200
Interest received	128	0
<b>Total cash flows from investing activities</b>	<b>3,256</b>	<b>-290</b>
<b>Cash flows from financing activities</b>		
Dividends paid	-3,520	0
<b>Total cash flows from financing activities</b>	<b>-3,520</b>	<b>0</b>
<b>NET CASH FLOW</b>	<b>-331</b>	<b>-351</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>467</b>	<b>3,673</b>
Change in cash and cash equivalents	-331	-351
<b>Cash and cash equivalents at the end of the period</b>	<b>136</b>	<b>3,322</b>

**27 Parent company's unconsolidated statement of changes in equity**

	Share capital	Share premium	Statutory reserve capital	Retained earnings	Total
<i>€ thousand</i>					
<b>Balance as at 31.12.2020</b>	<b>92,138</b>	<b>5,861</b>	<b>2,391</b>	<b>31,926</b>	<b>132,316</b>
Provisions to reserve capital	0	0	101	-101	0
Profit for the period	0	0	0	3,573	3,573
<b>Balance as at 30.06.2021</b>	<b>92,138</b>	<b>5,861</b>	<b>2,492</b>	<b>35,398</b>	<b>135,888</b>
<b>Balance as at 31.12.2021</b>	<b>92,138</b>	<b>5,861</b>	<b>2,492</b>	<b>41,695</b>	<b>142,186</b>
Dividends declared	0	0	0	-3,520	-3,520
Provisions to reserve capital	0	0	496	-496	0
Profit for the period	0	0	0	6,943	6,943
<b>Balance as at 30.06.2022</b>	<b>92,138</b>	<b>5,861</b>	<b>2,988</b>	<b>44,622</b>	<b>145,609</b>

Additional information on the changes in relation to shares is disclosed Note 21.

Adjusted unconsolidated equity of the parent company (to account for compliance with the requirements set forth in the Commercial Code) is as follows:

	30.06.2022	31.12.2021
<i>€ thousand</i>		
Parent company's unconsolidated equity	145,609	142,186
Carrying amount of subsidiaries in the unconsolidated balance sheet of the parent company (minus)	-121,752	-122,548
Value of subsidiaries under the equity method (plus)	121,752	122,548
<b>Total</b>	<b>145,609</b>	<b>142,186</b>

**Signatures of the members of the Management Board and Supervisory board to the 2022 half-year report**

We hereby confirm the correctness of the data provided in the 2022 half-year report of EFTEN Kinnisvarafond II AS.

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Arti Arakas

Chairman of the Supervisory board

/signed digitally/

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Siive Penu

Member of the Supervisory Board

/signed digitally/

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Sander Rebane

Member of the Supervisory Board

/signed digitally/

---

Olav Miil

Member of the Supervisory Board

/signed digitally/

---

Viljar Arakas

Management Board Member

/signed digitally/

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Tõnu Uustalu

Management Board Member

/signed digitally/