



## Interim report 01.01.2023 – 30.09.2023

|                  |  |
|------------------|--|
| Entity name      | EFTEN United Property Fund                       |
| ISIN code        | EE3500001609                                     |
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| Main activity    | Management of funds                              |
| Financial year   | 1 January – 31 December                          |
| Fund manager     | EFTEN Capital AS                                 |
| Management board | Viljar Arakas<br>Maie Talts<br>Kristjan Tamla    |
| Fond type        | Contractual alternative investment fund          |
| Units            | Listed on the Nasdaq Tallinn Stock Exchange      |

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# Management report

## Fund manager's comment

The increase in interest rates, which has been the main factor influencing on the real estate sector over the past year, showed the first signs of stopping in the third quarter of 2023. Over three months, the EURIBOR, used as the base rate in the Eurozone and the Baltic countries, increased by 0.2-0.4 percentage points across different maturities. This is the slowest increase since the first quarter of 2022. The financial markets price in that the base interest rates in the Eurozone will start to fall already in the first half of next year. Although such expectation may prove to be premature, the global easing of inflationary pressures (including energy prices) and the decelerating economic activity in the Eurozone indicate that interest rates have reached their peak.

Due to the low level of financial leverage and relatively large uninvested capital, the increase in interest rates has had a smaller negative impact on the EFTEN United Property Fund compared to many other European and Baltic investment property funds. With the persistent weak economic activity in the Eurozone, business cycle recovery in the Baltic countries is unlikely in the coming quarters. In such a situation, maintaining the occupancy and rental income levels are becoming more and more important in the commercial real estate sector. Finding new tenants and retaining existing ones is increasingly time-consuming and costly (often requiring reconstruction of objects, etc.). Various office spaces are under the greatest pressure, where the increasing trend of working from home keeps demand at its lowest level in recent years. EFTEN United Property Fund's portfolio is spread across 45 commercial investment property buildings based on the so-called look-through principle (in addition, the Fund has invested in the development of the Uus-Järveküla residential district and in three rental houses through the EFTEN Residential Fund), the vacancy rate of which was less than 5% at the end of the third quarter.

At the end of the third quarter, there were some signs of increasing transaction activity at the Baltic commercial real estate market. Offers have started to appear on the market, where the price level asked by the sellers already takes to a certain extent into account the new (higher) interest rate environment. In the spring such offers were mainly in the market of class B office buildings, now the first offers have also arrived in other sub-sectors of real estate. Across the Baltic states, the number of offers has increased mainly in Lithuania, while in Estonia it remains essentially non-existent.

In the development of the Uus-Järveküla residential district, which is owned by the Fund's subsidiary, customers continued to show great interest in the semi-detached houses that went on sale in May and June in the third quarter. As of the end of September, customers had booked 11 of the 16 semi-detached houses on sale. The completion of the 86 terraced houses in the first stage of the development is planned for the end of the IV quarter and the beginning of the I quarter.

## Financial review

In the III quarter of 2023, EFTEN United Property Fund did not make new investments and continued to manage the existing investment portfolio. In connection with the drop in the stock exchange price of EFTEN Real Estate Fund, a listed company in the Fund's investment portfolio, EFTEN United Property Fund earned a net loss of 16 thousand euros in the 3rd quarter of 2023. In a situation where the net value of the EFTEN Real Estate Fund shares would be used as a basis for determining the net value of the Fund, EFTEN United Property Fund would have earned a net profit in the third quarter in the total amount of 330 thousand euros. The Fund's expenses in the third quarter of 2023 totaled 54 thousand euros (2022 third quarter: 53 thousand euros).

During the 9 months of 2023, the Fund earned a total net loss of 87 thousand euros (2022 9 months: 1,155 thousand euros net profit), which included a loss of 642 thousand euros from the change in the value of the EFTEN Real Estate Fund's share. The Fund's expenses during the 9 months of this year totaled 189 thousand euros (2022: 186 thousand euros).

In June 2023, the independent appraiser Colliers International conducted a regular investment property appraisal in both the underlying funds and the subsidiaries, as a result of which the value of the subsidiaries and underlying funds decreased by 0.9%. The value decreased mainly due to the increased weighted average cost of capital (WACC) resulting from the rise in EURIBOR.

In the spring of 2023, the Fund received a total of 352 thousand euros in dividends and a total of 163 thousand euros in interest. A total of 452 thousand euros of the received income was paid out to the Fund's investors in June 2023. In addition, in January 2023, the Fund paid out capital return of EFTEN Real Estate Fund 5 to investors in the amount of 583 thousand euros.

The volume of assets of EFTEN United Property Fund as of 30.09.2023 is 26,355 thousand euros (31.12.2022: 27,472 thousand euros), of which, as of the end of September, 79% are long-term investments (31.12.2022: 67%).

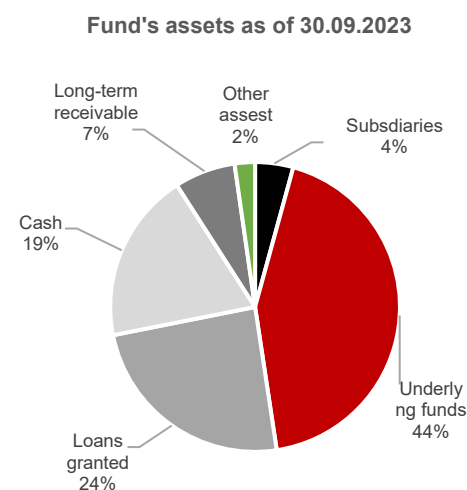
| Key financial indicators of the Fund  | As of 30.09.2023 or<br>9 months of 2023 | As of 31.12.2022 |
|---|---|------------------|
| <i>€ thousands</i>  |   |                  |
| Cash received for subscription of fund shares during the reporting period   | 0                                       | 9,863            |
| Net asset value of the Fund at the end of the period  | 26,348                                  | 26,886           |
| Fund's asset value per share, in euros (Net asset value at the end of the period : number of shares at the end of the period) | 10.61                                   | 10.82            |
| Increase/decrease in the net value of the Fund's share during the reporting period  | -2.0%                                   | 2.7%             |
| Profit/ Loss per share (comprehensive profit for the reporting period : average number of shares in the period)               | -0.04                                   | 0.66             |
| Result of the Fund  | -87                                     | 1,439            |
| Investments in subsidiaries   | 1,122                                   | 1,152            |
| Investments in underlying funds   | 11,426                                  | 11,790           |
| Long-term deposits  | 1,795                                   | 0                |
| <u>Loans granted</u>  | 6,395                                   | 5,376            |

## Investments

In January and March 2023, the Fund granted the subsidiary a loan in the total amount of 1,019 thousand euros in connection with the construction of the development infrastructure of Uus-Järveküla. The balance of loans granted to subsidiaries was a total of 6,395 thousand euros as of 30.09.2023 (31.12.2022: 5,376 thousand euros).

On 20.02.2023, the Fund signed two guarantee contracts in the amount of 1,795 thousand euros with a deadline of 28.05.2025 as a guarantee for the construction of the infrastructure of Uus-Järveküla, which is guaranteed by a fixed-term deposit agreement with an interest rate of 2.5% per year. In the case of investment property development, it is standard procedure to put a bank guarantee on the completion of the infrastructure. The first part of the guaranteed infrastructure works was completed in September 2023 and is awaiting a use permit. Upon obtaining the use permit, it is planned to increase the guarantees for the infrastructure works of the second stage of the development.

In June 2023, EFTEN United Property Fund increased its investment in the trust fund EFTEN Residential Fund by 240 thousand euros in connection with the development projects of rental apartments in Riga and Vilnius.

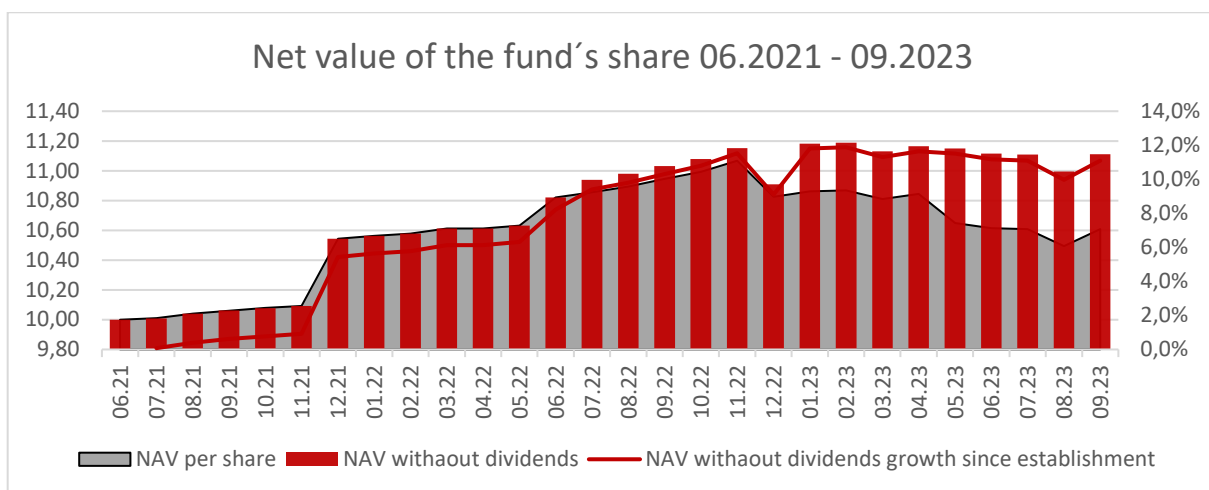


### Net value of the Fund

The net value of the EFTEN United Property Fund's share as of 30.09.2023 was 10.61 euros (31.12.2022: 10.82 euros). During this year, the net asset value of the Fund has decreased by 2.0%. The decrease in net value is largely related to the decrease in the stock market price of EFTEN Real Estate Fund AS, as a result of which the value of the investment in the balance sheet has decreased by 642 thousand euros. In addition, the net value of the Fund has decreased by almost 4% in 2023 due to the payouts from the Fund to investors. If the Fund's asset valuation rules allowed the value to be reflected in the case of traded shares according to the net asset value of the Fund, the net asset value of the EFTEN United Property Fund's share would be 10.78 euros as of 30.09.2023, and it would have decreased by a total of 0.5% compared to 31.12.2022.

Since the foundation of the Fund, the net value of the share has increased by 6.1%. The net asset value of the Fund was 26.348 million euros as of 30.09.2023 (31.12.2022: 26.886 million euros).

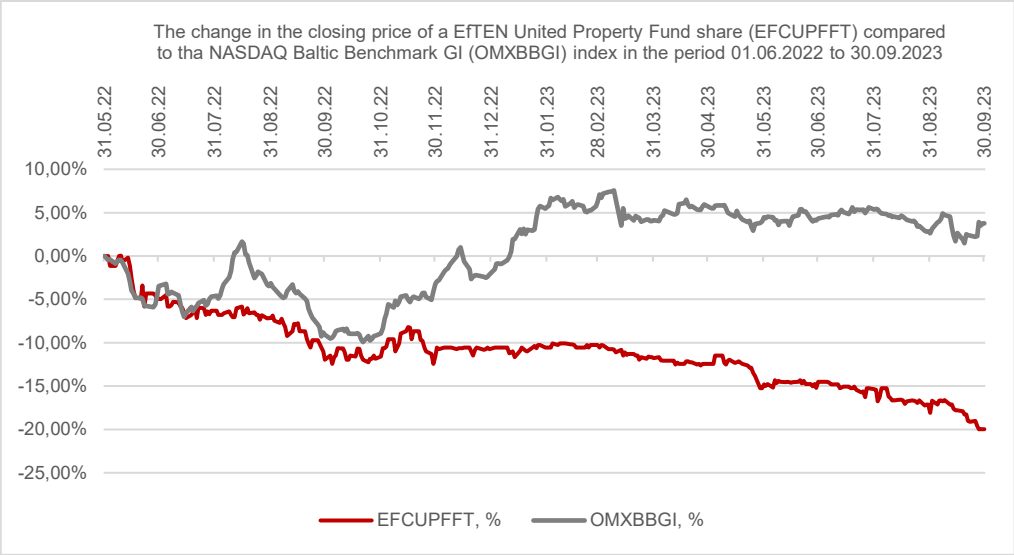
As of 30.09.2023, EFTEN United Property Fund has raised a total of 25.466 million euros of capital, of which 6.8 million euros are uninvested as of 9 months of 2023. All existing investments are performing well and do not currently appear to require higher capital injections than usual.



Trading statistics of EFTEN United Property Fund's shares are presented in the table below:

| Statistics of EFCUPFFT                           | 9 months of 2023 | 31.05.2022-<br>30.09.2022 |
|--|------------------|---------------------------|
| Opening price                                    | 9.5              | 10.6                      |
| Closing price                                    | 8.5              | 9.4                       |
| Share price, lowest                              | 8.5              | 9.3                       |
| Share price, highest                             | 9.6              | 10.8                      |
| Traded shares, thousands                         | 234              | 174                       |
| Turnover, million euros                          | 2.140            | 1.772                     |
| Market capitalization as of 30.09, million euros | 21.113           | 23.348                    |
| P/B (share closing price / equity per share)     | 0.80             | 0.87                      |

Since the foundation of the Fund, the net value of the share has decreased by 20.0% and the Baltic market main index Baltic Benchmark GI has increased by 3.8% in the same time period.



Kristjan Tamla  
EFTEN Capital AS  
CEO

# **Signatures of the EFTEN United Property Fund's fund manager's management to 2023 III quarter and 9 months report**

The management of fund manager EFTEN Capital AS has prepared the report of EFTEN United Property Fund for the III quarter of 2023 and 9 months, covering the period from 01.01.2023 to 30.09.2023, consisting of the Management Report, Financial Statements and the Fund's Investment Report.

Viljar Arakas

Maie Talts

Kristjan Tamla

Member of the Management Board

Member of the Management Board

Member of the Management Board

Tallinn, 01.10.2023

# Financial Statements

## Statement of the comprehensive income

|   | Notes      | III quarter |            | 9 months    |              |
|---|------------|-------------|------------|-------------|--------------|
|   |            | 2023        | 2022       | 2023        | 2022         |
| <i>€ thousands</i>  |            |             |            |             |              |
| <b>Income</b>   |            |             |            |             |              |
| Interest income   | 7          | 143         | 80         | 384         | 220          |
| Dividend income   | 7          | 0           | 0          | 352         | 212          |
| <b>Net profit / loss from assets recognized in the fair value through the statement of comprehensive income</b> | <b>4,7</b> | <b>-105</b> | <b>281</b> | <b>-634</b> | <b>909</b>   |
| Investments in subsidiaries   |            | 46          | 23         | -30         | 182          |
| Investments in underlying funds   |            | -151        | 258        | -604        | 726          |
| <b>Total income</b>   |            | <b>38</b>   | <b>361</b> | <b>102</b>  | <b>1,341</b> |
| <b>Expenses</b>   |            |             |            |             |              |
| Operating expenses  |            |             |            |             |              |
| Management fees   | 8          | -31         | -25        | -85         | -68          |
| Costs of administering the Fund   |            | -23         | -22        | -104        | -88          |
| Other operating expenses  |            | 0           | -6         | 0           | -31          |
| <b>Total operating expenses</b>   |            | <b>-54</b>  | <b>-53</b> | <b>-189</b> | <b>-186</b>  |
| <b>Operating profit / loss</b>  |            | <b>-16</b>  | <b>308</b> | <b>-87</b>  | <b>1,155</b> |
| <b>Profit / loss before income tax</b>  |            | <b>-16</b>  | <b>308</b> | <b>-87</b>  | <b>1,155</b> |
| <b>Net profit / loss for the reporting period</b>   |            | <b>-16</b>  | <b>308</b> | <b>-87</b>  | <b>1,155</b> |
| <b>Total comprehensive profit / loss for the reporting period</b>   | <b>6</b>   | <b>-16</b>  | <b>308</b> | <b>-87</b>  | <b>1,155</b> |
| Ordinary and diluted profit / loss per share (EUR)  | 6          | -0.01       | 0.12       | -0.04       | 0.56         |

Notes on pages 12-22 are an integral part of these financial statements.



## Statement of financial position

|  | Notes | 30.09.2023    | 31.12.2022    |
|--|-------|---------------|---------------|
| <i>€ thousands</i>   |       |               |               |
| <b>ASSETS</b>  |       |               |               |
| <b>Current assets</b>  |       |               |               |
| Cash and cash equivalents  | 3     | 5,018         | 8,769         |
| Other receivables and accrued income   | 3     | 599           | 385           |
| <b>Total current assets</b>  |       | <b>5,617</b>  | <b>9,154</b>  |
| <b>Non-current assets</b>  |       |               |               |
| Financial assets at fair value through profit or loss  | 3,7   | 12,548        | 12,942        |
| Investments in subsidiaries  |       | 1,122         | 1,152         |
| Investments in underlying funds  |       | 11,426        | 11,790        |
| Loans granted  | 3,7   | 6,395         | 5,376         |
| Non-current receivables  | 3,7   | 1,795         | 0             |
| <b>Total non-current assets</b>  |       | <b>20,738</b> | <b>18,318</b> |
| <b>TOTAL ASSETS</b>  |       | <b>26,355</b> | <b>27,472</b> |
| <b>LIABILITIES</b>   |       |               |               |
| Current liabilities  | 3     | 7             | 586           |
| <b>Total liabilities, excluding net asset value of the Fund attributable to shareholders</b> |       | <b>7</b>      | <b>586</b>    |
| <b>NET ASSET VALUE OF THE FUND</b>   |       |               |               |
| Net asset value of the Fund attributable to shareholders                                     | 5     | 26,348        | 26,886        |
| <b>Total liabilities and net asset value of the Fund attributable to shareholders</b>        |       | <b>26,355</b> | <b>27,472</b> |

Notes on pages 12-22 are an integral part of these interim financial statements.

## Statement of changes in the net asset value of the Fund attributable to shareholders

|   | Notes    | 9 months      |               |
|---|----------|---------------|---------------|
|   |          | 2023          | 2022          |
| <i>€ thousands</i>  |          |               |               |
| <b>Net asset value of the Fund as at the beginning of the period</b>              |          | <b>26,886</b> | <b>16,379</b> |
| Subscription of the shares  |          | 0             | 9,864         |
| Profit distributions to shareholders  |          | -452          | -212          |
| <b>Total transactions with shareholders</b>                                       | <b>5</b> | <b>-452</b>   | <b>9,652</b>  |
| Increase in net asset value attributable to shareholders                          |          | -87           | 1,155         |
| <b>Total net asset value of the Fund attributable to shareholders as at 30.09</b> | <b>5</b> | <b>26,348</b> | <b>27,186</b> |
| Number of shares outstanding at the end of the reporting period, pcs.             |          | 2,483,860     | 2,483,860     |
| <b>Net asset value per share at the end of the reporting period</b>               | <b>5</b> | <b>10.61</b>  | <b>10.95</b>  |

Notes on pages 12-22 are an integral part of these interim financial statements.

## Statement of cash flows

(Direct method)

|   | Notes    | III quarter  |              | 9 months      |               |
|---|----------|--------------|--------------|---------------|---------------|
|   |          | 2023         | 2022         | 2023          | 2022          |
| <i>€ thousands</i>  |          |              |              |               |               |
| <b>Cash flows from operating activities</b>                     |          |              |              |               |               |
| Acquisition of subsidiaries                                     |          | 0            | 0            | 0             | -723          |
| Sale of associates  |          | 0            | 0            | 0             | 921           |
| Acquisition of shares in investment property funds              | 4        | 0            | -366         | -240          | -3,654        |
| Loans granted   | 8        | 0            | 0            | -1,019        | -2,876        |
| Dividends received  |          | 0            | 0            | 352           | 212           |
| Interests received  |          | 20           | 0            | 163           | 0             |
| Operating expenses paid   |          | -70          | -74          | -177          | -186          |
| <b>Total cash flows from operating activities</b>               |          | <b>-50</b>   | <b>-440</b>  | <b>-921</b>   | <b>-6,306</b> |
| <b>Cash flows from investing activities</b>                     |          |              |              |               |               |
| Acquisition of other financial investments                      | 3        | 0            | 0            | -1,795        | 0             |
| <b>Total cash flows from investing activities</b>               |          | <b>0</b>     | <b>0</b>     | <b>-1,795</b> | <b>0</b>      |
| <b>Cash flows from financing activities</b>                     |          |              |              |               |               |
| Proceeds from subscription of shares                            |          | 0            | 0            | 0             | 13,002        |
| Dividends paid  |          | 0            | -212         | -1,035        | -212          |
| <b>Total cash flows from financing activities</b>               |          | <b>0</b>     | <b>-212</b>  | <b>-1,035</b> | <b>12,790</b> |
| <b>Total cash flows</b>   |          | <b>-50</b>   | <b>-652</b>  | <b>-3,751</b> | <b>6,484</b>  |
| <b>Cash and cash equivalents at the beginning of the period</b> |          |              |              |               |               |
|   |          | <b>5,068</b> | <b>9,879</b> | <b>8,769</b>  | <b>2,743</b>  |
| <b>Change in cash and cash equivalents</b>                      |          |              |              |               |               |
|   |          | <b>-50</b>   | <b>-652</b>  | <b>-3,751</b> | <b>6,484</b>  |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>3</b> | <b>5,018</b> | <b>9,227</b> | <b>5,018</b>  | <b>9,227</b>  |

Notes on pages 12-22 are an integral part of these interim financial statements.

## Notes to the financial statements

### Note 1 General information

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The EFTEN United Property Fund (the Fund) was established on 26 April 2021 and commenced operations on 22 June 2021. The Fund is a contractual public closed-end investment fund. The objective of the Fund is to provide the holders of the fund's shares with the opportunity to participate in the development of the Baltic real estate market and real estate related infrastructure and technology companies through an actively managed investment portfolio. The Fund intends to have an investment portfolio diversified between real estate, various real estate related sub-sectors (including real estate related infrastructure companies) and real estate related financial instruments in the three Baltic States, considering capital layers with different risk level

The Fund listed its shares on the Nasdaq Tallinn securities market on 31.05.2022.

EFTEN United Property Fund is managed by EFTEN Capital AS, A. Lauteri 5, Tallinn.

The financial statements reflect the Fund's business activities during its first period of operation from 01.01.2023 to 30.09.2023.

The financial statements are presented in thousands of euros, unless otherwise stated.

These financial statements have been approved by the Management company on 01.11.2023

### Note 2 Summary of significant accounting policies

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#### **2.1 Basis for the report**

The interim financial statements of EFTEN United Property Fund have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS EU). This consolidated interim report has been prepared in accordance with International Accounting Standard IAS 34: Interim Reporting. In preparing the interim report, the same accounting methods have been used as in the annual report for the financial year ended 31.12.2022. The interim report should be read in conjunction with the fund's latest published 2022 financial year report, prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of the management board, EFTEN United Property Fund's interim report for the III quarter and 9 months of 2023 correctly and fairly reflects the financial performance of the fund in accordance with the principle of continuity. This interim report has not been audited or otherwise checked by auditors and contains only fund reports. The reporting currency is the euro. The interim accounting report is prepared in thousands of euros and all figures are rounded to the nearest thousand, unless otherwise indicated.

## Note 3 Financial risk management

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### **The Fund's investment policy**

The Fund invests its assets to investment property and shares, bonds and loan agreements (direct investment) related to real estate and investment funds related to investment property (underlying funds). In addition, the fund's cash may be placed in credit institution's deposits and derivatives.

The Fund invests in the form of equity, equity participations and debt capital (debt securities), as well as through special purpose vehicles (SPVs) created for investment purposes and unquoted instruments.

For investments in underlying funds, the Fund gives preference to investment funds managed by EFTEN Capital. The Fund diversifies its investments across the three Baltic States (Estonia, Latvia and Lithuania) and across different sectors (commercial, residential and mixed-use real estate, infrastructure, etc.) and real estate-related sub-sectors (offices, logistics, retail, etc.).

The Fund invests in the form of debt capital (bonds, loans) with the aim of spreading the level of risk of investments between different layers of capital. As a general rule, the Fund holds such investments to maturity, i.e. the Fund does not aim to trade actively on the secondary market in the form of debt. The proportion of investments made in the form of debt capital shall not exceed 30% of the net asset value of the Fund when acquired.

The Fund may use leverage through borrowings or debt securities issued. At the time of leverage, it may amount to a maximum of 65% of the current value of the Direct Investment. Leverage is generally used at the level of SPVs. The Fund may grant loans to SPVs or provide guarantees or other security to ensure the performance of the SPVs' obligations.

The Fund's assets will be invested in derivatives only for the purpose of hedging the leverage and currency exposures associated with investment property.

The proportion of the net asset value of the Fund's assets attributable to a single investment (other than debt securities) may not exceed 20% at the time of acquisition and 30% at any other time.

The proportion of the net asset value of the Fund represented by an investment in the form of debt capital (debt securities issued, loans granted) made by a single person may not exceed 10% of the net asset value of the Fund at the time of acquisition and the proportion of the net asset value of the Fund represented by an investment in the form of debt capital made by a group may not exceed 15% of the net asset value of the Fund.

The Fund shall place funds in deposits with credit institutions in order to secure its day-to-day operations and future investment property. Depending on the nature of the investment property, the proportion of deposits from credit institutions may fluctuate significantly in the short term.

The investment restrictions and risk diversification requirements laid down in the Terms and Conditions shall not apply during the first two years of the Fund's operation.

As at 30.09.2023 and 31.12.2022, the Fund has the following financial assets and liabilities:

|   | Notes    | 30.09.2023    | 31.12.2022    |
|---|----------|---------------|---------------|
| <i>€ thousand</i>   |          |               |               |
| <b>Financial assets –loans and receivables at amortised cost</b>        |          |               |               |
| Cash and cash equivalents   |          | 5,018         | 8,769         |
| Non-current receivables <sup>1</sup>                                    | 7        | 1,795         | 0             |
| Loans granted   | 7        | 6,395         | 5,376         |
| Interest claims   | 7        | 597           | 377           |
| Other receivables and accrued income                                    |          | 2             | 8             |
| <b>Total financial assets - loans and receivables at amortised cost</b> |          | <b>13,807</b> | <b>14,530</b> |
| <b>Financial assets at fair value through profit or loss</b>            |          |               |               |
| Investments in subsidiaries   | 4        | 1,122         | 1,152         |
| Investments in underlying funds   | 4        | 11,426        | 11,790        |
| <b>Total financial assets at fair value through profit or loss</b>      | <b>7</b> | <b>12,548</b> | <b>12,942</b> |
| <b>TOTAL FINANCIAL ASSETS</b>   |          | <b>26,355</b> | <b>27,472</b> |
| <b>Financial liabilities at amortised cost</b>                          |          |               |               |
| Other current liabilities   |          | 7             | 586           |
| <b>Total financial liabilities at amortised cost</b>                    |          | <b>7</b>      | <b>586</b>    |
| <b>TOTAL FINANCIAL LIABILITIES</b>                                      |          | <b>7</b>      | <b>586</b>    |

<sup>1</sup> On 20.02.2023, the Fund signed two guarantee contracts in the amount of 1,795 thousand euros with a maturity of 28.05.2025 as a guarantee for the construction of the infrastructure of Uus-Järveküla, which is guaranteed by a fixed-term deposit agreement with an interest rate of 2.5% per year.

The fair value of financial assets and financial liabilities carried at amortised cost in the table above does not differ materially from their fair value.

The Fund's investment policy mainly exposes it to the following risks:

1. Market risk
2. Concentration risk
3. Liquidity risk
4. Credit risk
5. Capital risk

### 3.1 Market risk

#### Refinancing risk and interest rate risk

The Fund invests in the real estate market of the Baltic States, which is why the Fund Manager estimates the risk related to the fluctuation of property prices in this region to be higher than usual. The real estate sector is cyclical, with changes in the macroeconomic environment of a country generally being the main driver. All the Baltic States (Estonia, Latvia and Lithuania) are small open economies (exports of goods and services represent a very significant part of the economy) whose development is largely dependent on changes in the macroeconomic environment of the same main trading partners. The cyclical fluctuations of small open economies can be much larger in amplitude than the global average. In

sum, this means that the Baltic countries may have higher than average house price volatility and that house price movements in the three countries may be highly correlated, i.e. house prices in Estonia, Latvia and Lithuania are more likely than average to move in the same direction. For example, according to [Eurostat](#) data, residential property prices in the Baltic countries fell by around 40% in the global economic crisis of 2008-2010, while the average fall in residential property prices in the European Union over the same period was around 5%. The materialisation of market risk (a simultaneous fall in Baltic real estate prices) could have a material adverse impact on the financial performance and return of the Fund.

### **Currency risk**

The Fund does not consider currency risk to be a significant risk as all transactions are carried out in the functional currency, which is the euro, and the presentation currency is also the euro.

### **Refinancing risk and interest rate risk**

In addition to equity, the Fund or the companies belonging to the fund often use debt capital (mainly bank loans) to make investment property. Loan capital agreements are generally for a fixed term, which means that the funds raised in the form of loan capital have to be refinanced at certain intervals (e.g. 5 years). The financial market in the Baltic States is banking-centric in nature. This means that banks are the main credit intermediaries, and the raising of debt or other forms of loan capital is limited. Dependence on a single financier may mean that the terms of the contract are less favourable to the Fund when refinancing funds raised in the form of debt, e.g. the cost of debt (interest rate) increases significantly and/or the volume of debt financing decreases.

Interest rate risk is the risk of changes in the future cash flows of financial instruments due to changes in market interest rates. Changes in market interest rates mainly affect the long-term floating rate debt obligations of the Fund and of the companies owned by the Fund. In order to hedge against the risk of rising interest rates, the companies in which the Fund has holdings have used interest rate swap contracts

In accordance with the Fund's risk management policy, the Fund's manager monitors interest rate risk and sensitivity on a daily basis.

As of 30.09.2023, the 6-month EURIBOR rate is 4.1% (31.12.22: 2.7%) and the 1-month EURIBOR rate is 3.8% (31.12.22: 1.9%). Although EFTEN United Property Fund itself has no loan obligations, the increase in EURIBOR will affect the performance and cash flows of the underlying funds and the subsidiaries that have involved loan capital, as a result of which the periodic profit payments from the underlying funds and subsidiaries will likely decrease to some extent. The realisation of refinancing and interest rate risk could have a material adverse effect on the Fund's financial performance and return.

### **3.2 Concentration risk**

During the first years of the Fund's operation, some investments and/or cash flows from, for example, a tenant may constitute a large part of the Fund's portfolio and/or cash flows. As a result, unexpected negative developments with such an investment or tenant may have a material adverse effect on the Fund's financial performance and return in the first years of operation.

### **3.3 Liquidity risk**

Liquidity risk is the risk that a fund may not have sufficient financial resources to meet its obligations in full when due or may only be able to meet its obligations under significantly less favourable conditions.

### Investment acquisition and disposal risk

The Fund generally invests in assets that are not traded on a regulated market with low liquidity. In addition, the Baltic real estate market is characterised by a relatively small number of professional and highly leveraged investors. As a result, if the Fund wishes to liquidate its investments, it may not be able to find a buyer at the desired time and price. The realisation of liquidity risk may have a negative impact on the Fund's financial results and may reduce profits or lead to losses. During the first years of operation, the Management Company will focus primarily on building up the Fund's portfolio of investments, and it is therefore unlikely that liquidity risk will materialise during the Fund's first years of operation. The Fund will also have the capacity to enter into short-term borrowing arrangements to cover liquidity risk during the acquisition and disposal of investments. The Fund has not entered into any such loan agreements during the reporting period.

The table below illustrates the Fund's expected asset liquidity in the event of a liquidity risk materialisation.

| As at 30.09.2023   | Less than 7 days | 7 days to 1 month | 1-12 months | More than 12 months | Total         |
|--------------------|------------------|-------------------|-------------|---------------------|---------------|
| <i>€ thousands</i> |                  |                   |             |                     |               |
| Total assets       | 118              | 0                 | 16,328      | 9,909               | <b>26,355</b> |

| As at 31.12.2022   | Less than 7 days | 7 days to 1 month | 1-12 months | More than 12 months | Total         |
|--------------------|------------------|-------------------|-------------|---------------------|---------------|
| <i>€ thousands</i> |                  |                   |             |                     |               |
| Total assets       | 8,769            | 0                 | 11,790      | 6,913               | <b>27,472</b> |

As at 30.09.2023, the Fund's liabilities totalled 7 thousand euros (31.12.2022: 586 thousand euros).

In accordance with the Fund's risk management policy, the Fund manager monitors liquidity risk on a daily basis.

### 3.4 Credit risk

Credit risk is the potential loss that could result from the inability of a counterparty to a financial instrument to meet its obligations.

#### Counterparty risk

Resulting from the inability of the counterparty to a transaction involving the Fund's assets to meet its obligations under the transaction. The Fund is exposed to this type of risk in particular through:

- 1) direct investments in the form of debt (e.g. failure of the counterparty to make interest or principal payments);
- 2) claims against tenants of real estate owned by the Fund (or the SPV) (e.g. the counterparty's failure to make rental payments);
- 3) Fund assets held on deposit with credit institutions (e.g. insolvency of a credit institution). Often, these types of risks are linked to changes in the macroeconomic environment in the Baltic States - in the context of a general economic downturn, the counterparty's financial position deteriorates, and they are unable to cover their obligations to the Fund. At the same time, such risks may be 'counterparty specific' - individual companies become insolvent even in favourable macroeconomic conditions. In the early years of a Fund's operation, due to the lower diversification of the Fund's investments, the counterparty risks may be higher than would be expected for this type of fund, and the realisation of the risk may have a material adverse effect on the Fund's financial results and performance. The activity of the Management Company to prevent the loss of counterparty cash flows and to minimise such risk consists in the consistent monitoring and management of the (payment) behaviour of clients, counterparties, which allows the implementation of the necessary measures in an operational manner.



The maximum credit risk of the Fund is shown in the table below:

|  | 30.09.2023    | 31.12.2022    |
|--|---------------|---------------|
| <i>€ thousands</i>                     |               |               |
| Cash and cash equivalents <sup>1</sup> | 5,018         | 8,769         |
| Non-current receivables (Note 7)       | 1,795         | 0             |
| Loans granted (Note 7)                 | 6,395         | 5,376         |
| Other receivables                      | 599           | 385           |
| <b>Total maximum credit risk</b>       | <b>13,807</b> | <b>14,530</b> |

<sup>1</sup>As of 30.09.2023, the Fund has recorded deposits with a maturity of less than 3 months in the total amount of 4,900 thousand euros among cash equivalents. The deposit bears interest at 3.13% per year. Both cash and cash equivalents are held in a bank with an Aa3 rating (according to Moody's long-term).

As of 30.09.2023, long-term receivables include two guarantee agreements set as collateral for a subsidiary's development project bank loan in the total amount of 1,795 thousand euros with a term of 28.05.2025, which is guaranteed by a fixed-term deposit agreement with an interest rate of 2.5% per year.

Loans granted as of 30.09.2023 include loans granted to subsidiaries in the total amount of 6,395 thousand euros (31.12.2022: 5,376 thousand euros). The maturity of one loan in the amount of 2,876 thousand euros is 28.02.2027 and the loan bears interest at 4% per year. The maturity of the second loan in the amount of 3,519 thousand euros is 18.08.2025, and until 18.12.2024 this loan bears interest at 8% per year. From 19.12.2024, the loan interest rate is 15% per year.

The Fund measures credit risk and expected credit loss using probability of default, exposure to default and loss in default. When determining the expected credit loss, management takes into account both historical information and forward-looking information. Applying the requirements of IFRS 9, the expected credit loss is immaterial for the fund and therefore no expected credit loss has been recorded in the financial statements.

According to the fund's risk management policy, the fund manager monitors credit risk on a daily basis.

### **3.5 Capital risk**

#### **The risk of slow and/or low-profit investment of the funds received from the issue**

The Fund invests the proceeds of the issue predominantly in instruments that are not traded on a regular market with low liquidity. This means that the Fund may take longer than expected to invest the proceeds of the issue or may not find profitable investment opportunities. In such a case, the proceeds of the issue will be held in deposits with a credit institution, where their long-term return is likely to be lower than if they had been invested in income-producing real estate assets. Therefore, if the Fund is unable to find attractive investment opportunities over a longer period of time after the new units are issued, unitholders may experience a lower return. The likelihood of the risk materialising depends in particular on two factors:

- (i) the size of the subscriptions for shares of the Fund during the offering period; and
- (ii) how active the Baltic property market is during the offering period. The risk of a slow and/or low-profit investment is higher the more units are subscribed to the Fund and the lower the activity in the Baltic property market.

The capital of the Fund consists of the net asset value of its assets, i.e. the money raised from the issue of shares and the income of the Fund. The Fund's capital changes periodically as new shares are issued. As at 30.09.2023 operation EFTEN United Property Fund issued 2,483,860 shares with a total cost of 25,466 thousand euros.

In accordance with the Fund's risk management policy, the Fund Manager monitors the Fund's capital through the net asset value of the Fund.

EFTEN United Property Fund listed the shares to trading on Nasdaq Tallinn on 31.05.2022 and all the shares are publicly tradable.

### **3.6 Risk related to military activities**

In February 2022, Russia started a war in Ukraine. In this regard, most countries imposed extensive sanctions, which have a significant negative impact on the Russian economy. As far as the fund manager is aware, there are no tenants mainly related to business activities in Russia or Ukraine on the rental premises of the real estate objects owned by the fund. Therefore, the impact of the direct or so-called first round realization of the risk on the fund's financial results is small. In connection with the imposed sanctions, the effects of the so-called second round of risk realization may gradually appear over time - in particular, they may affect the fund through a decrease in investors' confidence in the economies of the Baltic states (thereby increasing the likelihood of the realization of market risk, refinancing and interest rate risk, as well as liquidity risk).

## **Note 4 Fair value of financial assets**

The balance sheet value of the Fund's financial assets and liabilities generally corresponds to their fair value, taking into account differences in the valuation techniques used.

The Fund's investments in subsidiaries and underlying funds are valued at fair value. The fund calculates the fair value of investments based on the following:

- The value of a security traded on a regulated market is its last published regulated market closing price on the balance sheet date.
- the assets and liabilities of the subsidiary at the balance sheet date, with a significant portion of the assets being properties carried at fair value. If the subsidiary does not value the properties included in its assets at fair value (mainly because the properties are being developed for sale and are therefore included in inventories), the Fund values the subsidiary's properties separately by engaging an independent valuer. Other assets of the subsidiary comprise cash and cash equivalents, trade receivables and other minor assets, and liabilities comprise trade payables, loan payables and other minor liabilities, the carrying amounts of which do not differ materially from their fair values, so that the inputs used to determine the fair value of investment property are the most significant in determining the fair value of the subsidiary as a whole.
- of the consolidated assets and liabilities of the underlying funds at the balance sheet date, where a significant portion of the assets are investment property measured at fair value by an independent valuer. The investment properties of the underlying funds are valued individually by Colliers International Advisors OÜ using the discounted cash flow method. The cash flow projections for all properties are updated in the fair value calculation and the discount rates and exit yields are differentiated according to the location of the properties, their technical condition and the risk level of the tenants. The carrying amounts of the remaining underlying assets and liabilities do not differ materially from their fair values, so the inputs used to determine the fair value of investment property are the most significant in determining the fair value of the underlying fund as a whole.

A subsidiary of the Fund owns the Uus-Järveküla development project, the fair value of which has been determined using the discounted cash flow method. The main inputs to the cash flows of the development project are the proceeds from the

sale of the properties, the costs associated with the sale and the construction costs. The cash flows of the project have been discounted using a discount rate of 10%.

The subsidiary's assets, liabilities and net assets at fair value are shown in the table below:

| Uus-Järveküla OÜ                   | Balance of subsidiary as of 30.09.2023 | Adjustment to fair value | Fair value as of 30.09.2023 | Balance of subsidiary as of 31.12.2022 | Adjustment to fair value | Fair value as of 31.12.2022 |
|------------------------------------|--|--------------------------|-----------------------------|--|--------------------------|-----------------------------|
| <i>€ thousands</i>                 |  |                          |                             |  |                          |                             |
| Cash and cash equivalents          | 761                                    | 0                        | 761                         | 120                                    | 0                        | 120                         |
| Inventory                          | 16,516                                 | -1,506                   | 15,010                      | 5,247                                  | 603                      | 5,850                       |
| Other current assets               | 374                                    | 0                        | 374                         | 33                                     | 0                        | 33                          |
| <b>Total current assets</b>        | <b>17,651</b>                          | <b>-1,506</b>            | <b>16,145</b>               | <b>5,400</b>                           | <b>603</b>               | <b>6,003</b>                |
| Long-term financial investments    | 0                                      | 0                        | 0                           | 3                                      | 0                        | 3                           |
| <b>Total non-current assets</b>    | <b>0</b>                               | <b>0</b>                 | <b>0</b>                    | <b>3</b>                               | <b>0</b>                 | <b>3</b>                    |
| <b>TOTAL ASSETS</b>                | <b>17,651</b>                          | <b>-1,506</b>            | <b>16,145</b>               | <b>5,403</b>                           | <b>603</b>               | <b>6,006</b>                |
| Short-term borrowings              | 12                                     | 0                        | 12                          | 12                                     | 0                        | 12                          |
| Other current liabilities          | 4,307                                  | 0                        | 4,307                       | 2,110                                  | 0                        | 2,110                       |
| <b>Total current liabilities</b>   | <b>4,319</b>                           | <b>0</b>                 | <b>4,319</b>                | <b>2,122</b>                           | <b>0</b>                 | <b>2,122</b>                |
| Long-term borrowings               | 13,137                                 | 0                        | 13,137                      | 3,208                                  | 0                        | 3,208                       |
| Other long-term liabilities        | 584                                    | 0                        | 584                         | 346                                    | 0                        | 346                         |
| <b>Total long-term liabilities</b> | <b>13,721</b>                          | <b>0</b>                 | <b>13,721</b>               | <b>3,554</b>                           | <b>0</b>                 | <b>3,554</b>                |
| <b>TOTAL LIABILITIES</b>           | <b>18,040</b>                          | <b>0</b>                 | <b>18,040</b>               | <b>5,676</b>                           | <b>0</b>                 | <b>5,676</b>                |
| <b>NET ASSETS</b>                  | <b>-389</b>                            | <b>-1,506</b>            | <b>-1,895</b>               | <b>-273</b>                            | <b>603</b>               | <b>330</b>                  |

|                          | 30.09.2023  | Adjustment to fair value | Fair value as of 30.09.2023 | 31.12.2022  | Adjustment to fair value | Fair value as of 31.12.2022 |
|--------------------------|-------------|--------------------------|-----------------------------|-------------|--------------------------|-----------------------------|
| Revenue                  | 9           | 0                        | 9                           | 0           | 0                        | 0                           |
| <b>Net Profit / loss</b> | <b>-115</b> | <b>-1,506</b>            | <b>-1,621</b>               | <b>-199</b> | <b>603</b>               | <b>404</b>                  |

|  | 30.09.2023 | 31.12.2022 |
|--|------------|------------|
| <i>€ thousands</i>                               |            |            |
| The Fund's share in Uus-Järveküla OÜ             | 80%        | 80%        |
| Acquisition cost of the Fund's investment        | 2          | 2          |
| Fair value of the Fund's investment              | 0          | 263        |
| Profit- / loss on change in fair value in period | -263       | -365       |

During the 9 months of 2023, the Fund suffered a total loss of 634 thousand euros from the change in the fair value of subsidiaries and underlying funds (2022: profit of 909 thousand euros).

| Name                      | Acquisition cost 30.09.2023 | Fair value 30.09.2023 | Gain on change in fair value 9 months 2023 | Acquisition cost 30.09.2022 | Fair value 30.09.2022 | Gain/loss from change in fair value 9 months 2023 |
|---------------------------|-----------------------------|-----------------------|--|-----------------------------|-----------------------|---|
| <i>€ thousands</i>        |                             |                       |  |                             |                       |   |
| <b>Subsidiaries</b>       |                             |                       |  |                             |                       |   |
| Uus-Järveküla OÜ          | 2                           | 0                     | -263                                       | 2                           | 483                   | -145  |
| EFTEN M7 UAB              | 723                         | 1,122                 | 233  | 723                         | 1,050                 | 327   |
| <b>Total subsidiaries</b> | <b>725</b>                  | <b>1,122</b>          | <b>-30</b>                                 | <b>725</b>                  | <b>1,533</b>          | <b>182</b>  |
| <b>Underlying funds</b>   |                             |                       |  |                             |                       |   |
| EFTEN Real Estate Fund AS | 4,497                       | 4,124                 | -642                                       | 3,500                       | 3,618                 | 104   |

|                                     |               |               |             |               |               |            |
|-------------------------------------|---------------|---------------|-------------|---------------|---------------|------------|
| EFTEN Kinnisvarafond II AS          | 963           | 1,052         | 17          | 963           | 1,049         | 46         |
| EFTEN Real Estate Fund 5 trust fund | 4,157         | 5,217         | 22          | 4,741         | 5,325         | 561        |
| EFTEN Residential Fund trust fund   | 967           | 1,033         | -1          | 728           | 765           | 15         |
| <b>Total underlying funds</b>       | <b>10,584</b> | <b>11,426</b> | <b>-604</b> | <b>9,932</b>  | <b>10,757</b> | <b>726</b> |
| <b>Total securities</b>             | <b>11,309</b> | <b>12,548</b> | <b>-634</b> | <b>10,657</b> | <b>12,290</b> | <b>909</b> |

Additional information on investments is provided in Note 3.

In June 2023, EFTEN United Property Fund increased its investment in the amount of 240 thousand euros in the trust fund EFTEN Residential Fund in connection with the development projects of rental houses in Riga and Vilnius.

During the reporting period, the Fund has not sold or pledged its securities investments.

### Fair value

The following is an analysis of assets at fair value by valuation technique. Valuation techniques are defined as follows:

Level 1 - exchange prices on a traded market;

Level 2 - assets and liabilities directly or indirectly linked to prices set in a traded market;

Level 3 - prices in a non-trading market.

As of 30.09.2023, the Fund owns one asset that belongs to the Level 1 group (participation in the listed company EFTEN Real Estate Fund). As of 31.12.2022, the Fund did not own any assets at fair value that would belong to the Level 1 group when determining the value. All other investments of the Fund in subsidiaries and underlying funds are recorded at fair value and belong to the Level 3 group according to the valuation method.

|              | 30.09.2023    | 31.12.2022    |
|--------------|---------------|---------------|
| € thousands  |               |               |
| Level 1      | 4,124         | 0             |
| Level 3      | 8,425         | 12,942        |
| <b>Total</b> | <b>12,549</b> | <b>12,942</b> |

## Note 5 Net asset value of the Fund

The Fund's shares are freely tradable on the Nasdaq Tallinn stock exchange from 31.05.2022. As of 30.09.2023, EFTEN United Property Fund has issued a total of 2,483,860 units with a total cost of 25,466 thousand euros (31.12.2022: the same). Due to the fund's relatively large proportion of uninvested capital and the listing of units on the Nasdaq Tallinn Stock Market, EFTEN United Property Fund does not plan to issue new shares in the near future.

Since founding the Fund has issued shares as follows:

| Month    | Issue price per share | Number of shares issued | Balance of issued shares at the end of the period | Cash received from the issue of shares |
|----------|-----------------------|-------------------------|---|--|
| 30.06.21 | 10.00                 | 271,797                 | 271,797   | 2,718                                  |
| 31.07.21 | 10.00                 | 140,171                 | 411,968   | 1,405                                  |
| 31.08.21 | 10.01                 | 105,854                 | 517,822   | 1,076                                  |
| 30.09.21 | 10.04                 | 381,484                 | 899,306   | 3,850                                  |
| 31.10.21 | 10.06                 | 223,149                 | 1,122,456   | 2,261                                  |
| 30.11.21 | 10.08                 | 120,010                 | 1,242,465   | 1,154                                  |
| 31.12.21 | 10.09                 | 311,097                 | 1,553,562   | 3,139                                  |
| 31.01.22 | 10.54                 | 99,211                  | 1,652,774   | 1,046                                  |
| 28.02.22 | 10.56                 | 72,200                  | 1,724,973   | 762                                    |
| 31.03.22 | 10.58                 | 97,242                  | 1,822,216   | 1,046                                  |
| 30.04.22 | 10.61                 | 1,644                   | 1,823,860   | 0                                      |

|              |       |                  |           |               |
|--------------|-------|------------------|-----------|---------------|
| 31.05.22     | 10.61 | 660,000          | 2,483,860 | 7,009         |
| <b>Total</b> |       | <b>2,483,860</b> |           | <b>25,466</b> |

In 9 months of 2023, the Fund received a total of 352 thousand euros from dividend income and a total of 163 thousand euros from interest. 452 thousand euros of the received income were paid out to the Fund's investors in June 2023.

The net value of the Fund's share as of 30.09.2023 was 10.61 euros (as of 31.12.2022: 10.82 euros). The net asset value of the Fund was 26,348 thousand euros as of 30.09.2023 (as of 31.12.2022: 26,886 thousand euros).

## Note 6 Profit per share

|  | III quarter |           | 9 months  |           |
|--|-------------|-----------|-----------|-----------|
|  | 2023        | 2022      | 2023      | 2022      |
| Growth in net asset value attributable to shareholders, € thousand | -16         | 308       | -87       | 1,155     |
| Weighted average number of shares during the period, pcs.          | 2,483,860   | 2,483,860 | 2,483,860 | 2,059,155 |
| Earnings per share, EUR  | -0.01       | 0.12      | -0.04     | 0.56      |

## Note 7 Segment reporting

### SEGMENT'S RESULTS

| 9 months 2023   | Commercial property | Residential property | Property development | Unallocated | Total      |
|---|---------------------|----------------------|----------------------|-------------|------------|
| <i>€ thousands</i>  |                     |                      |                      |             |            |
| Net gain/loss on assets at fair value through profit or loss  | -370                | -1                   | -263                 | 0           | -634       |
| Dividend income   | 341                 | 11                   | 0                    | 0           | 352        |
| Interest income   | 87                  | 0                    | 222                  | 75          | 384        |
| <b>Total income</b>   | <b>58</b>           | <b>10</b>            | <b>-41</b>           | <b>75</b>   | <b>102</b> |
| <b>Growth in net asset value attributable to shareholders</b> | <b>58</b>           | <b>10</b>            | <b>-41</b>           | <b>-114</b> | <b>-87</b> |

### SEGMENT'S ASSETS

| As at 30.09.2023                        | Commercial property | Residential property | Property development | Unallocated | Total         |
|---|---------------------|----------------------|----------------------|-------------|---------------|
| <i>€ thousands</i>                      |                     |                      |                      |             |               |
| Financial assets at fair value (note 3) | 11,515              | 1,033                | 0                    | 0           | 12,548        |
| Loans granted (note 3)                  | 2,876               | 0                    | 3,519                | 0           | 6,395         |
| Interest receivables (note 3)           | 87                  | 0                    | 499                  | 11          | 597           |
| Long-term receivables (note 3)          | 0                   | 0                    | 1,795                | 0           | 1,795         |
| <b>Total investments</b>                | <b>14,478</b>       | <b>1,033</b>         | <b>5,813</b>         | <b>11</b>   | <b>21,335</b> |
| Net debt (cash minus total liabilities) |                     |                      |                      |             | 5,011         |

|                        |               |
|------------------------|---------------|
| Other current assets   | 2             |
| <b>Net asset value</b> | <b>26,348</b> |

| <b>As at 31.12.2022</b>                 | <b>Commercial property</b> | <b>Residential property</b> | <b>Property development</b> | <b>Unallocated</b> | <b>Total</b>  |
|---|----------------------------|-----------------------------|-----------------------------|--------------------|---------------|
| <i>€ thousand</i>                       |                            |                             |                             |                    |               |
| Financial assets at fair value (note 3) | 11,885                     | 794                         | 263                         | 240                | 12,942        |
| Loans granted (note 3)                  | 2,876                      | 0                           | 2,500                       | 3,519              | 5,376         |
| Interest receivables (note 3)           | 100                        | 0                           | 277                         | 278                | 377           |
| <b>Total investments</b>                | <b>14,861</b>              | <b>794</b>                  | <b>3,040</b>                | <b>4,037</b>       | <b>18,695</b> |
| Net debt (cash minus total liabilities) |                            |                             |                             |                    | 8,183         |
| <u>Other current assets</u>             |                            |                             |                             |                    | 8             |
| <b>Net asset value</b>                  |                            |                             |                             |                    | <b>26,886</b> |

During the reporting periods, the business segments did not transact with each other. The main income of the Fund was obtained in the 9 months of 2023 from dividends and interest received from subsidiaries and underlying funds.

## Note 8 Related party transactions

EFTEN United Property Fund counts as related parties:

- Persons holding more than 10% of the paid-up capital of the Fund;
- a subsidiary of EFTEN United Property Fund;
- EFTEN Capital AS (the fund manager).
- The management of EFTEN Capital AS and companies controlled by the management

During the reporting period, the Fund purchased management services from EFTEN Capital AS in the amount of 85 thousand euros (2022 9 months: 68 thousand euros). The Fund did not buy from other related parties or sell other goods or services to related parties during the reporting period.

During the reporting period, the Fund granted loans to subsidiaries totaling 6,395 thousand euros (31.12.2022: 5,376 thousand euros) and received interest income from the loans in the amount of 283 thousand euros in 9 months (2022 9 months: 220 thousand euros). The base currency of the loan is the euro.

As of 30.09.2023, the fund's management and the companies controlled by the fund's management owned 39,792 EFTEN United Property Fund units (31.12.2022: 39,789). The management of the Fund includes the board members of the management company EFTEN Capital AS, the head of retail business and the head of investments.

EFTEN United Property Fund does not pay any fees to the management of the Fund. The management receives fees from the fund management company EFTEN Capital AS.



## Fund's investment report as at 30.09.2023

### Subsidiaries

As at 30.09.2023

| Name                      | Location | Participation in investment | Acquisition cost | Fair value   | Share of the net value of the fund |
|---------------------------|----------|-----------------------------|------------------|--------------|------------------------------------|
| <i>€ thousands</i>        |          |                             |                  |              |                                    |
| Uus-Järveküla OÜ          | Tallinn  | 80.0%                       | 2                | 0            | 0.0%                               |
| EFTEN M7 UAB              | Vilnius  | 100.0%                      | 723              | 1,122        | 4.3%                               |
| <b>Total subsidiaries</b> |          |                             | <b>725</b>       | <b>1,122</b> | <b>4.3%</b>                        |

As at 31.12.2022

| Name                      | Location | Participation in investment | Acquisition cost | Fair value   | Share of the net value of the fund |
|---------------------------|----------|-----------------------------|------------------|--------------|------------------------------------|
| <i>€ thousands</i>        |          |                             |                  |              |                                    |
| Uus-Järveküla OÜ          | Tallinn  | 80.0%                       | 2                | 263          | 1.0%                               |
| EFTEN M7 UAB              | Vilnius  | 100.0%                      | 723              | 889          | 3.3%                               |
| <b>Total subsidiaries</b> |          |                             | <b>725</b>       | <b>1,152</b> | <b>4.3%</b>                        |

### Funds

As at 30.09.2023

| Name                                   | Type        | Country of origin | Fund management company | Share in the fund 30.09.2023 | Acquisition cost | Average share acquisition cost | Total market value | Market value the per share Fund's | Share in net asset value |
|--|-------------|-------------------|-------------------------|------------------------------|------------------|--------------------------------|--------------------|-----------------------------------|--------------------------|
| <i>€ thousands</i>                     |             |                   |                         |                              |                  |                                |                    |                                   |                          |
| <b>Underlying funds</b>                |             |                   |                         |                              |                  |                                |                    |                                   |                          |
| EFTEN Real Estate Fund 5 trust fund    | Trust fund  | Estonia           | EFTEN Capital AS        | 36.47%                       | 4,157            | 4,157                          | 5,217              | 5,217                             | 19.8%                    |
| EFTEN Real Estate Fund AS <sup>1</sup> | Equity fund | Estonia           | EFTEN Capital AS        | 2.02%                        | 4,497            | 0.0206                         | 4,124              | 0.0189                            | 15.7%                    |
| EFTEN Kinnisvarafond II AS             | Equity fund | Estonia           | EFTEN Capital AS        | 0.71%                        | 963              | 0.0148                         | 1,052              | 0.0162                            | 4.0%                     |
| EFTEN Residential Fund trust fund      | Trust fund  | Estonia           | EFTEN Capital AS        | 3.58%                        | 967              | 967                            | 1,033              | 1033                              | 3.9%                     |
| <b>Total underlying funds</b>          |             |                   |                         |                              | <b>10,584</b>    |                                | <b>11,426</b>      |                                   | <b>43.4%</b>             |
| <b>Total securities</b>                |             |                   |                         |                              | <b>11,309</b>    |                                | <b>12,548</b>      |                                   | <b>47.6%</b>             |

<sup>1</sup> EFTEN Kinnisvarafond AS merged with EFTEN Real Estate Fund AS. The merger took effect on 28.02.2023



## As at 31.12.2022

| Name                                | Type        | Country of origin | Fund management company | Share in the fund 31.12.2022 | Acquisition cost | Average share acquisition cost | Total market value | Market value per share | Share in the Fund's net asset value |
|-------------------------------------|-------------|-------------------|-------------------------|------------------------------|------------------|--------------------------------|--------------------|------------------------|-------------------------------------|
| <i>€ thousands</i>                  |             |                   |                         |                              |                  |                                |                    |                        |                                     |
| <b>Underlying funds</b>             |             |                   |                         |                              |                  |                                |                    |                        |                                     |
| EFTEN Real Estate Fund 5 trust fund | Trust fund  | Estonia           | EFTEN Capital AS        | 36.47%                       | 4,158            | 4,158                          | 5,196              | 5,196                  | 19.3%                               |
| EFTEN Real Estate Fund AS           | Equity fund | Estonia           | EFTEN Capital AS        | 3.81%                        | 4,497            | 0.0030                         | 4,766              | 0.0031                 | 17.7%                               |
| EFTEN Kinnisvarafond II AS          | Equity fund | Estonia           | EFTEN Capital AS        | 0.71%                        | 963              | 0.0148                         | 1,034              | 0.0159                 | 3.8%                                |
| EFTEN Residential Fund trust fund   | Trust fund  | Estonia           | EFTEN Capital AS        | 3.14%                        | 727              | 727                            | 794                | 794                    | 3.0%                                |
| <b>Total underlying funds</b>       |             |                   |                         |                              | <b>10,345</b>    |                                | <b>11,790</b>      |                        | <b>43.9%</b>                        |
| <b>Total securities</b>             |             |                   |                         |                              | <b>11,070</b>    |                                | <b>12,942</b>      |                        | <b>48.1%</b>                        |

All funds whose shares and participation EFTEN United Property Fund owns disclose their net worth on a monthly basis.

## Loans granted

## As at 30.09.2023

| Borrower                   | Borrower's country of origin | Maturity   | Interest rate                              | Contractual loan amount | Loan balance 31.09.2023 | Share in the Fund's assets' market value |
|----------------------------|------------------------------|------------|--|-------------------------|-------------------------|--|
| <i>€ thousands</i>         |                              |            |  |                         |                         |  |
| EFTEN M7 UAB               | Lithuania                    | 28.02.2027 | 4%   | 2,876                   | 2,876                   | 10.9%                                    |
| Uus-Järveküla OÜ           | Estonia                      | 18.08.2025 | 8% until 18.12.2024<br>15% from 19.12.2024 | 3,519                   | 3,519                   | 13.4%                                    |
| <b>Total loans granted</b> |                              |            |  | <b>6,395</b>            | <b>6,395</b>            | <b>24.3%</b>                             |

## As at 31.12.2022

| Borrower                   | Borrower's country of origin | Maturity   | Interest rate                              | Contractual loan amount | Loan balance 31.12.2022 | Share in the Fund's assets' market value |
|----------------------------|------------------------------|------------|--|-------------------------|-------------------------|--|
| <i>€ thousands</i>         |                              |            |  |                         |                         |  |
| EFTEN M7 UAB               | Lithuania                    | 28.02.2027 | 4%   | 2,876                   | 2,876                   | 10.7%                                    |
| Uus-Järveküla OÜ           | Estonia                      | 18.08.2025 | 8% until 18.12.2024<br>15% from 19.12.2024 | 2,500                   | 2,500                   | 9.3%                                     |
| <b>Total loans granted</b> |                              |            |  | <b>5,376</b>            | <b>5,376</b>            | <b>20.0%</b>                             |

**Other assets****As at 30.09.2023**

| Name                         | Market value | Share of the net value of the fund |
|------------------------------|--------------|------------------------------------|
| <i>€ thousands</i>           |              |                                    |
| Interest receivable          | 597          | 2.3%                               |
| Other short-term receivables | 2            | 0.0%                               |
| <b>Total other assets</b>    | <b>599</b>   | <b>2.3%</b>                        |

**As at 31.12.2022**

| Name                         | Market value | Share of the net value of the fund |
|------------------------------|--------------|------------------------------------|
| <i>€ thousands</i>           |              |                                    |
| Interest receivable          | 377          | 1.4%                               |
| Other short-term receivables | 8            | 0.0%                               |
| <b>Total other assets</b>    | <b>385</b>   | <b>1.4%</b>                        |

**Deposits****As at 30.09.2023**

| Credit institution    | Type              | Country of origin | Rating of the Credit institution and name of the rating agency | Maturity date | Interest rate | Amount        | Share in the Fund's net asset value |
|-----------------------|-------------------|-------------------|--|---------------|---------------|---------------|-------------------------------------|
| <i>€ thousands</i>    |                   |                   |  |               |               |               |                                     |
| Swedpank Estonia      | On demand deposit | Estonia           | Moody's Aa3  | On demand     | -             | 118           | 0.4%                                |
| Swedpank Estonia      | Term deposit      | Estonia           | Moody's Aa3  | 04.12.2023    | 3.1%          | 4,900         | 18.6%                               |
| Swedpank Estonia      | Term deposit      | Estonia           | Moody's Aa3  | 28.05.2025    | 2.5%          | 1,795         | 6.8%                                |
| <b>Total deposits</b> |                   |                   |  |               |               | <b>6,813</b>  | <b>25.9%</b>                        |
| <b>TOTAL ASSETS</b>   |                   |                   |  |               |               | <b>26,355</b> | <b>100.03%</b>                      |

## As at 31.12.2022

| Credit institution  | Type              | Country of origin | Rating of the Credit institution and name of the rating agency | Maturity date | Interest rate | Amount        | Share in the Fund's net asset value |
|---------------------|-------------------|-------------------|--|---------------|---------------|---------------|-------------------------------------|
| <i>€ thousands</i>  |                   |                   |  |               |               |               |                                     |
| Swedbank Estonia    | On demand deposit | Estonia           | Moody's Aa3  | On demand     | -             | 8,769         | 32.6%                               |
| <b>TOTAL ASSETS</b> |                   |                   |  |               |               | <b>27,472</b> | <b>102.18%</b>                      |

## Seisuga 30.09.2023

|   |               |                |
|---|---------------|----------------|
| <u>Fund liabilities</u>                   | -7            | -0.03%         |
| <b><u>NET ASSET VALUE OF THE FUND</u></b> | <b>26,348</b> | <b>100.00%</b> |

## As at 31.12.2022

|   |               |                |
|---|---------------|----------------|
| <u>Fund liabilities</u>                   | -586          | -2.18%         |
| <b><u>NET ASSET VALUE OF THE FUND</u></b> | <b>26,886</b> | <b>100.00%</b> |