



Interim report 01.01.2024 – 31.03.2024

Business name	EFTEN United Property Fund
ISIN code	EE3500001609
Address	A. Lauteri 5, 10114 Tallinn, Estonia
Telephone	+372 655 9515
Fax	+372 618 1818
Email	info@eften.ee
Website	www.eftenunitedpropertyfund.ee
Main activity	Management of funds
Financial year	1 January – 31 December
Fund manager	EFTEN Capital AS
Management board of the	Viljar Arakas
Fund Manager	Maie Talts Kristjan Tamla
Type of Fund	Contractual alternative investment fund
Shares	Listed on the Nasdaq Tallinn Stock Exchange

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Management report

In the first quarter of 2024, EFTEN United Property Fund operated in a stabilizing real estate and interest market environment. Although the transaction activity of the real estate market is still relatively low, certain signs of stabilization and recovery were noticeable at the beginning of the year. For example, the sales pace of the fund's Uus-Järveküla residential development project accelerated somewhat. On average, 3-4 new sales contracts were signed per month. In the environment of a stabilizing real estate market, the goal of the Fund in 2024 is to invest free capital in commercial cash flow generating real estate and to distribute income to investors twice.

In the residential district of Uus-Järveküla, approximately 50 terraced houses were handed over to clients in the first quarter of 2024. In addition, the construction works of phase II began, where 16 semi-detached houses and 14 terraced houses will be completed in early 2025. Of these, only 2 semi-detached houses and 4 terraced houses have not yet been booked by customers.

Financial overview

In the first quarter of 2024, EFTEN United Property Fund (hereinafter the Fund) earned 94 thousand euros in net profit (2023 first quarter: 34 thousand euros in net loss). The Fund's income increased to 156 thousand euros as compared to 56 thousand euros a year ago. The Fund's expenses in the first quarter of 2024 totalled 61 thousand euros (2023 first quarter: 90 thousand euros).

The assets of EFTEN United Property Fund stood at 26,354 thousand euros as of 31.03.2024 (31.12.2023: 26,259 thousand euros), of which long-term investments made up 69.2% as of the end of March (31.12.2023: 68.6%).

Key financial indicators of the Fund	31.03.2024	31.12.2023
<i>€ thousands</i>		
Net asset value of the Fund at the end of the period	26,350	26,256
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	10.57
Increase/decrease in the net value of the Fund's share during the reporting period	0.4%	-2.3%
Profit/ Loss per share (comprehensive profit for the reporting period: average number of shares in the period)	0.04	-0.07
Result of the Fund	94	-179
Investments in subsidiaries	906	1,054
Investments in underlying funds	11,675	11,300
Short-term deposits	1,563	1,795
Loans granted	5,668	5,668

Investments

At the end of 2023, most of the infrastructure works related to the development of the first stage of the Uus-Järveküla residential area were completed. In this regard, the guarantees in the amount of 1,675 thousand euros as granted by the Fund for the construction of infrastructure expired on 28.02.2024. The Fund earned 2.5% interest on the 12 months bank deposits related to these guarantees.

In the first quarter of 2024, the Fund signed two guarantee contracts in the amount of 1,119 thousand euros and 324 thousand euros related to the infrastructure works related to the development of the second and partly also the third stage of the Uus-Järveküla residential area. Fixed-term bank deposits with an interest rate of 4% and a term of 30.11.2024 and 14.12.2024 have been set as collateral for the guaranteed agreements.

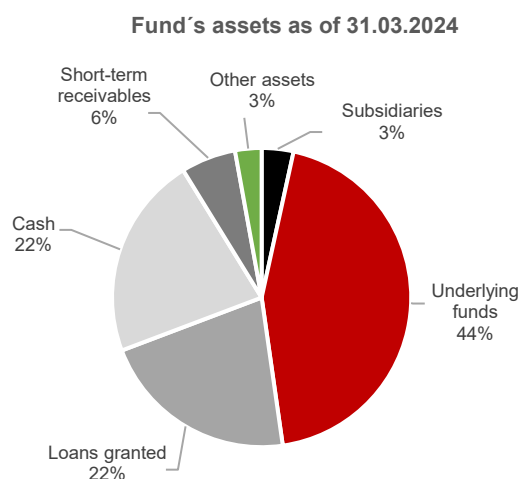
In the case of investment property development, it is standard procedure to put a bank guarantee on the completion of the infrastructure. Upon handover of the corresponding infrastructure works, the warranty contract is also released to the corresponding extent.

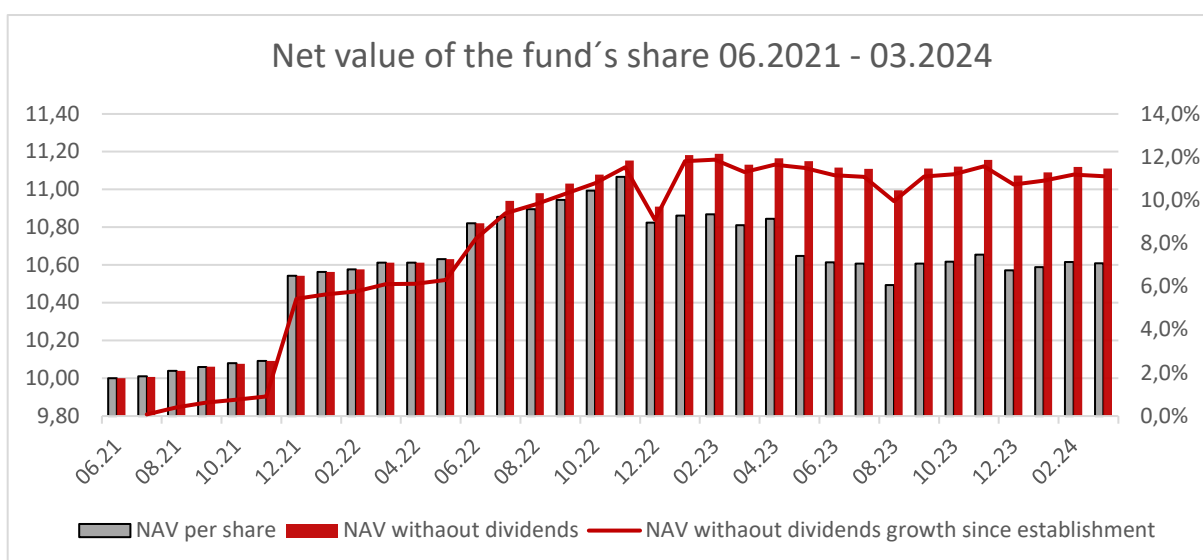
In January 2024, EFTEN United Property Fund increased its investment in the EFTEN Residential Fund by 250 thousand euros in connection with the development project of rental apartments in Vilnius. The Vilnius rental apartments should be completed and start generating cash flow for the fund in the summer of 2024. The last investment to the development of rental apartments in Vilnius is planned for May 2024. Thereafter no additional investments to residential rental apartments are in the pipeline.

Net value of the Fund

The value of the EFTEN United Property Fund unit as of 31.03.2024 was 10.61 euros (31.03.2023: 10.57 euros). Since the foundation of the Fund, the net value of the unit has increased by 6.1%. The net asset value of the Fund was 26.350 million euros as of 31.03.2024 (31.12.2023: 26.256 million euros).

As of 31.03.2024, EFTEN United Property Fund has raised a total of 25.466 million euros of capital, of which more than 7.35 million euros remain uninvested as of 31.03.2024. All existing investments are performing well and do not currently appear to require higher capital injections than usual.

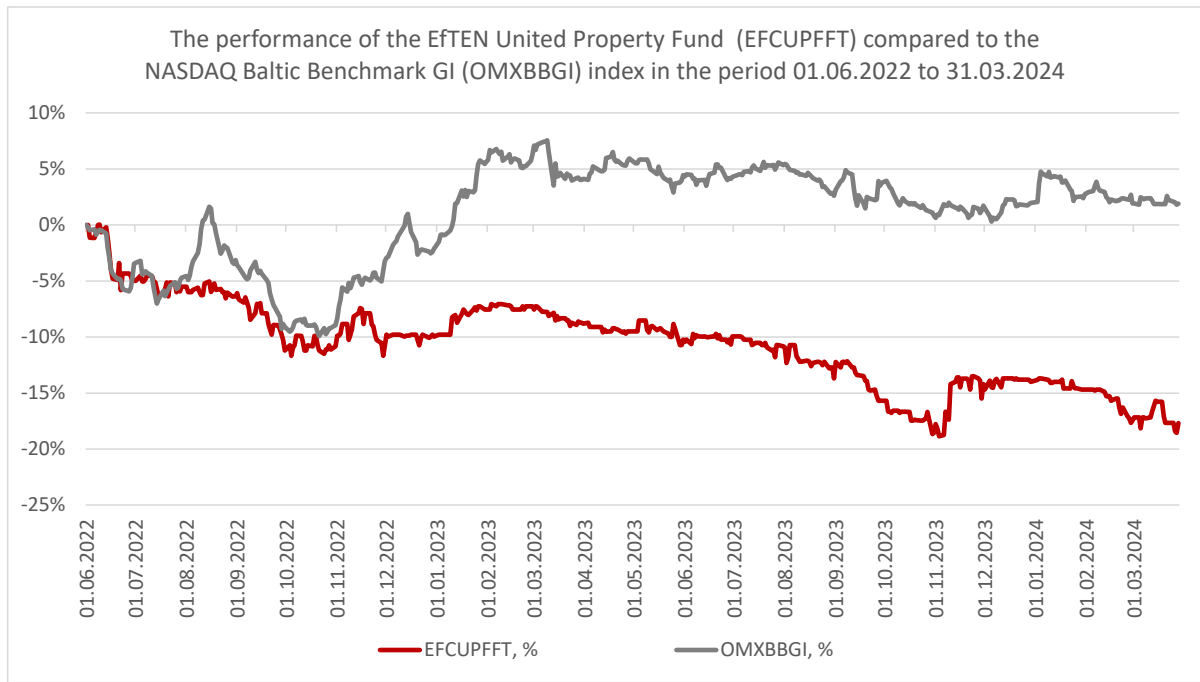




Trading statistics of EFTEN United Property Fund units are presented in the table below:

EFCUPFFT statistics	3 months	
	2024	2023
Opening price 01.01	8.7	9.5
Closing price 31.03	8.3	9.4
Unit price, lowest	8.2	9.4
Unit price, higher	8.7	9.6
Units traded, in thousands	45	71
Turnover, EUR millions	0.381	0.672
Market capitalization as of 31.03, millions of EUR	20.616	23.348
P/B (closing unit per share / NAV per share)	0.78	0.87

The performance of the Fund (including distributions) has been negative by 17.7% since listing, and the Baltic Benchmark GI main index of the Baltic market has returned a positive performance of 1.9% during the same period.



Kristjan Tamla
 EFTEN Capital AS
 CEO

Signatures of the EfTEN United Property Fund's Fund Manager's management to 2024 I quarter report

The management of Fund Manager EfTEN Capital AS has prepared the report of EfTEN United Property Fund for the first quarter of 2024, covering the period from 01.01.2024 to 31.03.2024, 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, 29. April 2024

Financial Statements

Statement of comprehensive income

	Notes	I quarter	
		2024	2023
<i>€ thousands</i>			
Income			
Interest income	7	151	106
Dividend income	7	22	23
Other financial income		5	0
Net profit / loss from assets recognised in fair value through profit or loss	4,7	-23	-73
Investments in subsidiaries		-148	28
Underlying funds		125	-101
Total income		155	56
Costs			
Operating expenses			
Management fee	8	-28	-27
Costs of administering the Fund		-6	-12
Other operating expenses		-27	-51
Total operating expenses		-61	-90
Operating profit / loss		94	-34
Profit / loss before income tax		94	-34
Net profit / loss for the reporting period		94	-34
Total comprehensive profit / loss for the reporting period	6	94	-34
Increase / decrease in the net asset value of the fund attributable to the shareholders	6	94	-34
Ordinary and diluted profit / loss per share (in euros)	6	0.04	-0.01

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

Statement of financial position

	Notes	31.03.2024	31.12.2023
<i>€ thousands</i>			
ASSETS			
Current assets			
Cash and cash equivalents	3	5,788	5,731
Short-term deposits	3,7	1,563	1,795
Other receivables and accrued income	3	754	711
Total current assets		8,105	8,237
Non-current assets			
Financial assets at fair value through profit or loss	3,7	12,581	12,354
Investments in subsidiaries		906	1,054
Investments in underlying funds		11,675	11,300
Loans granted	3,7	5,668	5,668
Total non-current assets		18,249	18,022
TOTAL ASSETS		26,354	26,259
LIABILITIES			
Current liabilities	3	4	3
Total liabilities, excluding net asset value of the Fund attributable to shareholders		4	3
NET ASSET VALUE OF THE FUND			
Net asset value of the Fund attributable to shareholders	5	26,350	26,256
Total liabilities and net asset value of the Fund attributable to shareholders		26,354	26,259

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

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

	Notes	3 months	
		2024	2023
<i>€ thousands</i>			
Net asset value of the Fund as at the beginning of the period		26,256	26,886
Increase/decrease in net asset value attributable to shareholders		94	-34
Total net asset value of the fund attributable to shareholders as at 31.03	5	26,350	26,853
Number of shares outstanding at the end of the reporting period, pcs		2,483,860	2,483,860
Net asset value per share at the end of the reporting period	5	10.61	10.81

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

Statement of cash flows

(Direct method)

	Notes	I quarter	
		2024	2023
<i>€ thousand</i>			
Cash flows from operating activities			
Acquisition of subsidiaries and shares in investment property funds	4	-250	0
Loans granted		0	-1,019
Dividends received		22	0
Interests received		108	22
Operating expenses paid		-55	-88
Total cash flows from operating activities		-175	-1,085
Change in short-term deposits	3	232	-1,795
Total cash flows from investing activities		232	-1,795
Dividends paid		0	-583
Total cash flows from financing activities		0	-583
Total cash flows		57	-3,463
Cash and cash equivalents at the beginning of the period		5,731	8,769
Change in cash and cash equivalents		57	-3,463
Cash and cash equivalents at the end of the period	3	5,788	5,306

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

Notes to the financial statements

Note 1 General information

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 stock 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 from 01.01.2024 to 31.03.2024.

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

These financial statements have been approved by the Management Company on 29.04.2024.

Note 2 Summary of material accounting policies

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 31.12.2023. The interim report should be read in conjunction with the fund's latest published 2023 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 I quarter of 2024 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

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 real estate (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 properties.

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 real estate investments. Depending on the nature of the real estate investments, 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 31.03.2024 and 31.12.2023, the Fund has the following financial assets and liabilities:

	Notes	31.03.2024	31.12.2023
<i>€ thousand</i>			
Financial assets – loans and receivables at amortised cost			
Cash and cash equivalents		5,788	5,731
Short-term receivable ¹	7	1,563	1,795
Loans granted	7	5,668	5,668
Interest claims	7	754	711
Total financial assets – loans and receivables at amortised cost		13,773	13,905
Financial assets at fair value through profit or loss			
Investments in subsidiaries	4	906	1,054
Investments in underlying funds	4	11,675	11,300
Total financial assets at fair value through profit or loss	7	12,581	12,354
TOTAL FINANCIAL ASSETS		26,354	26,259
Financial liabilities at amortised cost			
Other short-term liabilities		4	3
Total financial liabilities at amortised cost		4	3
TOTAL FINANCIAL LIABILITIES		4	3

¹ At the beginning of 2024, the fund concluded two new guarantee contracts in the amount of 1,119 thousand euros with a term of 28.05.2025 and in the amount of 324 thousand euros with a term of 30.06.2025 as a guarantee for the construction of the infrastructure of Uus-Järveküla. Guarantee contracts are guaranteed by fixed-term deposit contracts with an interest rate of 4% per year with a term of 30.11.2024 and 14.12.2024. In addition, a guaranteed agreement in the amount of 120 thousand euros with a term of 28.05.2025 was concluded on 20.02.2023, which is guaranteed by a fixed-term deposit agreement with an interest rate of 2.5% per year with a term of 28.02.2025.

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 Baltic real estate market, which is why the Management Company assesses the risk Associated with fluctuations in real estate prices in this region as 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 EFTEN market risk (a simultaneous fall in Baltic real estate prices) could have a material adverse impact on the financial performance and yield 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 real estate investments. Loan capital agreements are generally for a fixed term, which means that the funds raised in the form of loan capital must 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 accordance with the Fund's risk management policy, the Fund's manager monitors interest rate risk and sensitivity on a daily basis.

As of 31.03.2024, the 6-month EURIBOR is 3.851% (31.12.23: 3.861%) and the 1-month EURIBOR is 3.855% (31.12.23: 3.845%). 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 yield.

3.2 Concertation 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 yield 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 31.03.2024	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
<i>€ thousand</i>					
Total assets	5,788	0	13,242	7,324	26,354

As at 31.12.2023	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
<i>€ thousand</i>					
Total assets	231	5,500	13,095	7,433	26,259

As of 31.03.2024, the fund's liabilities totalled 4 thousand euros (31.12.2023: 3 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.

Transaction 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:

	31.03.2024	31.12.2023
<i>€ thousand</i>		
Cash and cash equivalents	5,788	5,731
Short-term receivable (Note 7)	1,563	1,795
Loans granted (Note 7)	5,668	5,668
Other receivables	754	711
Total maximum credit risk	13,773	13,905

As of 31.03.2024, the Fund has a total of 5,788 thousand euros of overnight deposits recorded among cash equivalents. Overnight deposits carry interest at a variable rate. As of 31.03.2024, the interest rate was 3.706% per annum. The bank account included in the Fund's cash and cash equivalents is held with a bank rated Aa3 (Moody's long-term).

As of 31.03.2024, the composition of short-term deposits includes guarantee agreements set as security for bank loans of three subsidiaries' development projects in the amount of 1,119 thousand euros with a term of 28.05.2025 and in the amount of 324 thousand euros with a term of 30.06.2025. Guarantee contracts are guaranteed by fixed-term deposit contracts with an interest rate of 4% per year with a term of 30.11.2024 and 14.12.2024. In addition, a guaranteed agreement in the amount of 120 thousand euros with a term of 28.05.2025 was concluded only on 20.02.2023, which is guaranteed by a fixed-term deposit agreement with an interest rate of 2.5% per year with a term of 28.02.2025.

Loans granted as of 31.03.2024 include loans granted to subsidiaries in the total amount of 5,668 thousand euros (31.12.2023: same). The final term of one loan in the amount of 2,149 thousand euros is 28.02.2027 and the loan bears interest at 4% per year. The term 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 considers 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.

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

3.5 Capital risk

Risk of slow and/or underinvestment of proceeds from the issue

The Fund invests the proceeds of the issue predominantly in non-tradable instruments on the regulated 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 this case, the funds received from the issue are located in the deposits of the credit institution, where their long-term yield is likely to be lower compared to if these funds were invested in income generating real estate. Therefore, if the Fund is unable to find attractive investment opportunities for a longer period of time after issuing new shares, this may result in a lower yield for shareholders. The probability of the risk materializing depends primarily on two circumstances:

- (i) how much the Fund's shares are subscribed to during the offer period and
- (ii) how active the real estate market of the Baltic countries is during the offer period. The risk of slow and/or low profit investment is greater, the more shares of the Fund are subscribed and the lower the activity of the real estate market in the Baltic countries

The Fund's consists of the net asset value of its assets, i.e. the money received from the issue of shares and the Fund's income. The Fund's capital changes periodically as new shares are issued. As of 31.03.2024, EFTEN United Property Fund has issued a total of 2,483,860 shares with a total value 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 on Nasdaq Tallinn stock market on 31.05.2022 and all the shares are freely tradable.

3.6 Risks associated with military operations

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 countries (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, considering 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 the investment 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:

	Fair value as of 31.03.2024	Fair value as of 31.12.2023
Uus-Järveküla OÜ		
<i>€ thousands</i>		
Cash and cash equivalents	545	634
Inventory	10,016	18,820
Other current assets	1,116	349
Total current assets	11,677	19,803
TOTAL ASSETS	11,677	19,803
Current borrowings	12	12
Other current liabilities	2,161	3,806
Total current liabilities	2,173	3,818
Non-current borrowings	8,723	15,063
Other non-current liabilities	750	667
Total non-current liabilities	9,473	15,730
TOTAL LIABILITIES	11,646	19,548
NET ASSETS	31	255

	31.03.2024	31.12.2023
Revenue	10,662	1,901
Net loss	-224	528

	31.03.2024	31.12.2023
<i>€ thousands</i>		
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	25	204
Profit / loss on change in fair value	-179	-59

From the change in the fair value of subsidiaries and underlying funds, the Fund had a total loss of 23 thousand euros in the first quarter of 2024 (2023: loss of 73 thousand euros).

Name	Acquisition cost 31.03.2024	Fair value 31.03.2024	Profit from change in fair value 3 months of 2024	Acquisition cost 31.03.2023	Fair value 31.03.2023	Profit from change in fair value 3 months of 2023
<i>€ thousand</i>						
Subsidiaries						
Uus-Järveküla OÜ	2	25	-179	2	240	-23
EFTEN M7 UAB	723	881	31	723	940	51
Total subsidiaries	725	906	-148	725	1 180	28
Underlying funds						
EFTEN Real Estate Fund AS ¹	4,497	4,211	66	4,497	4,616	-150
EFTEN Kinnisvarafond II AS	963	993	-6	963	1,028	-7
EFTEN Real Estate Fund 5 usaldusfond	4,157	5,196	70	4,157	5,255	59
EFTEN Residential Fund usaldusfond	1,217	1,275	-5	727	791	-3
Total underlying funds	10,834	11,675	125	10,344	11,690	-101
Total securities	11,559	12,581	-23	11,069	12,870	-73

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

Additional information on investments is provided in Note 3.

In January 2024, EFTEN United Property Fund increased its investment worth 250 thousand euros in the trust fund EFTEN Residential Fund in connection with rental house development projects in 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 31.03.2024 the Fund owns one asset that belongs to the Level 1 group (participation in the listed company EFTEN Real Estate Fund). 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.

	31.03.2024	31.12.2023
<i>€ thousands</i>		
Level 1	4,211	4,146
Level 3	8,370	8,208
Total	12,581	12,354

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 31.03.2024, EFTEN United Property Fund has issued a total of 2,483,860 shares with a total cost of 25,466 thousand euros (31.12.2023: the same). Due to the fund's relatively large proportion of uninvested capital and the listing of shares on the Nasdaq Tallinn Stock Market, EFTEN United Property Fund does not plan to issue new shares in the near future.

During the 3 months of 2024, the Fund received a total of 22 thousand euros in dividend income and a total of 108 thousand euros in interest.

The net value of the Fund's share as of 31.03.2024 was 10.61 euros (as of 31.12.2023: 10.57 euros). The net asset value of the Fund was 26,350 thousand euros as of 2024 3 months (as of 31.12.2023: 26,256 thousand euros).

Note 6 Earnings per share

	I quarter	
	2024	2023
Growth in net asset value attributable to shareholders, € thousand	94	-34
Weighted average number of shares during the period, pcs	2,483,860	2,483,860
Earnings per share, EUR	0.04	-0.01

Note 7 Segment reporting

SEGMENT'S RESULTS

3 months 2024	Commercial property	Residential property	Property development	Unallocated	Total
<i>€ thousands</i>					
Net gain/loss on assets at fair value through profit or loss	161	-5	-179	0	-23
Dividend income	22	0	0	0	22
Interest income	22	0	82	47	151
Other financial income	0	0	5	0	5
Total income	205	-5	-92	47	155
Growth in net asset value attributable to shareholders	205	-5	-92	-14	94

SEGMENT'S ASSETS

As at 31.03.2024	Commercial property	Residential property	Property development	Unallocated	Total
<i>€ thousands</i>					
Financial assets at fair value (Note 3)	11,281	1,275	25	0	12,581
Loans granted (Note 3)	2,149	0	3,519	0	5,668
Interest receivables (Note 3)	136	0	618	0	754
Short-term receivable (Note 3)	0	0	1,563	0	1,563
Total investments	13,566	1,275	5,725	0	20,566
Net debt (cash minus total liabilities)					5,784
Net asset value					26,350

As at 31.12.2023	Commercial property	Residential property	Property development	Unallocated	Total
<i>€ thousands</i>					
Financial assets at fair value (Note 3)	11,120	1,030	204	0	12,354
Loans granted (Note 3)	2,149	0	3,519	0	5,668
Interest receivables (Note 3)	114	0	582	15	711
Short-term receivable (Note 3)	0	0	1,795	0	1,795
Total investments	13,383	1,030	6,100	15	20,528
Net debt (cash minus total liabilities)					5,728
Net asset value					26,256

During the reporting period, the business segments did not transact with each other. The main income of the Fund was obtained in the first 3 month of 2024 from dividends, interest and the growth of the economic performance of the commercial real estate belonging to the 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 bought management services in the amount of 28 thousand euros from EFTEN Capital AS (2023 3 month: 27 thousand euros). The fund did not buy from other related parties or sell other goods or services to related parties during the reporting period.

In the reporting period, the Fund granted loans to subsidiaries in total of 5,668 thousand euros (31.12.2023: the same) and received interest income from the loans in the amount of 92 thousand euros in 3 months (2023 3 months: 83 thousand euros). The base currency of the loan is the euro.

As of 31.03.2024, the management of the Fund and the companies controlled by the management of the Fund owned 39,824 (31.12.2023: 39,796) EFTEN United Property Fund shares. The Fund's management team consists of the members of the management board of the Fund Manager EFTEN Capital AS, the head of the retail division and the head of investments.

EFTEN United Property Fund does not pay any remuneration to the management of the Fund. The management receives remuneration from the Fund Manager EFTEN Capital AS.

Fund's investment report as at 31.03.2024

Subsidiaries

As at 31.03.2024

Name	Location	Participation in investment	Acquisition cost	Market value	Share in the Fund's assets' market value
<i>€ thousand</i>					
Subsidiaries					
Uus-Järveküla OÜ	Tallinn	80.0%	2	25	0.1%
EFTEN M7 UAB	Vilnius	100.0%	723	881	3.3%
Total subsidiaries			725	906	3.4%

As at 31.12.2023

Name	Location	Participation in investment	Acquisition cost	Market value	Share in the Fund's assets' market value
<i>€ thousand</i>					
Subsidiaries					
Uus-Järveküla OÜ	Tallinn	80.0%	2	204	0.8%
EFTEN M7 UAB	Vilnius	100.0%	723	850	3.2%
Total subsidiaries			725	1,054	4.0%

Funds

As at 31.03.2024

Name	Name	Country of origin	Fund management company	Share in the Fund 31.03.2024	Acquisition cost	Average share acquisition cost	Total market value	Market value per share	Share in the Fund's assets' market value
<i>€ thousand</i>									
Underlying funds									
EFTEN Real Estate Fund 5 usaldusfond	Trust fund	Estonia	EFTEN Capital AS	36.47%	4,157	4,157	5,196	5,196	19.7%
EFTEN Real Estate Fund AS ¹	Equity fund	Estonia	EFTEN Capital AS	2.02%	4,497	0.0206	4,211	0.0192	16.0%
EFTEN Kinnisvarafond II AS	Equity fund	Estonia	EFTEN Capital AS	0.71%	963	0.0148	993	0.0153	3.8%
EFTEN Residential Fund usaldusfond	Trust fund	Estonia	EFTEN Capital AS	3.58%	1,217	1,217	1,275	1,275	4.8%
Total underlying funds					10,834		11,675		44.3%
Total securities					11,559		12,581		47.7%

As at 31.12.2023

Name	Name	Country of origin	Fund management company	Share in the Fund 31.12.2023	Acquisition cost	Average share acquisition cost	Total market value	Market value per share	Share in the Fund's assets' market value
<i>€ thousand</i>									
Underlying funds									
EFTEN Real Estate Fund 5 usaldusfond	Trust fund	Estonia	EFTEN Capital AS	36.47%	4,157	4,157	5,125	5,125	19.5%
EFTEN Real Estate Fund AS ¹	Equity fund	Estonia	EFTEN Capital AS	2.02%	4,497	0.0206	4,146	0.0190	15.8%
EFTEN Kinnisvarafond II AS	Equity fund	Estonia	EFTEN Capital AS	0.71%	963	0.0148	999	0.0154	3.8%
EFTEN Residential Fund usaldusfond	Trust fund	Estonia	EFTEN Capital AS	3.58%	967	967	1,030	1,030	3.9%
Total underlying funds					10,584		11,300		43.0%
Total securities					11,309		12,354		47.1%

¹ EFTEN Kinnisvarafond AS merged with EFTEN Real Estate Fund AS. The merger was effective as at 28.02.2023.

All funds whose shares and participations are held by EFTEN United Property Fund disclose their net asset value on a monthly basis.

Loans granted**As at 31.03.2024**

Borrower	Borrower's country of origin	Deadline	Interest rate	Contractual loan amount	Loan balance 31.03.2024	Share in the Fund's assets' market value
<i>€ thousand</i>						
EFTEN M7 UAB	Lithuania	28.02.2027	4%	2,876	2,149	8.2%
Uus-Järveküla OÜ	Estonia	18.08.2025	8% until 18.12.2024 15% from 19.12.2024	3,519	3,519	13.4%
Total loans granted				6,395	5,668	21.5%

As at 31.12.2023

Borrower	Borrower's country of origin	Deadline	Interest rate	Contractual loan amount	Loan balance 31.12.2023	Share in the Fund's assets' market value
<i>€ thousand</i>						
EFTEN M7 UAB	Lithuania	28.02.2027	4%	2,876	2,149	8.2%
Uus-Järveküla OÜ	Estonia	18.08.2025	8% until 18.12.2024 15% from 19.12.2024	3,519	3,519	13.4%
Total loans granted				6,395	5,668	21.6%

Other assets**As at 31.03.2024**

Name	Market value	Share in the Fund's assets' market value
<i>€ thousand</i>		
Interest receivables	754	2.9%
Total other assets	754	2.9%

As at 31.12.2023

Name	Market value	Share in the Fund's assets' market value
<i>€ thousand</i>		
Interest receivables	711	2.7%
Total other assets	711	2.7%

Deposits**As at 31.03.2024**

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	Overnight deposit	Estonia	Moody's Aa3	On demand	3.706%	5,788	22.0%
Swedbank Estonia	Term deposit	Estonia	Moody's Aa3	30.11.2024	4.0%	1,119	4.2%
Swedbank Estonia	Term deposit	Estonia	Moody's Aa4	14.12.2024	4.0%	324	1.2%
Swedbank Estonia	Term deposit	Estonia	Moody's Aa3	29.02.2025	2.5%	120	0.5%
Total deposits						7,351	27.9%
TOTAL ASSETS						26,354	100.01%

As at 31.12.2023

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>							
Swedbank Estonia	On demand deposit	Estonia	Moody's Aa3	On demand	-	231	0.9%
Swedbank Estonia	Term deposit	Estonia	Moody's Aa3	29.01.2024	3.7%	5,500	20.9%
Swedbank Estonia	Term deposit	Estonia	Moody's Aa3	29.02.2024	2.5%	1,795	6.8%
Total deposits						7,526	28.7%
TOTAL ASSETS						26,259	100.01%

As at 31.03.2024

Fund liabilities	-4	-0.02%
NET ASSET VALUE OF THE FUND	26,350	100.00%

As at 31.12.2023

Fund liabilities	-3	-0.01%
NET ASSET VALUE OF THE FUND	26,256	100.00%