



Annual report 01.01.2024 – 31.12.2024

Entity name	EFTEN United Property Fund
ISIN code	EE3500001609
Address	A. Lauteri 5, 10114 Tallinn, Estonia
Phone number	+372 655 9515
Fax	+372 618 1818
E-mail	info@eften.ee
Website address	www.eftenunitedpropertyfund.ee
Main activity	Management of funds
Financial year	1 January – 31 December
Fund manager	EFTEN Capital AS
Management board	Viljar Arakas Maie Talts Kristjan Tamla
Fond type	Contractual alternative investment fund
Units	Listed on the Nasdaq Tallinn Stock Exchange

Table of Contents

Management report3

Signatures of the EfTEN United Property Fund’s fund manager’s management to 2024 IV quarter and 12 months report 7

Financial Statements8

 Statement of the comprehensive income8

 Statement of financial position9

 Statement of changes in the net asset value of the Fund attributable to shareholders 10

 Statement of cash flows 11

Notes to the financial statements 12

 Note 1 General information 12

 Note 2 Summary of significant accounting policies 12

 Note 3 Financial risk management 13

 Note 4 Fair value of financial assets 18

 Note 5 Net asset value of the Fund 22

 Note 6 Earnings per share 22

 Note 7 Segment reporting 22

 Note 8 Related party transactions 23

Fund’s investment report as at 31.12.2024 25

Management report

Fund manager's comment

In Scandinavia and in the Baltics, the real estate market bottomed at the end of 2023 and the first signs of recovery emerged in 2024. The decline in interest rates, which gained momentum in the second half of the year, will improve the dividend-paying capacity of real estate companies and funds and make the outlook for real estate investments significantly more attractive compared to the bond market that has been on a tidal wave over the past few years. In addition, falling interest rates will have a positive impact on the fair value of real estate investments that are valued via the discounted cash flow method.

The availability of debt capital in the Baltic real estate market is the best in recent years and bank interest margins have even fallen. At the same time, there is a shortage of equity capital. Foreign investors are still on the selling side and local institutional investors are reluctant to increase their positions in real estate. As a result, there are very few large-scale real estate transactions and they are often made at a price significantly below the book value.

The commercial real estate market, which is showing the first signs of recovery, provided EFTEN United Property Fund with good opportunities to invest the uninvested capital in 2024. In August, the UNA retail park in Vilnius was added to the fund's portfolio. In December, the fund invested in the Kristiine shopping centre in Tallinn through EFTEN Real Estate Fund 5 at a significantly lower price than the seller's book value. This means that by the end of 2024 the fund had invested all the available capital, and the coming year will be the first in which the fund's financial results are based on a fully invested real estate portfolio.

The fund's development investment in Uus-Järveküla showed strong sales results in 2024. Approximately 40 terraced and semi-detached houses were purchased or reserved by clients during the year. In the spring, 86 terraced houses were completed in the first phase of the development, of which 80 have been purchased or booked to date. In the second phase of construction, 16 semi-detached houses and 14 terraced house units will be completed in the spring of 2025, of which all have been purchased or booked to date. In the third phase, 17 terraced house units are being completed by the summer of 2025, and 32 terraced house units are planned to be completed by the end of the year or early 2026 as part of the final phase of the development. EFTEN United Property Fund is financing the Uus-Järveküla development through debt capital. When signing the financing agreement in the summer of 2021, it was agreed that until mid-December of last year, the interest rate on the loan granted by the fund is 8%, and from then on it increases to 15%.

The fund's rental investments showed positive cash flow in 2024 and, with falling interest expenses, this will continue in the coming year. The fund management company plans to distribute income from EFTEN United Property Fund three times this year: in late spring, when dividends from the underlying funds are received, and twice in the second half of the year, when interest on investments made in the form of debt capital is received.

Financial review

In the IV quarter of 2024, EFTEN United Property Fund (hereinafter the Fund) earned a net profit of 1,088 thousand euros (2023 IV quarter: net loss of 92 thousand euros), including a profit of 214 thousand euros (2023 IV quarter: loss of 68 thousand euros) from the change in the value of the subsidiary and a profit of 663 thousand euros (2023 IV quarter: loss of 126 thousand euros) from the change in the value of the underlying funds. The Fund's expenses in the IV quarter of 2024 totalled 47 thousand euros (2023 IV quarter: 50 thousand euros).

During the 12 months of 2024, the Fund earned a total of 1,623 thousand euros in net profit (2023 12 months: 179 thousand euros in net loss). The Fund's expenses during the 12 months of this year totalled 198 thousand euros (2023: 239 thousand euros).

In both, the underlying funds and subsidiaries, a regular real estate investment valuation was carried out by the independent appraiser Colliers International in December 2024, resulting in an increase in the value of both the subsidiaries and the underlying funds. The largest increase in the value of the underlying funds (approximately 600 thousand euros) was related to the revaluation of Kristiine Centre to fair value, which was acquired at a discount of more than 10% from the market price. In addition, the value of the development investment Uus-Järveküla increased by approximately 300 thousand euros.

In the spring of 2024, the Fund received dividends totalling 402 thousand euros. As of 2024, the Fund has received interest totalling 237 thousand euros. Of the income received, a total of 402 thousand euros was paid out to the Fund's investors in May (260 thousand euros) and November (142 thousand euros) of 2024.

The volume of assets of EFTEN United Property Fund as of 31.12.2024 is 27,890 thousand euros (31.12.2023: 26,259 thousand euros), of which 83.2% are long-term investments as of the end of December (31.12.2023: 68.6%).

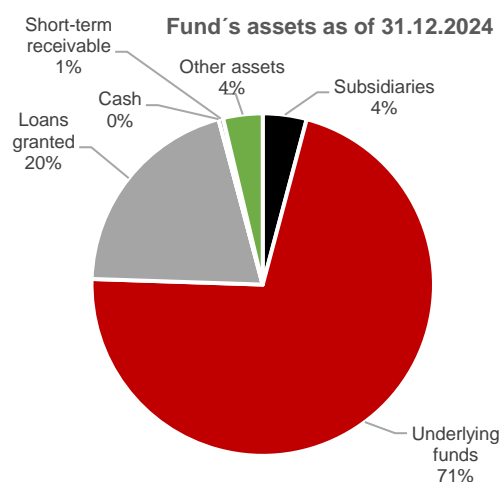
Key financial indicators of the Fund	As of 31.12.2024 or 12 months 2024	As of 31.12.2023
<i>€ thousands</i>		
Net asset value of the Fund at the end of the period	27,478	26,256
Fund's asset value per share, in euros (Net asset value at the end of the period: number of shares at the end of the period)	11.06	10.57
Increase/decrease in the net value of the Fund's share during the reporting period	4.7%	-2.3%
Profit/ Loss per share (comprehensive profit for the reporting period : average number of shares in the period)	0.65	-0.07
Result of the Fund	1,623	-179
Investments in subsidiaries	1,154	1,054
Investments in underlying funds	19,909	11,300
Short-term deposits	120	1,795
Loans granted	5,668	5,668

Investments

EFTEN United Property Fund made a total of 505 thousand euros in contributions to the EFTEN Residential Fund in January and May 2024 in connection with a rental apartment development project in Vilnius. The Vilnius rental building was completed in July 2024.

In June and December, the fund made contributions to the new commercial real estate fund EFTEN Special Opportunities Fund managed by EFTEN Capital AS in the total amount of 94 thousand euros. In total, EFTEN United Property Fund will invest 300 thousand euros in the EFTEN Special Opportunities Fund.

In August and December, the fund made contributions to the EFTEN Real Estate Fund 5 in the amount of 7,258 thousand euros. The contribution made in August in the amount of 4,778 thousand euros was related to the UNA retail park in Vilnius



and the contribution made in December in the amount of 2,480 thousand euros was related to the Kristiine centre in Tallinn. The EFTEN Real Estate Fund 5 holds an 11.236% stake in EFTEN Kristiine OÜ (the owner of the Kristiine centre).

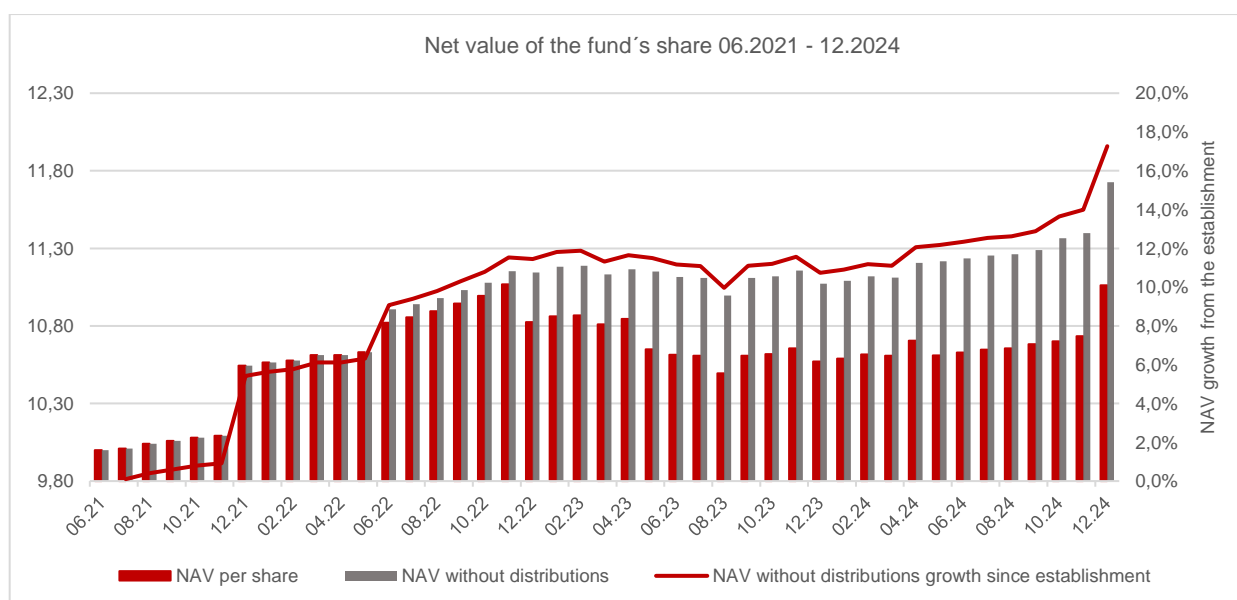
In December 2024, the Fund changed the collateral for the Uus-Järveküla infrastructure works. Previously, the term deposit in Swedbank was used as a collateral for the infrastructure works. In December, the Fund used the expired term deposits to invest in Kristiine centre through the EFTEN Real Estate Fund 5. The new collateral for the Uus-Järveküla infrastructure works is 41,040 EFTEN Real Estate Fund AS shares. The infrastructure works are planned to be completed in the summer of 2025, after which the related collateral will also be released.

Net value of the Fund

The net asset value of the EFTEN United Property Fund unit as of 31.12.2024 was 11.06 euros (31.12.2023: 10.57 euros). During this year, the Fund's net asset value has increased by 4.7%. Without the profit distribution to investors, the net asset value would have increased by 6.0%. Almost 15% of the EFTEN United Property Fund's investment portfolio is made up of a stake in EFTEN Real Estate Fund AS, listed on the Tallinn Stock Exchange. If the fund's asset valuation rules allowed for the value of traded shares to be reflected according to the fund's net asset value, the net asset value of the EFTEN United Property Fund share as of 31.12.2024 would have been 11.2 euros and it would have increased by 4.8% over the year.

Since the Fund's inception, the net asset value per unit has increased by 10.6% and, together with the profit distributions, the Fund's return since inception has been 17.3%. The net asset value of the Fund's assets was 27.478 million euros as of 31.12.2024 (31.12.2023: 26.256 million euros).

As of 31.12.2024, EFTEN United Property Fund has raised a total of 25.466 million euros in capital, of which all has been invested as of the end of 2024. 2025 is the first year where the fund's financial results are based on a fully invested property portfolio.

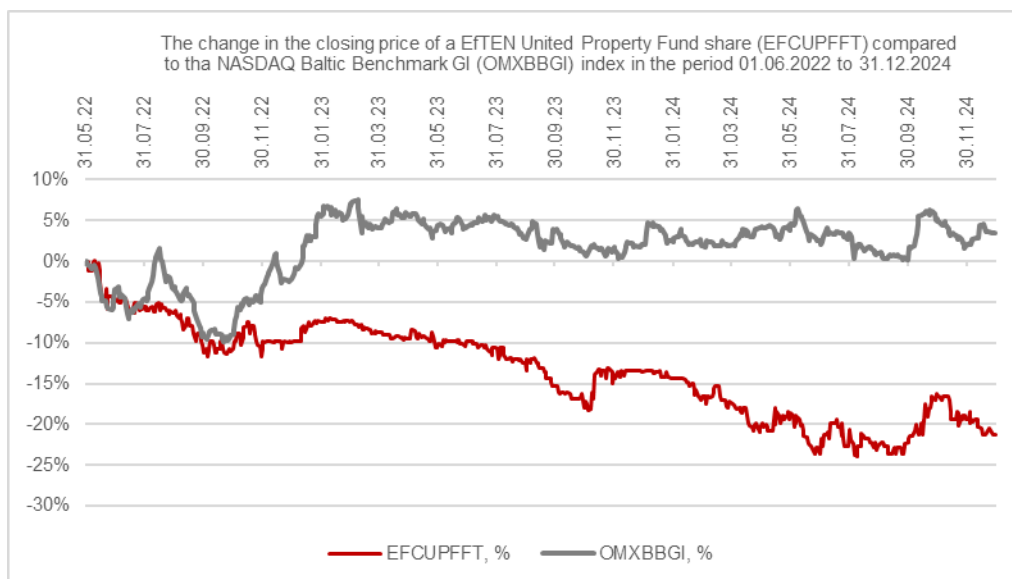


Trading statistics of EFTEN United Property Fund's shares are presented in the table below:

Statistics of EFCUPFFT	12 months	
	2024	2023
Opening price	8.7	9.5
Closing price	7.7	8.7

Share price, lowest	7.3	8.1
Share price, highest	8.7	9.6
Traded shares, thousands	290	285
Turnover, million euros	2.289	2.576
Market capitalization as of 31.12, million euros	19.126	21.610
P/B (share closing price / equity per share)	0.70	0.82

The fund's return has been -21.2% since listing, and the Baltic Benchmark GI index has increased by 3.46% over the same period.



Kristjan Tamla
EFTEN Capital AS
CEO

Signatures of the EfTEN United Property Fund's fund manager's management to 2024 IV quarter and 12 months report

The management of fund manager EfTEN Capital AS has prepared the report of EfTEN United Property Fund for the IV quarter of 2024 and 12 months, covering the period from 01.01.2024 to 31.12.2024, consisting of the Management Report, Financial Statements and the Fund's Investment Report.

Viljar Arakas

Member of the Management Board

Maie Talts

Member of the Management Board

Kristjan Tamla

Member of the Management Board

Tallinn, 04.02.2025

Financial Statements

Statement of the comprehensive income

	Notes	IV quarter		12 months	
		2024	2023	2024	2023
<i>€ thousands</i>					
Income					
Interest income	7	118	152	565	536
Dividend income	7	142	0	402	352
Interest expense		-2	0	-2	0
Other financial income		0	0	5	0
Net profit / loss from assets recognized in the fair value through the statement of comprehensive income	4,7	877	-194	851	-828
Investments in subsidiaries		214	-68	100	-98
Investments in underlying funds		663	-126	751	-730
Total income		1,135	-42	1,821	60
Expenses					
Operating expenses					
Management fees	8	-28	-30	-112	-115
Costs of administering the Fund		-10	-5	-31	-34
Other operating expenses		-9	-15	-55	-90
Total operating expenses		-47	-50	-198	-239
Operating profit / loss		1,088	-92	1,623	-179
Profit / loss before income tax		1,088	-92	1,623	-179
Net profit / loss for the reporting period		1,088	-92	1,623	-179
Total comprehensive profit / loss for the reporting period	6	1,088	-92	1,623	-179
Increase/decrease in the net asset value of the Fund attributable to shareholders	6	1,088	-92	1,623	-179
Ordinary and diluted profit / loss per share (EUR)	6	0.44	-0.04	0.65	-0.07

Notes on pages 12-24 are an integral part of these interim financial statements.

Statement of financial position

	Notes	31.12.2024	31.12.2023
<i>€ thousands</i>			
ASSETS			
Current assets			
Cash and cash equivalents	3	0	5,731
Short-term deposits	3,7	120	1,795
Loans granted	3,7	3,519	0
Other receivables and accrued income	3	1,039	711
Total current assets		4,678	8,237
Non-current assets			
Financial assets at fair value through profit or loss	3,7	21,063	12,354
Investments in subsidiaries		1,154	1,054
Investments in underlying funds		19,909	11,300
Loans granted	3,7	2,149	5,668
Total non-current assets		23,213	18,022
TOTAL ASSETS		27,890	26,259
LIABILITIES			
Overdraft	3	400	0
Current liabilities	3	12	3
Total liabilities, excluding net asset value of the Fund attributable to shareholders		412	3
NET ASSET VALUE OF THE FUND			
Net asset value of the Fund attributable to shareholders	5	27,478	26,256
Total liabilities and net asset value of the Fund attributable to shareholders		27,890	26,259

Notes on pages 12-24 are an integral part of these interim financial statements.

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

	Notes	12 months	
		2024	2023
<i>€ thousands</i>			
Net asset value of the Fund as at the beginning of the period		26,256	26,886
Profit distributions to shareholders		-402	-452
Total transactions with shareholders	5	-402	-452
Increase in net asset value attributable to shareholders		1,623	-179
Total net asset value of the Fund attributable to shareholders as of 31.12	5	27,478	26,256
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	11.06	10.57

Notes on pages 12-24 are an integral part of these interim financial statements.

Statement of cash flows

(direct method)

	Notes	IV quarter		12 months	
		2024	2023	2024	2023
<i>€ thousands</i>					
Cash flows from operating activities					
Acquisition of shares in investment property funds	4	-2,550	0	-7,857	-240
Loans granted		0	0	0	-1,019
Repayments of given loans		0	727	0	727
Dividends received		142	0	402	352
Interests received		48	39	237	202
Operating expenses paid		-48	-53	-184	-230
Total cash flows from operating activities		-2,408	713	-7,402	-208
Cash flows from investing activities					
Change in short-term deposits	3	1,443	0	1,675	-1,795
Total cash flows from investing activities		1,443	0	1,675	-1,795
Cash flows from financing activities					
Overdraft	3	400	0	400	0
Interest paid		-2	0	-2	0
Dividends paid		-142	0	-402	-1,035
Total cash flows from financing activities		256	0	-4	-1,035
Total cash flows		-709	713	-5,731	-3,038
Cash and cash equivalents at the beginning of the period					
		709	5,018	5,731	8,769
Change in cash and cash equivalents					
		-709	713	-5,731	-3,038
Cash and cash equivalents at the end of the period	3	0	5,731	0	5,731

Notes on pages 12-24 are an integral part of these interim 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 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 from 01.01.2024 to 31.12.2024.

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

These financial statements have been approved by the Management company on 04.02.2025.

Note 2 Summary of significant 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 IV quarter and 12 months 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 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 investment property, 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 of 31.12.2024 and 31.12.2023, the Fund has the following financial assets and liabilities:

	Notes	31.12.2024	31.12.2023
<i>€ thousands</i>			
Financial assets –loans and receivables at amortised cost			
Cash and cash equivalents		0	5,731
Short term deposits ¹	7	120	1,795
Loans granted	7	5,668	5,668
Interest receivables	7	1,039	711
Total financial assets - loans and receivables at amortised cost		6,827	13,905
Financial assets at fair value through profit or loss			
Investments in subsidiaries	4	1,154	1,054
Investments in underlying funds	4	19,909	11,300
Total financial assets at fair value through profit or loss	7	21,063	12,354
TOTAL FINANCIAL ASSETS		27,890	26,259
Financial liabilities at amortised cost			
Overdraft ²		400	0
Other current liabilities		12	3
Total financial liabilities at amortised cost		412	3
TOTAL FINANCIAL LIABILITIES		412	3

¹On 20.02.2023, the Fund signed a guarantee agreement in the amount of 120 thousand euros with a maturity of 28.05.2025 as a guarantee for the construction of the Uus-Järveküla infrastructure, which is secured by a term deposit agreement with an interest rate of 2.5% per annum with a maturity of 28.02.2025.

² On 13.12.2024, the Fund entered into an overdraft agreement with Swedbank AS with a total limit of 500 thousand euros and a maturity of 13.06.2025. The interest rate on the overdraft is 2.8% + 6-month EURIBOR (total 5.46% as of 31.12.2024).

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 31.12.2024, the 6-month EURIBOR rate is 2.6% (31.12.23: 3.9%) and the 1-month EURIBOR rate is 2.9% (31.12.23: 3.8%). The increase in EURIBOR mainly affects the performance and cash flows of the underlying funds and subsidiaries that have raised loan capital, which will likely result in a slight decrease in periodic profit distributions from the underlying funds and subsidiaries.

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, there are relatively few professional and financially capable investors operating in the real estate market of the Baltic States. Therefore, if the Fund wishes to realise investments, the Fund may not find a buyer for its investments at the desired time and price. The realisation of liquidity risk may negatively affect the Fund's financial results and reduce profit or result in losses. In order to mitigate the risk associated with the acquisition of investments, the Fund has the ability to enter into short-term loan agreements to cover liquidity risk during the acquisition and disposal of investments. In December 2024, the Fund entered into an overdraft agreement with a limit of 500 thousand euros.

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

As of 31.12.2024	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
€ thousands					
Total assets	0	0	24,386	3,504	27,890

As of 31.12.2023	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
€ thousands					
Total assets	231	5,500	13,095	7,433	26,259

As of 31.12.2024, the fund's liabilities totalled 412 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.

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 investment property 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:

	31.12.2024	31.12.2023
<i>€ thousands</i>		
Cash and cash equivalents	0	5,731
Short-term deposits (Note 7)	120	1,795
Loans granted (Note 7)	5,668	5,668
Other receivables	1,039	711
Total maximum credit risk	6,827	13,905

As of 31.12.2024, short-term receivables include a guarantee agreement in the amount of 120 thousand euros set as collateral for a bank loan for a subsidiary's development project with a maturity of 28.05.2025, which is secured by a term deposit agreement with an interest rate of 2.5% per annum with a maturity of 28.02.2025.

Loans granted as of 31.12.2024 include loans granted to subsidiaries in the total amount of 5,668 thousand euros (31.12.2023: same). The maturity 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 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 31.12.2024 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 31.12.2024	Adjustment to fair value	Fair value as of 31.12.2024	Balance of subsidiary as of 31.12.2023	Adjustment to fair value	Fair value as of 31.12.2023
<i>€ thousands</i>						
Cash and cash equivalents	933	0	933	634	0	634
Inventory	11,736	704	12,440	18,101	719	18,820
Other current assets	53	0	53	349	0	349
Total current assets	12,722	704	13,426	19,084	719	19,803
TOTAL ASSETS	12,722	704	13,426	19,084	719	19,803
Short-term borrowings	32	0	32	12	0	12
Other current liabilities	2,757	0	2,757	3,806	0	3,806
Total current liabilities	2,789	0	2,789	3,818	0	3,818
Long-term borrowings	9,252	0	9,252	15,063	0	15,063
Other non-current liabilities	1,010	0	1,010	667	0	667
Total non-current liabilities	10,262	0	10,262	15,730	0	15,730
TOTAL LIABILITIES	13,051	0	13,051	19,548	0	19,548
NET ASSETS	-329	704	375	-464	719	255

	31.12.2024	Adjustment to fair value	Fair value as of 31.12.2024	31.12.2023	Adjustment to fair value	Fair value as of 31.12.2023
Revenue	17,142	0	17,142	1,901	0	1,901
Net Profit / loss	136	704	840	-191	719	528

	31.12.2024	31.12.2023
<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	300	204
Profit- / loss on change in fair value in period	96	-59

The property investments of the underlying funds of EFTEN United Property Fund are valued in all Baltic countries by an independent appraiser, Colliers International Advisors OÜ. The following assumptions have been used in the valuation of the fair value of the investment property held by the underlying funds as of 31.12.2024:

Underlying fund or subsidiary	The Fund's share	Fair value of the underlying fund or subsidiary	Consolidated annual rental income	Discount rate	Exit yield
<i>€ thousands</i>					
EFTEN Real Estate Fund 5 trust fund	36.47%	13,167	4,101	9.15%	6.35%-7.1%
EFTEN Real Estate Fund AS	1.91%	4,124	31,259	7.5%-10.55%	6.5%-8.5%
EFTEN Kinnisvarafond II AS	0.71%	1,034	21,327	8.2%-9.55%	7.0%-8.2%
EFTEN Residential Fund trust fund	4.19%	1,489	2,712	6.5%-8.0%	5.5%-6.0%
Subsidiary EFTEN M7 UAB	100.00%	854	439	9.55%	8.0%
Total		20,668	59,838		

Assumptions as of 31.12.2023:

Underlying fund or subsidiary	The Fund's share	Fair value of the underlying fund or subsidiary	Consolidated annual rental income	Discount rate	Exit yield
<i>€ thousands</i>					
EFTEN Real Estate Fund 5 trust fund	36.47%	5,125	1,866	9.3%	6.3%
EFTEN Kinnisvarafond AS	2.02%	4,146	30,904	8.1%-10.7%	6.5%-8.8%
EFTEN Kinnisvarafond II AS	0.71%	999	20,187	8.5%-10.1%	7.0%-8.2%
EFTEN Residential Fund trust fund	3.58%	1,030	1,719	6.5%-8.9%	5.5%-6.25%
Subsidiary EFTEN M7 UAB	100.00%	850	480	9.7%	8.0%
Total		12,150	55,156		

The table below shows the impact of the discount rate, the exit yield and the change in sales proceeds used in the estimates on the value of the underlying funds in the Fund's balance sheet.

As of 31.12.2024:

Fair value sensitivity analysis of investment properties	Fair values on the Fund's balance sheet	Effect of a change in the discount rate		Effect of change in Exit yield		Effect of change in revenue	
		+0.5 pp	-0.5pp	+0.5 pp	-0.5pp	+10%	-10%
Underlying fund or subsidiary							
EFTEN Real Estate Fund 5 trust fund	13,167	-401	401	-1,094	1,204	2,152	-2,188
EFTEN Real Estate Fund AS	4,124	-139	141	-296	335	767	-769
EFTEN Kinnisvarafond II AS	1,034	-35	37	-79	90	205	-205
EFTEN Residential Fund trust fund	1,489	-43	44	-134	157	233	-241
Subsidiary EFTEN M7 UAB	854	-120	110	-240	260	620	-630
Total	20,668	-739	732	-1,843	2,046	3,977	-4,033

As of 31.12.2023:

Fair value sensitivity analysis of investment properties	Fair values on the Fund's balance sheet	Effect of a change in the discount rate		Effect of change in Exit yield		Effect of change in revenue	
		+0.5 pp	-0.5pp	+0.5 pp	-0.5pp	+10%	-10%
Underlying fund or subsidiary							
EFTEN Real Estate Fund 5 trust fund	5,125	-197	201	-540	616	1,014	-1,032
EFTEN Kinnisvarafond AS	4,146	-140	144	-294	354	797	-780
EFTEN Kinnisvarafond II AS	999	-35	36	-80	91	204	-204
EFTEN Residential Fund trust fund	1,030	-31	31	93	110	168	-169
Subsidiary EFTEN M7 UAB	850	-110	120	-230	260	640	-630
Total	12,150	-512	532	-1,050	1,431	2,823	-2,815

The Fund received a total profit of 851 thousand euros from the change in the fair value of subsidiaries and underlying funds during the 12 months of 2024 (2023: loss of 828 thousand euros).

Name	Acquisition cost 31.12.2024	Fair value 31.12.2024	Gain/loss from change in fair value 12 months 2024	Acquisition cost 31.12.2023	Fair value 31.12.2023	Gain/loss from change in fair value 12 months 2023
<i>€ thousands</i>						
Subsidiaries						
Uus-Järveküla OÜ	2	300	96	2	204	-59
EFTEN M7 UAB	723	854	4	723	850	-39
Total subsidiaries	725	1,154	100	725	1,054	-98
Underlying funds						
EFTEN Real Estate Fund AS	4,497	4,124	-21	4,497	4,146	-620
EFTEN Kinnisvarafond II AS	963	1,034	35	963	999	-36
EFTEN Real Estate Fund 5 trust fund	11,416	13,167	782	4,157	5,125	-70
EFTEN Residential Fund trust fund	1,472	1,489	-46	967	1,030	-4
EFTEN Special Opportunities Fund trust fund	94	95	1	0	0	0
Total underlying funds	18,442	19,909	751	10,584	11,300	-730
Total securities	19,167	21,063	851	11,309	12,354	-828

Additional information on investments is provided in Note 3.

EFTEN United Property Fund made contributions worth 505 thousand euros to the EFTEN Residential Fund in January and May 2024 in connection with rental housing development projects in Vilnius.

In August, the fund made contributions to the trust fund EFTEN Real Estate Fund 5 in connection with the acquisition of the UNA retail park in Vilnius in the amount of 4,778 thousand euros and in December, in connection with the acquisition of the Kristiine Centre in Tallinn in the amount of 2,480 thousand euros.

In June and December, the fund also made contributions to the new commercial real estate fund EFTEN Special Opportunities Fund managed by EFTEN Capital AS in the total amount of 94 thousand euros.

During the reporting period, the Fund has not sold or pledged any securities investments it owns.

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 31.12.2024, 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.

	31.12.2024	31.12.2023
<i>€ thousands</i>		
Level 1	4,124	4,146
Level 3	16,939	8,208
Total	21,063	12,354

Note 5 Net asset value of the Fund

The fund's units will be freely tradable on the Nasdaq Tallinn stock exchange from 31.05.2022. As of 31.12.2024, EFTEN United Property Fund has issued a total of 2,483,860 shares with a total value of 25,466 thousand euros (31.12.2023: same).

During the 12 months of 2024, the Fund received a total of 402 thousand euros in dividend income and a total of 237 thousand euros in interest. Of the income received, a total of 402 thousand euros was paid out to the Fund's investors: 260 thousand euros in May 2024 and 142 thousand euros in November.

The net asset value of the fund unit as of 31.12.2024 was 11.06 euros (as of 31.12.2023: 10.57 euros). The net asset value of the fund's assets as of 31.12.2024 was 27,478 thousand euros (as of 31.12.2023: 26,256 thousand euros).

Note 6 Earnings per share

	IV quarter		12 months	
	2024	2023	2024	2023
Growth in net asset value attributable to shareholders, € thousand	1,088	-92	1,623	-179
Weighted average number of shares during the period, pcs	2,483,860	2,483,860	2,483,860	2,483,860
Earnings per share, EUR	0.44	-0.04	0.65	-0.07

Note 7 Segment reporting

SEGMENT'S RESULTS

12 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	801	-46	96	0	851
Dividend income	383	19	0	0	402
Interest income	88	0	373	104	565
Interest expense	0	0	0	-2	-2
Other financial income	0	0	5	0	5
Total income	1,272	-27	474	102	1,821
Growth in net asset value attributable to shareholders	1,272	-27	474	-96	1,623

SEGMENT'S ASSETS

As of 31.12.2024	Commercial property	Residential property	Property development	Unallocated	Total
<i>€ thousands</i>					
Financial assets at fair value (note 3)	19,274	1,489	300	0	21,063
Loans granted (note 3)	2,149	0	3,519	0	5,668
Interest receivables (note 3)	201	0	838	0	1,039
Short-term deposits (note 3)	0	0	120	0	120
Total investments	21,624	1,489	4,777	0	27,890
Net debt (cash minus total liabilities)					-412
Net asset value					27,478

As of 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 deposits (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 periods, the business segments did not enter into transactions with each other. The fund's main income was derived from dividends, interest received in the 12 months of 2024 and from the growth in the economic performance of commercial real estate and real estate development owned by 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 purchased management services from EFTEN Capital AS in the amount of 112 thousand euros (2023 12 months: 115 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 totalling 5,668 thousand euros (31.12.2023: same) and received interest income from the loans in the amount of 379 thousand euros in 12 months (2023 12 months: 381 thousand euros). The base currency of the loan is the euro.

The fund management and companies controlled by the fund management owned 47,634 EfTEN United Property Fund units as of 31.12.2024 (31.12.2023: 39,796). The fund management includes the members of the management board, the CEO and the investment manager of the fund management company EfTEN Capital AS.

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 31.12.2024

Subsidiaries

As of 31.12.2024

Name	Location	Participation in investment	Acquisition cost	Fair value	Share of the net value of the fund
<i>€ thousands</i>					
Subsidiaries					
Uus-Järveküla OÜ	Tallinn	80.0%	2	300	1.1%
EFTEN M7 UAB	Vilnius	100.0%	723	854	3.1%
Total subsidiaries			725	1,154	4.2%

As of 31.12.2023

Name	Location	Participation in investment	Acquisition cost	Fair value	Share of the net value of the fund
<i>€ thousands</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 of 31.12.2024**

Name	Type	Country of origin	Fund management company	Share in the fund 31.12.2024	Acquisition cost	Average share acquisition cost	Total fair value	Fair value per share	Share in net asset value
<i>€ thousands</i>									
Underlying funds									
EFTEN Real Estate Fund 5 trust fund	Trust fund	Estonia	EFTEN Capital AS	36.47%	11,416	11,416	13,167	13,167	47.9%
EFTEN Real Estate Fund AS	Equity fund	Estonia	EFTEN Capital AS	1.91%	4,497	0.0206	4,124	0.0189	15.0%
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	4.19%	1,472	1,472	1,489	1490	5.4%
EFTEN Special Opportunities Fund trust fund	Trust fund	Estonia	EFTEN Capital AS	0.75%	94	94	95	95	0.3%
Total underlying funds					18,442		19,909		72.5%
Total securities					19,167		21,063		76.7%

As of 31.12.2023

Name	Type	Country of origin	Fund management company	Share in the fund 31.12.2023	Acquisition cost	Average share acquisition cost	Total fair value	Fair value per share	Share in net asset value
<i>€ thousands</i>									
Underlying funds									
EFTEN Real Estate Fund 5 trust fund	Trust fund	Estonia	EFTEN Capital AS	36.47%	4,157	4,157	5,125	5,125	19.5%
EFTEN Real Estate Fund AS	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 trust fund	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 took effect on 28.02.2023.

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

Loans granted**As of 31.12.2024**

Borrower	Borrower's country of origin	Maturity	Interest rate	Contractual loan amount	Loan balance 31.12.2024	Share of the fund's net asset value
<i>€ thousands</i>						
EFTEN M7 UAB	Lithuania	28.02.2027	4%	2,876	2,149	7.8%
Uus-Järveküla OÜ	Estonia	18.08.2025	8% until 18.12.2024 15% from 19.12.2024	3,519	3,519	12.8%
Total loans granted				6,395	5,668	20.6%

As of 31.12.2023

Borrower	Borrower's country of origin	Maturity	Interest rate	Contractual loan amount	Loan balance 31.12.2023	Share of the fund's net asset value
<i>€ thousands</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 of 31.12.2024**

Name	Fair value	Share of the net value of the Fund
<i>€ thousands</i>		
Interest receivable	1,039	3.8%
Total other assets	1,039	3.8%

As of 31.12.2023

Name	Fair value	Share of the net value of the Fund
<i>€ thousands</i>		
Interest receivable	711	2.7%
Total other assets	711	2.7%

Deposits**As of 31.12.2024**

Credit institution	Type	Country of origin	Rating of the Credit institution and name of the rating agency ¹	Maturity date	Interest rate	Deposited amount	Share of the fund's net asset value
<i>€ thousands</i>							
Swedbank Estonia	Term deposit	Estonia	Moody's Aa3	28.02.2025	2.5%	120	0.4%
Total deposits						120	0.4%
TOTAL ASSETS						27,890	101.50%

As of 31.12.2023

Credit institution	Type	Country of origin	Rating of the Credit institution and name of the rating agency ¹	Maturity date	Interest rate	Deposited 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%

¹The table shows the rating of the parent bank of Swedbank AS. Swedbank AS itself does not have a rating.

Net asset value of the fund

	Balance		Share of the fund's net asset value	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Fund assets	27,890	26,259	101.50%	100.01%
Fund liabilities	-412	-3	-1.50%	-0.01%
NET ASSET VALUE OF THE FUND	27,478	26,256	100.00%	100.00%