

EfTEN United Property Fund

Webinar

10.02.2025

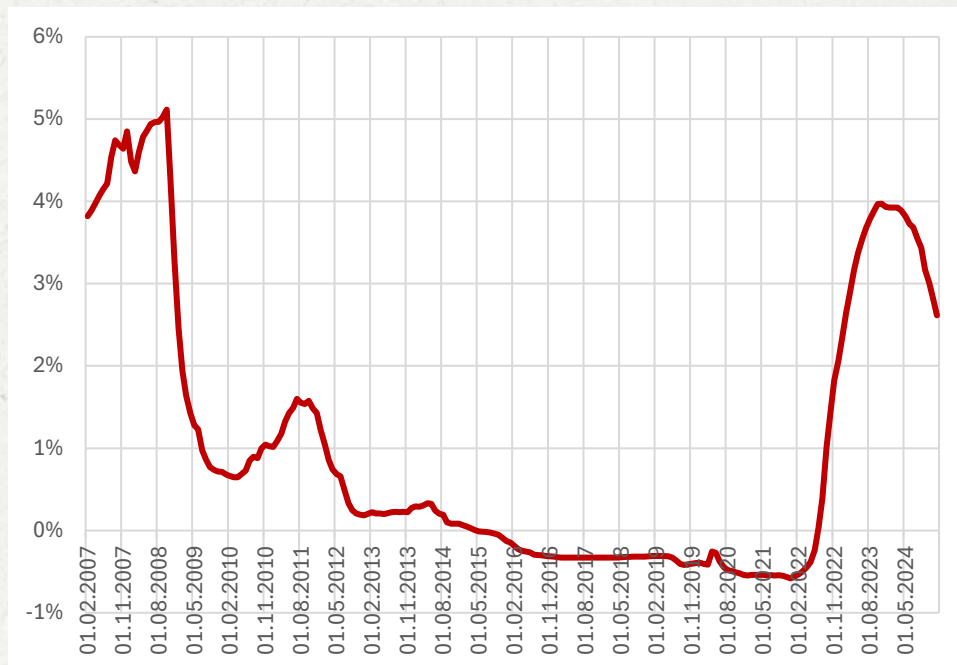
Kristjan Tamla

Disclaimer

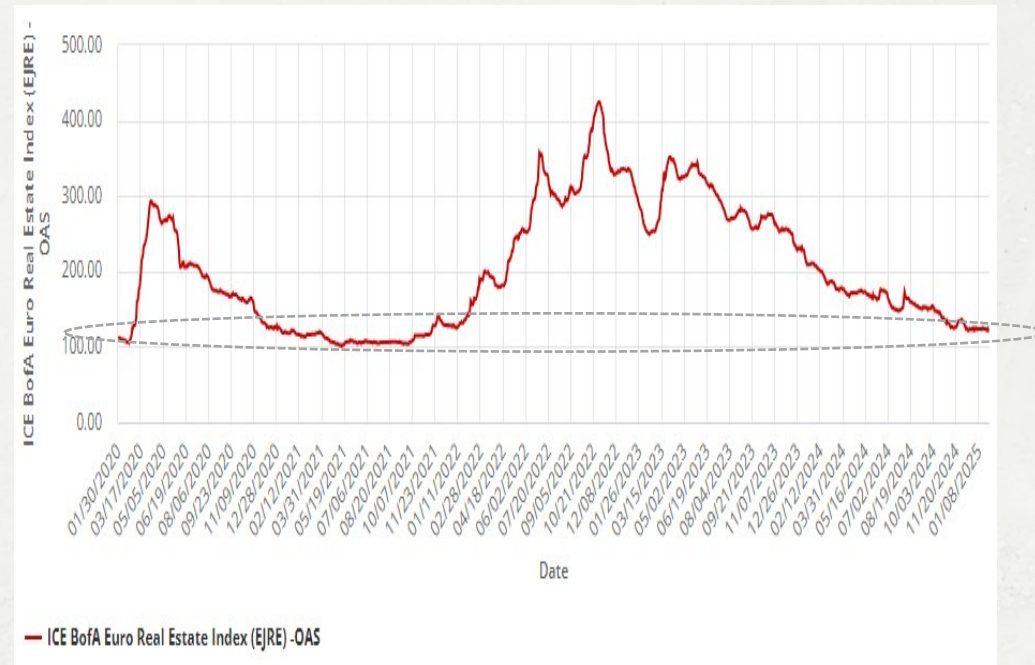
This material has been prepared by EfTEN Capital AS, the largest real estate fund manager in the Baltics, to introduce the EfTEN United Property Fund. In our opinion, the material is based on information obtained from reliable sources. However, it is not possible to guarantee that the information is complete and true at all times, therefore the EfTEN Capital AS is not responsible for the consequences of using this information. This presentation cannot be considered as investment advice or recommendation and is not an offer to acquire units or shares in funds as managed by the EfTEN Capital AS. Information referring to historical performance should not be considered as a guarantee or promise of future performance. The EfTEN Capital AS is not responsible for any costs or damages that the user may incur in connection with the use of the information provided in the overview. Potential investors should, if necessary, consult a professional (eg tax, investment or legal) adviser.

Euro Property Market – interest cost (EURIBOR) is down, and real estate sector risks close to historical lows

3m EURIBOR rates

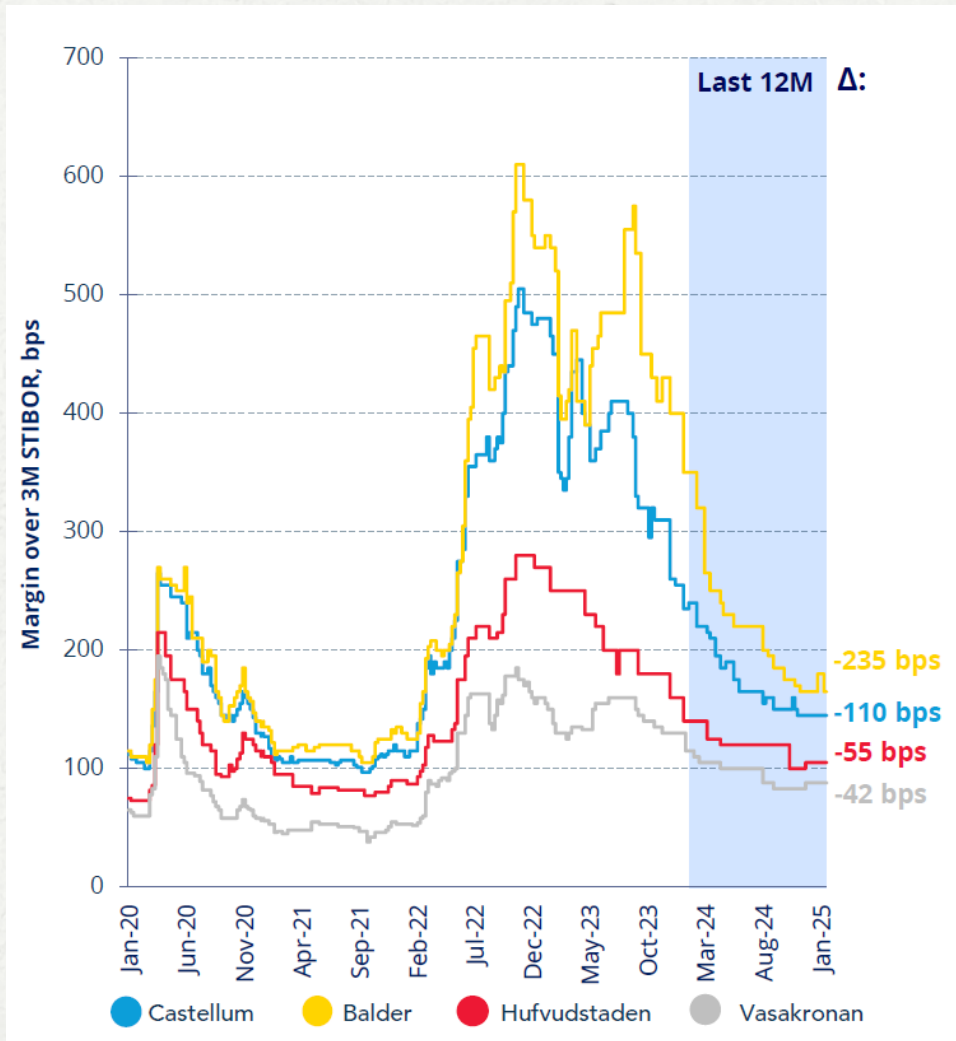


Credit spread of European real estate bonds (bps)

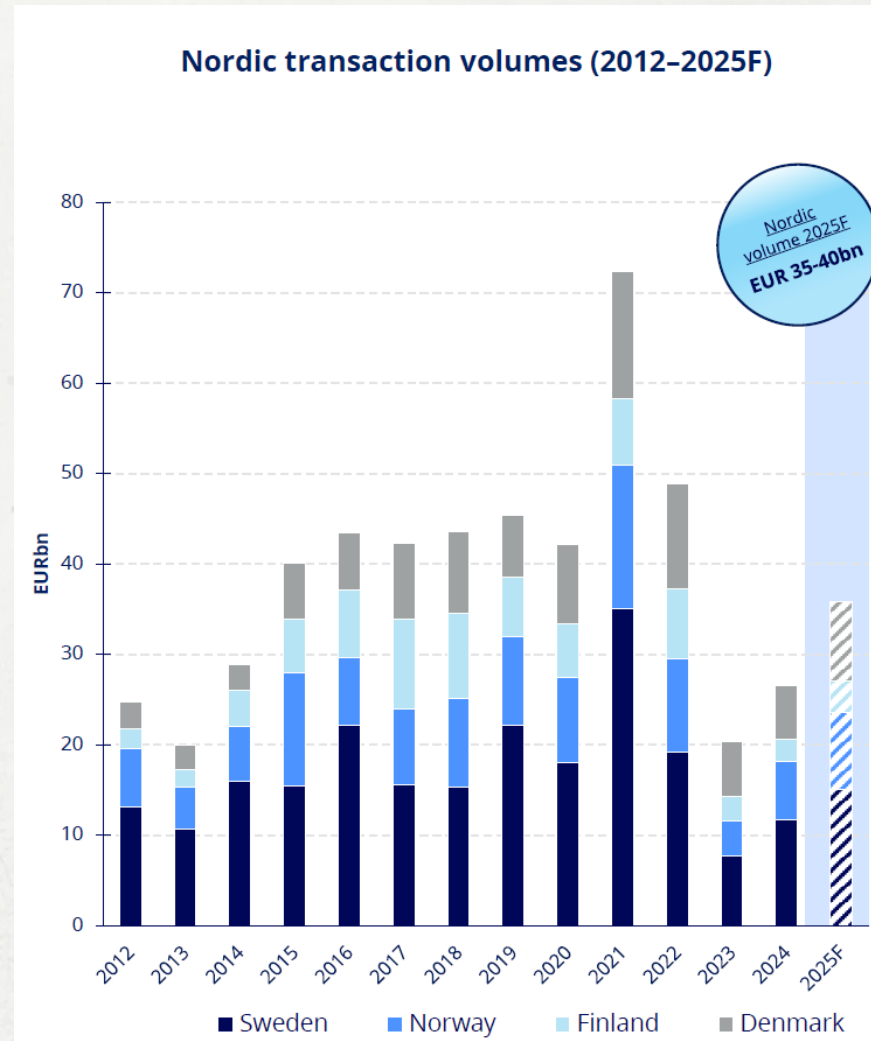


Allikas: ICE, ECB

Nordic Property Market – risks have been reassessed, and transaction activity is gradually picking up

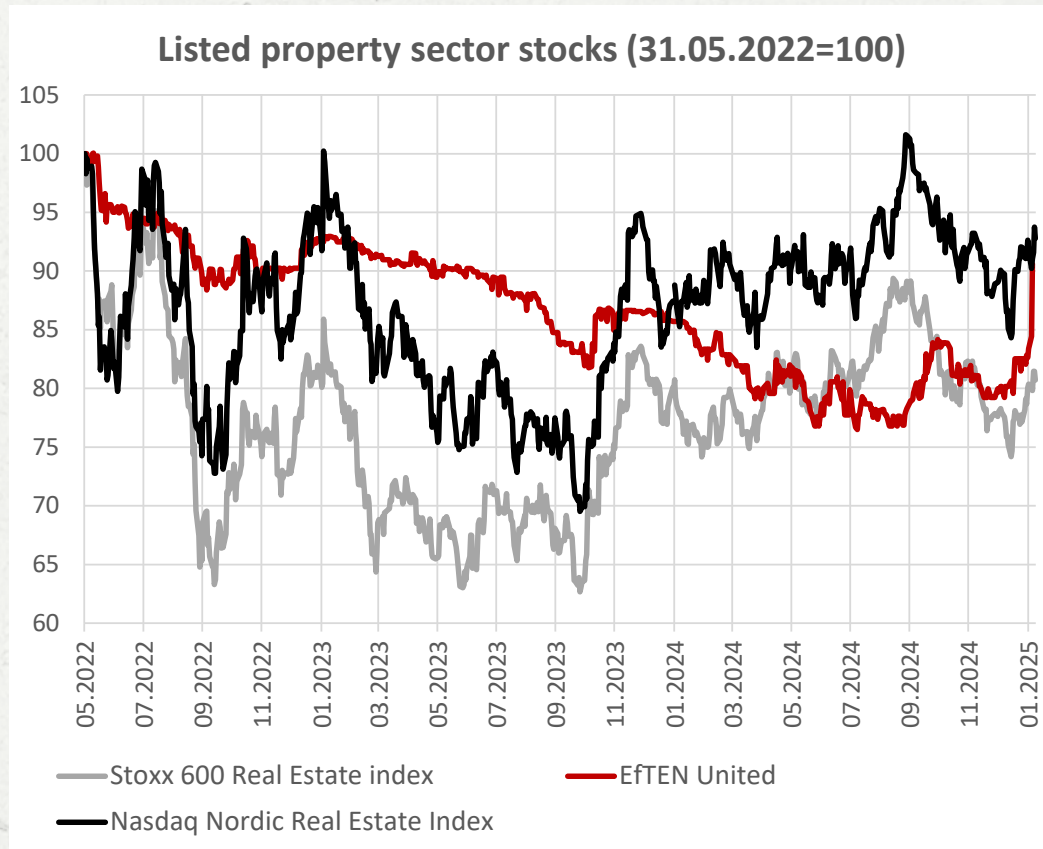


Allikas: Colliers



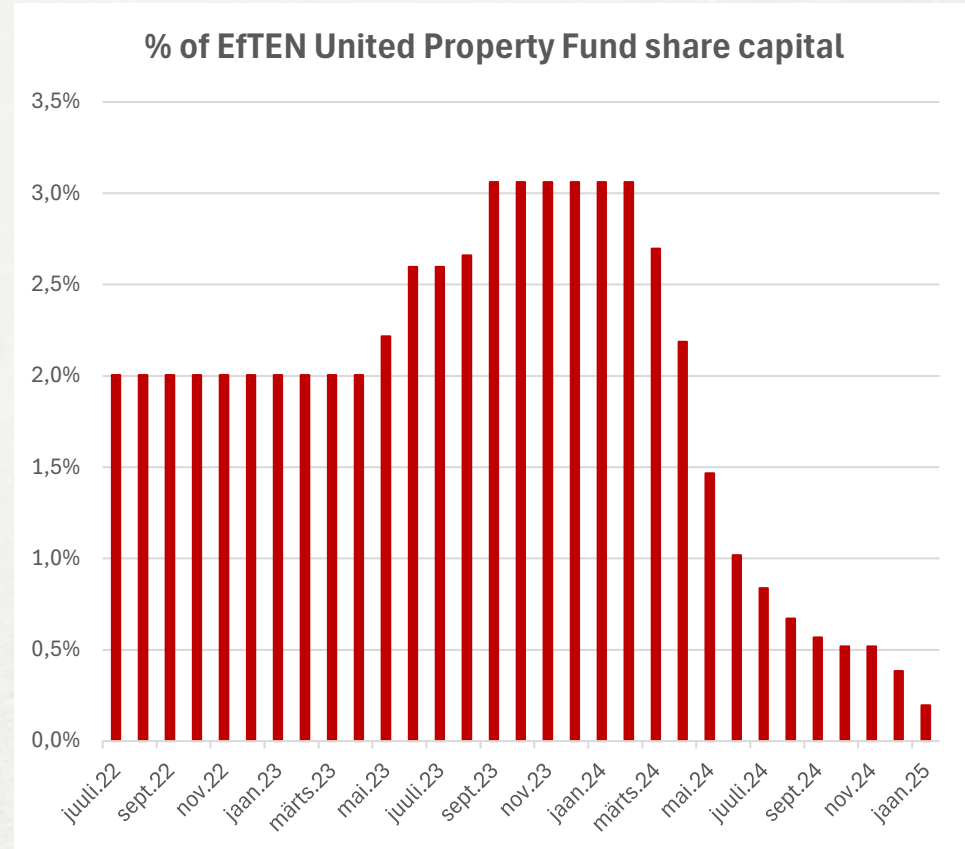
Share price development

Prices on listed market



Source: Nasdaq, Stoxx

One large investor has been liquidating the position



EfTEN United Property Fund – 2024 main events

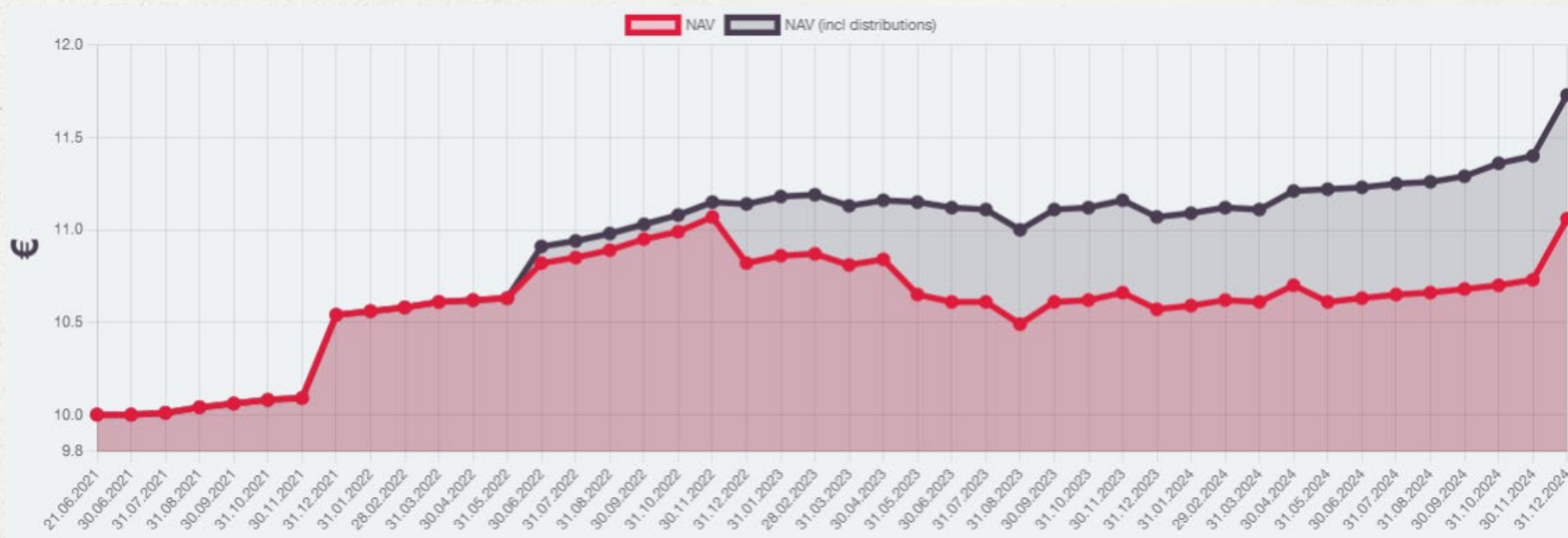
Distributions – 402k EUR (2,1% of market cap)

- 260k EUR – May 2024
- 142k EUR – Nov 2024

Investments – 7,9mio EUR

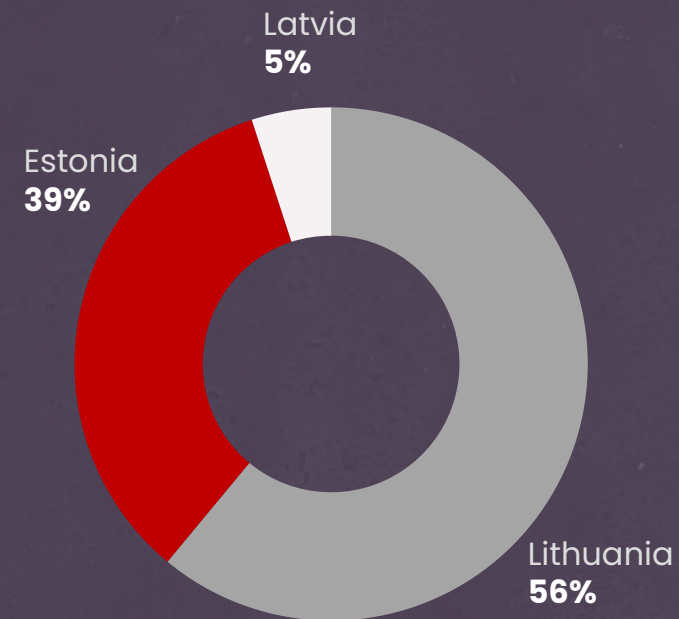
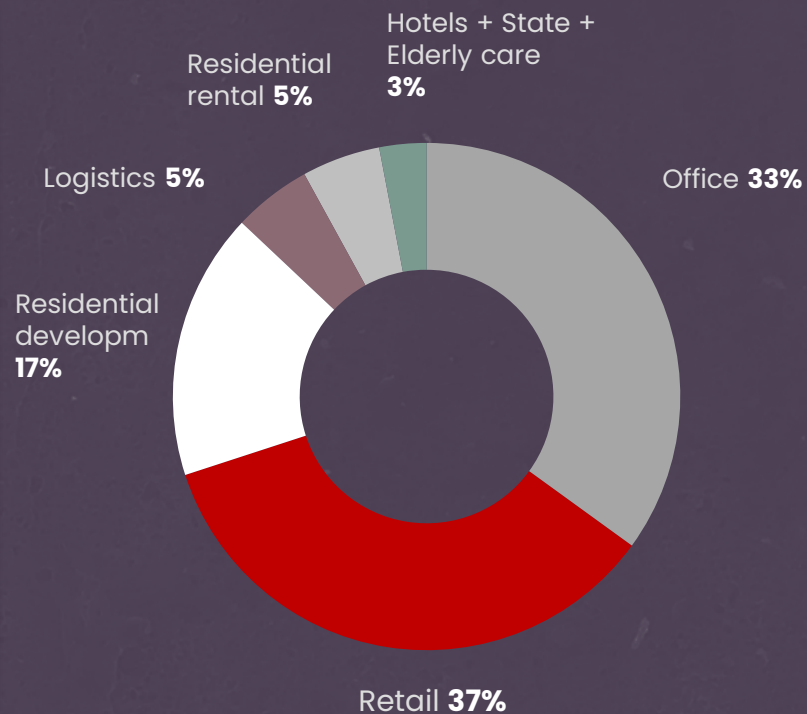
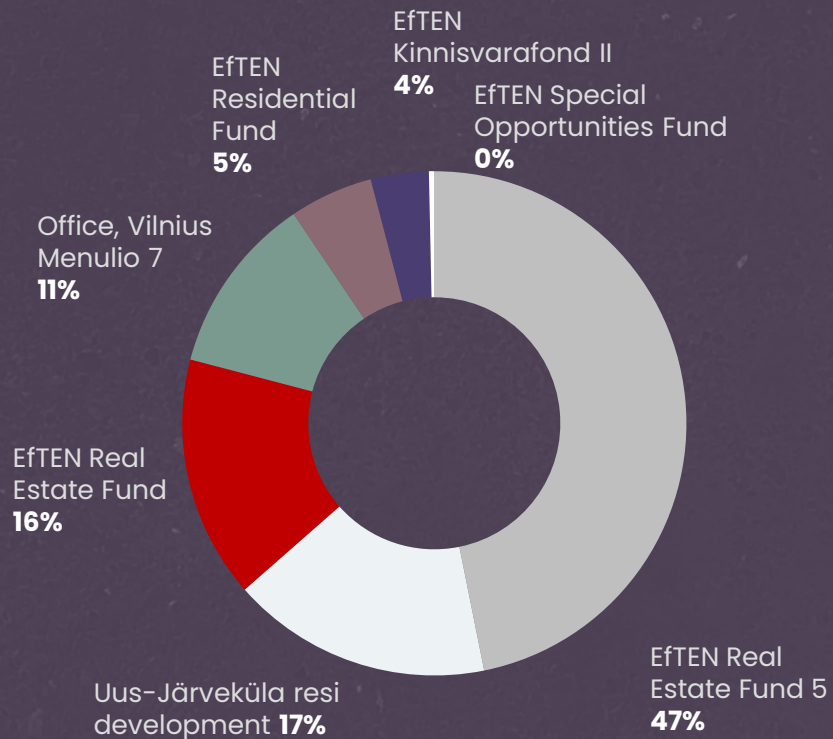
- 4,8mio EUR – UNA retail Park, Vilnius (through EfTEN Real Estate Fund 5)
- 2,5mio EUR – Kristiine keskus, Tallinn (through EfTEN Real Estate Fund 5)
- 0,5mio EUR – residential rental real estate, Vilnius (through EfTEN Residential Fund)
- 0,1mio EUR – financing of 2 development and 1 rental project, Vilnius (through EfTEN Special Opportunities Fund)

NAV since inception



EfTEN United Property Fund – fully invested

Index-like portfolio: 51 underlying properties



Fund size: **27,5 mio EUR** | Leverage: **48%** | Cost of leverage: **5,4%** (4,9% excl development)

Rental yield: **6,8%** | Vacancy: **4,7%***

* - commercial cash flow properties



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EfTEN United Property Fund

Main underlying properties



Former Danske office, Vilnius

Bought: Dec 2021

- A class office at Vilnius main business district
- Built: 2007
- Business case: full reshuffling of tenants
- Rent (monthly): 15EUR/m² (at purchase) -> 17,4EUR/m² (2023) ->19 EUR/m² (2025)
- Vacancy: 0%
- Current valuation yield: 6,8%
- LTV: 46% (refinancing Dec 2025)



UNA Retail Park, Vilnius

Bought: Aug 2024

- Retail park in growing resi district
- Built: 2023
- Business case: brand new building, below market rents
- Rent: 11,37 EUR/m²
- Vacancy: 1%
- Purchase yield: 7,3% (1867 EUR/sqm)
- LTV: 55%



Kristiine shopping centre, Tallinn

Bought: Dec 2024

- 3-4 largest shopping centre in Tallinn
- Built: 1999/2002/2010/2019
- Business case: forced seller, price below "market"
- Rent (monthly): 21,6 EUR/m²
- Vacancy: 1%
- Purchase yield: 8,5% (2000 EUR/sqm)
- LTV: 50%



Uus-Järveküla residential development – largest terraced house residential district in Estonia



- I stage:
units: 86
finish: q1/2024
sales+bookings: 80
- II stage:
units: 14+16=30
finish: q1/2025
sales+bookings: 30
- III stage:
units: 17
finish: summer 2025
sales+bookings: 9
- IV stage:
units: 32
finish: q4/2025...q1/2026

Total: 149+16=165 units
Sales + bookings: 119 units

EFTEN United Property Fund

Main underlying properties, total properties 51

	% of NAV
UNA Retail Park, Vilnius	19,4%
Former Danske office building, Vilnius	17,2%
Uus-Järveküla development, Rae	16,9%
Menulio 7 office building, Vilnius	11,7%
Kristiine shopping centre, Tallinn	11,3%
Rewo rental apartments, Vilnius	2,1%
Kadaka rental apartments, Tallinn	1,6%
Saules Miestas shopping centre, Siauliai	1,6%
Mustika shopping centre, Tallinn	1,5%
Domina shopping centre, Riga	1,4%
Rental apartments, Kaunas	1,3%
Radisson Collection hotel, Tallinn	1,0%
Jurkalne Technology Park, Riga	1,0%
Tondi K-Rauta shopping centre, Tallinn	0,6%
Other (#37)	11,4%



EfTEN United Property Fund

Outlook 2025

- **Next expected distributions**
 - May/June – from EREF, EKF II, Residential, Menulio
 - Sept/Oct – interest income EREF 5
 - Nov/Dec – interest income, potential refinancing in EREF 5
- **Investments**
 - Fund fully invested
 - 200k EUR to be invested in EfTEN Special Opportunities Fund
 - Sale of Kaunas terminal (from EKF II), ca 4% above the NAV, Feb 2025
 - Completion of Uus-Järveküla residential development, Q4 2025 / Q1 2026
- **Capital raise**
 - Fully invested portfolio should work for at least 12m and first development project (Uus-Järveküla) finished
 - More likely after 2025

Summary

- **Interest costs have decreased, and property sector credit risk is again back near the lows of the current decade**
- **Transaction activity is gradually picking up**
- **Bank financing in the Baltics is abundant and “cheap”, but lack of new equity is holding back larger transactions**
- **EfTEN United Property Fund fully invested by the end of 2024**
 - UNA Retail Park, Vilnius (ca 20% of the fund)
 - Kristiine shopping centre (ca 10% of the fund) acquired at ca 10% discount
- **Uus-Järveküla residential development**
 - Strong sales since autumn 2024
 - Last stage (32 terraced houses) started Q1 2025
 - Development to be finished by the end of 2025 / early 2026
- **Profit distribution**
 - 3 times in 2025
 - Repayment of bank overdraft (400k EUR)
- **2025 is the first year when portfolio is fully invested**



EfTEN United Property Fund

Core Team



Mr. Viljar Arakas
EfTEN Capital, CEO

EfTEN Capital co-founder and CEO since 2008; Fund manager for all EfTEN funds
Former CEO of Arco Vara, leading real estate company in the Baltics; CEO of Arco Transport

23 years industry experience



Mr. Tõnu Uustalu
EfTEN Capital,
Head of Investments

EfTEN Capital co-founder and CIO since 2008; Fund manager for all EfTEN funds

Former portfolio and investment manager of East Capital; SEB Corporate Banking and RE financing

28 years industry experience



Mr. Kristjan Tamla
EfTEN Capital, Head of Retail

EfTEN Head of Retail since 2021

Former CEO and fund manager Swedbank Investment Funds



Mr. Viktors Savins
EfTEN Latvia Country Manager

EfTEN Latvia Country Manager since 2013

Former Partner and CEO of Arco Development and SIA Arco Real Estate's real estate brokerage, valuation and property advisory unit in Latvia

22 years industry experience



Mr. Laurynas Žilys
EfTEN Lithuania Country Manager

EfTEN Lithuania Country Manager since 2015

Former partner of CREalty advisors; Head of Investment Department at Colliers Lithuania

19 years industry experience

Investment decisions:

Viljar Arakas, Tõnu Uustalu, Viktors Savins, Laurynas Žilys
(combined experience in property investing 90+ years)

Fund daily management:

Kristjan Tamla



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Thank you!



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