

Consolidated Annual Report 2025

Usaldusfond EfTEN Real Estate Fund 4

Commercial register number: 14588404

Beginning of financial year: 01.01.2025

End of financial year: 31.12.2025

Address: A. Lauteri 5, 10114 Tallinn

Email address: info@eften.ee

Website address: www.eften.ee

Table of contents

MANAGEMENT REPORT	2
FINANCIAL STATEMENTS OF THE CONSOLIDATION GROUP	8
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	8
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS OF THE FUND	11
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	12
1 General information	12
2 Statement of compliance and general basis for the preparation of the consolidated accounts	13
2.1 Changes in accounting policies and presentation	13
2.2 Summary of material accounting principles	14
3 Subsidiaries	18
4 Segment reporting	18
5 Revenue	19
6 The cost of services sold	19
7 Marketing costs	20
8 General and administrative expenses	20
9 Other financial costs	20
10 Income tax	20
11 Cash and cash equivalents	21
12 Receivables and accrued income	21
13 Investment property	22
14 Borrowings	24
15 Payables and prepayments	26
16 Financial instruments, management of financial risks	27
17 Paid-in capital	30
18 Related party transactions	31
19 Parent company separate financial statements	31
Signatures of the Management on the consolidated annual report for 2025	38
Distribution of revenue according to the Estonian Classification of Economic Activities	39
ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS	40

MANAGEMENT REPORT

Fund manager's comment

The year 2025 was a year of stable operations and strong cash flow for EFTEN Real Estate Fund 4. The Fund's portfolio rental income increased to EUR 25.3 million in 2025, representing a 2.5% growth compared to 2024. The rental income growth was primarily supported by higher occupancy rates in the Bergi logistics centre and the Jauna Teika commercial complex.

The Fund's net operating income (NOI) amounted to EUR 24.855 million in 2025, growing by 4% year-on-year, while EBITDA totalled EUR 22.3 million, an increase of 5% compared to the previous year. Interest expenses of the Fund's subsidiaries decreased by 24% compared to 2024, reflecting the decline in EURIBOR. The lower interest costs combined with higher EBITDA resulted in a significant increase in adjusted cash flow - while the consolidated adjusted cash flow of the Fund was EUR 8.45 million in 2024, it rose to EUR 11.3 million in 2025 (an increase of 25%).

The fair value of the Fund's real estate portfolio remained largely unchanged in 2025 - the Group recognised a gain of EUR 0.651 million from the revaluation of investment properties, and the portfolio value increased by 0.2% as a result of the revaluation.

At the end of 2025, the Fund's management initiated an analysis of the redevelopment of the Kadrioru Business Centre into a mixed-use property, combining residential apartments and ground-floor commercial spaces. Preliminary analyses indicate that partial conversion of office space into residential use may create higher value for the Fund's investors and improve the risk profile of the asset.

Overview of financial results

EFTEN Real Estate Fund 4 (hereinafter referred to as the "Fund") consolidated sales revenue for 2025 totalled 26.293 million euros (2024: 25.482 million euros), an increase of 3% compared to 2024. Net rental income (NOI) totalled 24.855 million euros in 2025 (2024: 24.006 million euros), an increase of 4% over the year.

	2025	2024
<i>€ million</i>		
Rental revenue, other fees from investment properties	26.293	25.482
Expenses related to investment properties, incl. marketing costs	-1.438	-1.476
Net rental income	24.855	24.006
<i>Net rental income margin</i>	<i>95%</i>	<i>94%</i>
Interest expense and interest income	-6.719	-8.830
Net rental revenue less finance costs and income	18.136	15.176
Management fees	-2.080	-2.080
Other income and expenses	-0.603	-0.683
Profit before changes in the value of investment property, changes in the fair value of interest rate swaps, and income tax expense	15.453	12.413

The weighted average interest rate on the Fund's bank loans was 4.05% as of 31.12.2025 (31.12.2024: 4.73%). The debt service coverage ratio (DSCR) of the loan portfolio was 2.1 at the end of 2025 (2024: 1.7).

The Fund's assets as of 31.12.2025 were 340.804 million euros (31.12.2024: 338.152 million euros), including the fair value of investment properties accounting for 95% of the assets (31.12.2024: 94%).

	31.12.25	31.12.2024
<i>€ million</i>		
Investment properties	322.950	318.050
Other non-current assets	0.928	0.942
Current assets, excluding cash	4.975	4.669
Total assets	340.804	338.152
Net debt (cash and deposits minus short-term and long-term bank loans)	-140.193	-138.523
Net asset value (NAV)	162.681	160.867

Key financial ratios

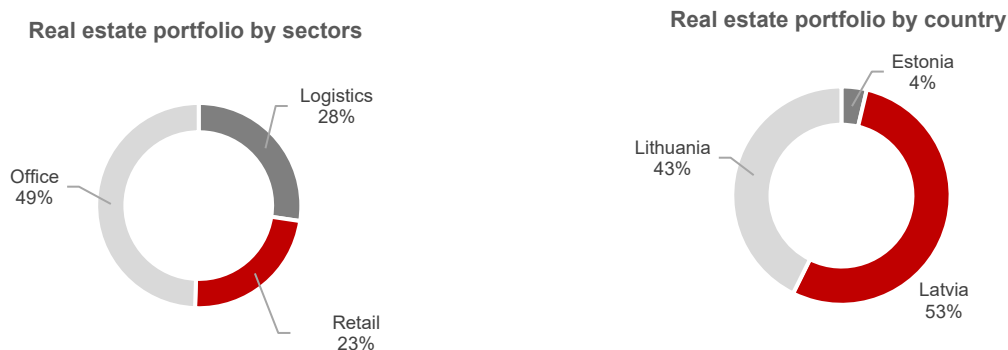
12 months	31.12.2025	31.12.2024
ROE, % (net profit of the period / average equity of the period) x 100	8.6	7.0
ROA, % (net profit of the period / average assets of the period) x 100	4.1	3.4
ROIC, % (net profit of the period / average invested capital of the period ¹) x 100	9.9	8.0
Revenue (€ thousand)	26,293	25,482
Rental income (€ thousand)	25,306	24,696
EBITDA (€ thousand)	22,347	21,340
EBITDA margin, %	85%	84%
EBIT (€ thousand)	22,823	22,970
Comprehensive income (€ thousand)	13,962	11,315
Liquidity ratio (current assets / current liabilities)	0.2	0.8
DSCR (EBITDA/ (interest expenses + scheduled loan payments)	2.1	1.7

¹ The average invested capital for the period is the average involved capital of the EFTEN Real Estate Fund 4.

Investment property portfolio

The Fund invests in commercial investment properties with a strong and long-term tenant base. As of the end of 2025, the Fund has 9 (31.12.2024: same) commercial investment properties, the fair value of which at the balance sheet date is 322.950 million euros (2024: 318.050 million euros) and the acquisition cost is 326.086 million euros (2024: 321.836 million euros).

As of 31.12.2025, the Group's investment property portfolio is divided by sectors and countries as follows:



Investment property	Location	Group's Ownership	Acquisition cost, € thousands	Fair value, in € thousands	Net leasable area	Projected annual net rental income, € thousands	Direct Yield ¹	Primary net yield ²	Occupancy, %	Average length of rental agreements	Number of tenants
Dominante logistics centre	Riga, Latvia	100	17,397	15,580	37,665	1,685	9.7%	10.8%	99	2.4	8
SBA logistics and production centre	Klaipeda, Lithuania	100	28,556	31,370	44,048	2,306	8.1%	7.4%	100	9.9	1
Bergi logistics centre	Riga, Latvia	100	30,320	25,370	50,254	1,941	6.4%	7.7%	94	1.7	3
Arginta logistics centre	Vilnius, Lithuania	100	15,460	16,230	16,301	1,222	7.9%	7.5%	100	5.3	1
Total logistics			91,733	88,550	148,267	7,154	7.8%	8.1%	98	5.0	13
Ryo shopping centre	Panevėžys, Lithuania	100	48,810	55,920	23,718	4,776	9.8%	8.5%	100	4.3	99
River Mall shopping centre	Kaunas, Lithuania	100	18,348	18,890	9,818	1,536	8.4%	8.1%	100	5.9	37
Total retail			67,158	74,810	33,536	6,312	9.4%	8.4%	100	4.6	136
Kadrioru business centre	Tallinn, Estonia	100	16,900	12,110	6,530	728	4.3%	6.0%	98	1.3	27
River Hall business centre	Kaunas, Lithuania	100	14,443	15,500	8,786	1,249	8.6%	8.1%	100	3.3	19
Jauna Teika office quarter	Riga, Latvia	100	135,852	131,980	59,068	8,975	6.6%	6.8%	85	3.7	104
Total office	Office		167,195	159,590	74,383	10,952	6.6%	6.9%	88	3.4	150
Total real estate portfolio			326,086	322,950	256,187	24,418	7.5%	7.6%	95	4.2	299

¹ The direct yield on investment property is the ratio of the actual net rental income (calculated for 12 months) to the acquisition cost of investment property and subsequent capitalized expenses as of 31.12.2025.

² The primary net yield on investment properties is the ratio of the actual net rental income (calculated for 12 months) to the fair value of investment properties as of 31.12.2025.

As of 31.12.2025, the fund has a total of 299 tenants. 51.1% of the rental agreements concluded as of the balance sheet date are the contractual income from 15 clients.

Tenant	Share of consolidated rental income
Innovo logistika, UAB	9.1%
TRIALTO LATVIA SIA	5.4%
HIS MAJESTY THE KING IN RIGHT OF CANADA	5.4%
ARGINTA Group, UAB	4.8%
DNB Bank ASA Latvijas filiāle	4.1%
Cabot Latvia SIA	3.2%
Maxima LT, UAB	2.8%
TEIKUMS JT SIA	2.6%
Orkla Latvija SIA	2.4%
Norwegian Air Resources Latvia SIA	2.3%
CCC Riga Digital Services SIA	2.1%
Hakonlita, UAB	2.0%
Tech Mahindra Limited Latvijas filiāle ĀKF	1.8%
ZABBIX SIA	1.6%
HALLGRUPPEN BALTICS SIA	1.5%
Others	48.9%

Valuation of investment properties

The Group regularly evaluates investment properties twice a year – as of 30 June and 31 December. The investment property appraiser of the Group is Colliers International. The Group's investment properties are valued individually using the discounted cash flow method. The cash flow forecasts of all objects are updated when finding the fair value, and the discount rates and exit yields are differentiated depending on the location of the objects, the technical condition and the risk level of the tenants.

The total value of investment properties increased by 0.2% in 2025 as a result of revaluations (2024: value increased by 0.5%) and the Group received a profit of 0.651 million euros from the change in the fair value of investment properties (in 2024, the profit was 1.727 million euros). The fair value of investment properties increased mainly due to a decrease in vacancy and more positive cash flow forecasts at the Jauna Teika office complex (+2.0%). The fair value decreased by 15% at the Kadriorg Business Center due to planned lease expirations and building reconstruction plans within a 2-3 year horizon. While in 2024 the discount rates used in valuations were in the range of 8.0% to 11.25%, in the valuations carried out at the end of 2025 they were in the range of 8.4% to 11.05%.

Net asset value

The Fund's net asset value (NAV) as of 31.12.2025 is 162.681 million euros (31.12.2024: 160.867 million euros). In 2025, the Fund paid out dividends and interests received from subsidiaries to investors and returned capital in the total amount of 12.148 million euros (2024: 12.798 million euros).

The Fund has a total of 35 investors. The owners of more than 10% of the Fund are listed in the table below:

Investor	31.12.2025
Swedbank Latvian pension funds	21.7%
EBRD	20.0%
SEB pension funds	14.9%
LHV pension funds	13.6%
Swedbank Estonia pension funds	12.7%

The Fund pays out to investors to the extent that it complies with the limited partnership agreement. Periodic payments are based on dividends and interest received from subsidiaries. Subsidiaries pay dividends and interest in such a way that, after disbursements, the financial indicators of the subsidiaries meet the requirements of the special terms of the loan agreements and liquidity is provided for both working capital and additional investments. The Fund plans to make payments to investors from the cash flow earned in 2025 in a total amount of 6.869 million euros.

Governance

The EFTEN Real Estate Fund 4 was registered in the commercial register in October 2018, after which the Fund started its operations.

In 2025, one (regular) general meeting of investors was held and the annual report for 2024 was approved. There were no extraordinary investor meetings in 2025.

According to the management agreement and the Fund's partnership agreement, the Fund's management company is EFTEN Capital AS. EFTEN Capital AS has been issued an alternative fund manager's license by the Financial Supervision Authority.

The Management Board of the Fund's general partner (EFTEN Neljas GP OÜ) consists of two members: Viljar Arakas and Tõnu Uustalu. There were no changes in the board during 2025. The Management Board of the general partner supervises the activities of the management company related to the Fund and the activities of the depository to the extent and pursuant to the procedure prescribed in the depository agreement, as well as performs other tasks arising from the partnership agreement.

Ensuring the environmental sustainability of the Group

An important part of the long-term strategy of the EFTEN Capital Fund 4 is sustainable and responsible asset management. The Fund integrates environmental, social and governance (ESG) considerations throughout the investment and asset management process. Its objective is to reduce negative environmental impact, promote social responsibility, and ensure the application of good governance practices.

On the environmental front, the Fund focuses on improving energy efficiency, increasing the use of renewable energy, optimizing waste management, and systematically monitoring greenhouse gas (GHG) emissions. At the social level, attention is paid to tenant satisfaction and engagement, as well as ensuring a high-quality and safe operational environment. At the governance level, the Fund implements a structured ESG management model, including the activities of the ESG committee, participation in the Global Real Estate Sustainability Benchmark (GRESB) assessment, and transparent reporting. The Fund has been publishing sustainability reports since 2019.

The Fund promotes sustainable management of commercial real estate by applying sustainability principles in lease agreements (Green Lease) and assessing asset performance through energy efficiency and sustainability certificates, including energy classes and BREEAM certifications. These indicators are used to monitor the achievement of environmental and social objectives and to support asset value preservation and cost-effective management.

ESG-related aspects are considered as part of the regular investment process and risk analysis. During the pre-investment assessment, factors such as the technical condition of buildings, energy consumption, and potential regulatory and operational risks are evaluated. Final investment decisions are made only after all necessary due diligence has been completed.

The achievement of objectives is monitored through sustainability metrics and levels of energy efficiency and certification. Continuous improvement of sustainability indicators related to the assets helps reduce the environmental footprint of the investment portfolio and supports cost-effective day-to-day management of the Fund's assets. The Fund collects the data necessary to assess environmental and social characteristics directly.

The Fund considers the European Union's goal of achieving carbon neutrality by 2050 and consistently works towards supporting this objective.

Information on compliance with SFDR regulations is disclosed in the notes to this report. The Fund's sustainable investment principles are available on the Fund's website www.eften.ee.

Key sustainability indicators of the portfolio

A detailed overview of the portfolio's sustainability activities is disclosed in the 2025 Sustainability Report.

The Fund achieved a score of 86/100 and a 4-star rating (4/5) in the 2025 GRESB assessment, demonstrating the Fund's high level of sustainability. The Fund's real estate investments are covered by BREEAM certificates, except for Kadriorg Business Center, where it was decided not to renew the certificate due to planned changes in the building's intended use. In 2025, BREEAM certificates for five investments were successfully renewed, resulting in River Hall Business Center achieving the highest level of Excellent, having previously held a Very Good rating. All assets in the portfolio hold valid energy performance certificates.

The following presents the key environmental performance indicators of the Group's real estate portfolio by countries and segments.

Portfolio energy classes and BREEAM certificates

Investment properties	Location	Energy class	BREEAM certificate
Logistics			
Dominante logistic centre	Latvia	B	Good
SBA logistics and production centre	Lithuania	A++	Very Good
Bergi logistics centre	Latvia	B	Very Good
Arginta logistics centre	Lithuania	A/B/B	Pass
Retail			
Ryo shopping centre	Lithuania	B	Very Good
River Mall shopping centre	Lithuania	B	Very Good
Office			
Kadrioru business centre	Estonia	D	Valid until: 02.11.2025
River Hall business centre	Lithuania	A	Excellent
Jauna Teika office complex	Latvia	A+/B	Very Good

In 2025, solar energy accounted for 21% of the portfolio's total electricity consumption. In addition, a 70-kW solar park was installed on the Moletu 75 building at the Arginta logistics centre. LED lighting was expanded by 8,922 m² in the Jauna Teika office quarter, and the electricity supply was switched to 100% renewable energy. At the Berg logistics centre, measures were implemented to save water, improve energy efficiency, and enhance building safety by optimizing water use in sanitary facilities, replacing existing lighting with more energy-efficient LED solutions, and upgrading the building's technical systems.

Consumption data by country

In 2025	Net rental space (m ²)	Share in net rental space	Energy consumption ¹		Share of total energy consumption	Water consumption		Share of total water consumption
			MWh	kWh / m ²		m ³	l / m ²	
Estonia	6,530	3%	1,636	251	5%	3,418	523	7%
Latvia	146,986	57%	11,731	80	38%	25,376	173	48%
Lithuania	102,671	40%	17,632	172	57%	23,781	232	45%
Total real estate portfolio	256,187	100%	30,999	121	100%	52,575	205	100%

¹Energy consumption includes electricity (incl solar energy), gas and district heating.

Consumption data by sectors

In 2025	Net rental space (m ²)	Share in net rental space	Energy consumption ¹		Share of total energy consumption	Water consumption		Share of total water consumption
			MWh	kWh / m ²		m ³	l / m ²	
Logistics	148,267	58%	12,857	87	41%	10,255	69	20%
Retail	33,536	13%	8,250	246	27%	17,182	512	33%
Office	74,383	29%	9,892	133	32%	25,138	338	48%
Total real estate portfolio	256,187	100%	30,999	120	100%	52,575	205	100%

Energy consumption by country

MwH	2025	2024	Change
Estonia			
Electricity	917	1,069	-14%
Solar energy	0	0	
Gas	40	72	-44%
District heating	679	645	5%
Latvia			
Electricity	6,227	5,778	8%
Solar energy	0	0	
Gas	2,374	2,160	10%
District heating	3,129	3,263	-4%
Lithuania			
Electricity	10,260	9,101	13%
Solar energy	4,617	4,806	-4%
Gas	1,433	1,121	28%
District heating	1,322	1,438	-8%
Total energy consumption	30,999	29,453	5%

Energy consumption by segments

	2025	2024	Change
<i>MWh</i>			
Logistics	12,857	11,031	17%
Retail	8,250	8,304	-1%
Office	9,892	10,119	-2%
Total energy consumption	30,999	29,453	5%

Greenhouse gas emissions by country

The total greenhouse gas emissions from the Group's real estate investments' energy consumption amounted to 3,233 tons of CO₂ equivalent in 2025, representing a 21% decrease compared to the previous year. The emissions calculations are based on emission factors from The International Energy Agency (IEA), which change over time and affect the annual emission totals. Changes in greenhouse gas emissions in the logistics sector were partly related to increased occupancy at the Berg logistics centre and the resulting increase in energy consumption.

	2025	Share of total volume	2024	Change
<i>tons of CO₂ equivalent</i>				
Estonia	681	21%	905	-25%
Latvia	1,216	38%	1,608	-24%
Lithuania	1,336	41%	1,598	-16%
Total real estate portfolio	3,233	100%	4,111	-21%
<i>kg CO₂e / m² / year</i>	13		16	

Greenhouse gas emissions by segments

	2025	Share of total volume	2024	Change
<i>tons of CO₂ equivalent</i>				
Logistics	1,507	47%	1,380	9%
Retail	365	11%	577	-37%
Office	1,361	42%	2,153	-37%
Total real estate portfolio	3,233	100%	4,111	-21%

Other information**Financial risks**

Information regarding the Group's financial instruments and financial risk mitigation goals, as well as risks related to changes in interest rates, is provided in Note 16 of the consolidated financial statements.

The structure of the consolidation group is presented in Note 1 of the consolidated financial statements.

FINANCIAL STATEMENTS OF THE CONSOLIDATION GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2025	2024
<i>€ thousands</i>			
Revenue	4,5	26,293	25,482
Cost of services sold	6	-724	-814
Marketing costs	7	-714	-662
Net rental income	4	24,855	24,006
General and administrative expenses	8	-2,778	-2,899
Gain from revaluation of investment properties	13	651	1,727
Other operating income and expense		95	136
Operating profit	4	22,823	22,970
Interest income		152	311
Interest expenses	9	-6,817	-9,141
Profit before income tax		16,158	14,140
Income tax expense	10	-2,196	-2,825
Net profit for the reporting period		13,962	11,315
Comprehensive income for the reporting period	4	13,962	11,315

The notes on pages 12-34 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31.12.2025	31.12.2024
<i>€ thousands</i>			
ASSETS			
Cash and cash equivalents	11	11,951	14,491
Short-term deposits	16	2,261	1,582
Derivatives	15	54	0
Receivables and accrued income	12	2,600	2,804
Prepaid expenses		60	283
Total current assets		16,926	19,160
Investment property	4,13	322,950	318,050
Property, plant and equipment		928	942
Total non-current assets		323,878	318,992
TOTAL ASSETS		340,804	338,152
LIABILITIES AND EQUITY NET VALUE			
Borrowings	14	95,539	22,668
Payables and prepayments	15	2,515	2,698
Total current liabilities		98,054	25,366
Borrowings	14	59,383	132,411
Other non-current liabilities	15	3,678	3,857
Deferred income tax liability	10	17,008	15,651
Total non-current liabilities		80,069	151,919
TOTAL LIABILITIES		178,123	177,285
Total net asset value of the Fund owned by limited and equity partners		162,681	160,867
TOTAL LIABILITIES AND TOTAL NET ASSETS		340,804	338,152

The notes on pages 12-34 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2025	2024
<i>€ thousands</i>			
Cash flows from operating activities			
Net profit		13,962	11,315
<i>Adjustments of net profit:</i>			
Interest income		-152	-311
Interest expenses		6,817	9,141
Gain/loss on revaluation of investment property	13	-651	-1,727
Depreciation and impairment losses	6,8	175	97
Income tax expense	10	2,196	2,825
Total adjustments with non-cash changes		8,385	10,025
Cash flow from operations before changes in working capital		22,347	21,340
Change in receivables and prepayments related to operating activities		382	327
Change in liabilities and prepayments related to operating activities		-874	185
Net cash flow generated from operating activities		21,855	21,852
Investing activities			
Acquisition of property, plant and equipment		-160	-110
Acquisition of investment property	13	-4,257	-2,768
Change in short-term deposits	16	-679	-1,334
Interest received		161	307
Net cash flow generated from investing activities		-4,935	-3,905
Financing activities			
Loans received	14	4,000	4,000
Scheduled loan repayments	14	-4,191	-3,756
Capital lease principal payments		-102	-34
Interest paid		-7,404	-13,704
Capital reduction	17	-600	0
Dividends paid	17	-10,931	-8,142
Income tax on dividends paid	10	-232	0
Net cash flow generated from financing activities		-19,460	-21,636
TOTAL CASH FLOW		-2,540	-3,689
Cash and cash equivalents at the beginning of the period	11	14,491	18,180
Change in cash and cash equivalents		-2,540	-3,689
Cash and cash equivalents at the end of the period	11	11,951	14,491

The notes on pages 12-34 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS OF THE FUND

	2025	2024
<i>€ thousands</i>		
Net asset value of the Fund owned by limited and general partners at the beginning of the period	160,867	162,350
Capital returns	-600	0
Net change in net assets	-600	0
Transfer of dividends and interest to the Fund's investors	-11,548	-12,798
Comprehensive income for the reporting period	13,962	11,315
Net asset value of the Fund owned by limited and general partners at the end of the period	162,681	160,867

Additional information on capital contributions is provided in Note 17.

The notes on pages 12-34 are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

EFTEN Real Estate Fund 4 is a real estate fund established in October 2018 that invests in cash-generating commercial real estate.

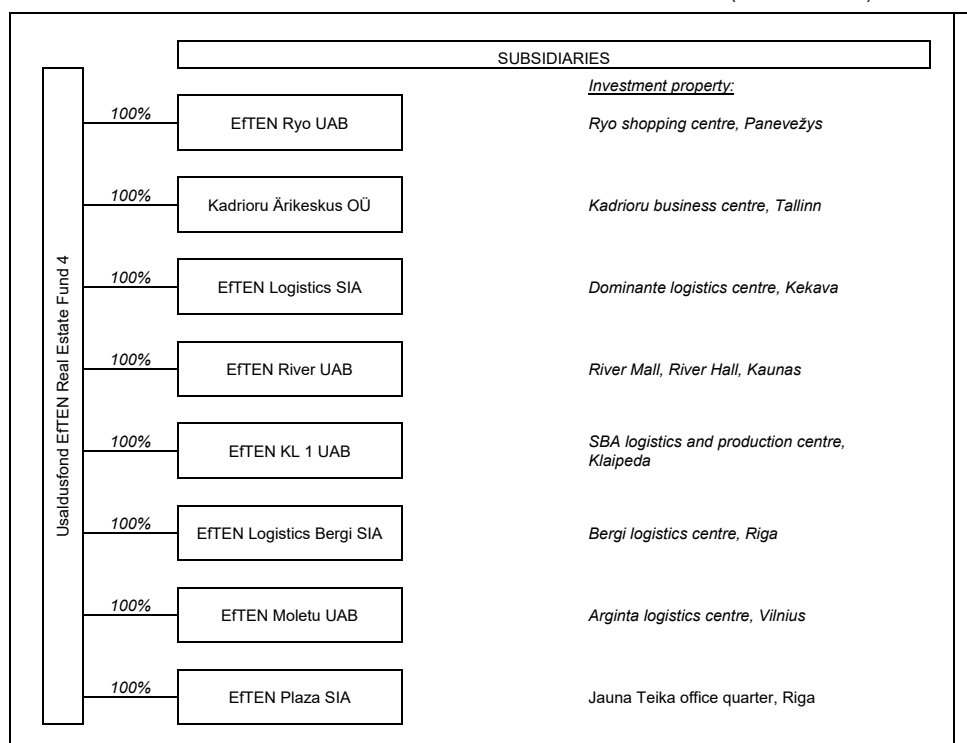
The Fund is a closed-ended, alternative investment fund. The Fund is guided by a core and core plus investment strategy. The investment region of the EFTEN Real Estate Fund 4 is the Baltic States

The Fund's investment activities are managed by EFTEN Capital AS. The general partner of the Fund is EFTEN Neljas GP OÜ.

The consolidated annual financial statements of Usaldusfond EFTEN Real Estate Fund 4 for the financial year ended 31.12.2025 were signed by the Management Board on 9 March 2026.

The Fund is a company registered in Estonia and operating in Estonia.

The structure of Usaldusfond EFTEN Real Estate Fund 4 as of 31.12.2025 is as follows (see also Note 3):



2 Statement of compliance and general basis for the preparation of the consolidated accounts

According to the Investment Funds Act the consolidated financial statements of the Fund are prepared in accordance with accounting policies and disclosures set out in International Financial Reporting Standards (IFRS) as adopted by the European Commission, taking into account the procedure for determining the net asset value of the fund provided for in the regulation established on the basis of subsection 54 (11) of the Investment Funds Act and other specifications set out in the above Regulation. The requirements provided for in the Accounting Act have also been considered.

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

The financial statements have been prepared using the acquisition cost method, unless otherwise stated (for example, investment property is recorded at fair value).

In the preparation of financial statements, the accounting entity is presumed to be carrying on its activities as a going concern.

2.1 Changes in accounting policies and presentation

1.2.1 Application of new or revised standards and interpretations

There are no new or revised standards or interpretations that are effective for the first time for the financial year beginning on or after 1 January 2025 that are expected to have a material impact on the Group's financial statements.

The standards will come into force in the following reporting periods and standards not yet adopted

(effective for reporting periods beginning on or after 1 January 2026; not yet adopted by the European Union)

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

(effective for reporting periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group is currently analysing and assessing the impact of the said change.

IFRS 18 Presentation and Disclosure in Financial Statements

(effective for reporting periods beginning on or after 1 January 2027; not yet adopted by the European Union)

In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information.

The Group is currently analysing and assessing the impact of the said change.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

(effective for reporting periods beginning on or after 1 January 2027; not yet adopted by the European Union)

The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;
- reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

The Group is currently analysing and assessing the impact of the said change.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28

(effective date to be determined by the IASB; not yet adopted by the European Union)

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary.

The Group is currently analysing and assessing the impact of the said change.

2.2 Summary of material accounting principles**Management's critical estimates and judgements**

The presentation of consolidated financial statements in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee Interpretations as adopted by the European Union requires management to make estimates and judgments that affect the recognition and measurement of assets and liabilities at the balance sheet date, the presentation of contingent assets and liabilities and their probability of realization, and income and expenses of the reporting period.

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

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

Estimation uncertainty

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

a) Determination of the fair value of investment property

Investment properties are valued at their fair value as of each balance sheet date. The Group's investment properties are valued by Colliers International Advisors OÜ. The Group's independent valuer values the investment properties individually using the discounted cash flow method. All of the Group's investment properties generate (or will generate upon completion) rental income, which is why the method used best reflects the fair value of the investment property compared to alternatives (such as the comparative method). Cash flow forecasts for all properties have been updated when determining fair value, and discount rates and exit yields have been differentiated depending on the location, technical condition and risk level of the properties. While in 2024, the discount rates for the Fund's real estate portfolio ranged from 8.0% to 11.25%, in the valuations carried out at the end of 2025, these ranged between 8.4% and 11.05%. Exit yields remained unchanged compared to the end of 2024 and were between 7.0% and 8.5%.

b) Business combinations and acquisition of assets

Purchases of real estate are generally treated as acquisitions of assets. The management estimates that there is no business combination if the property has individual tenants, the Fund does not acquire any assets or rights other than the property and does not employ any past employees. The Fund does not acquire the business process management know-how of the real estate object but manages all the acquired objects centrally.

Investment company

The management of the Group has assessed its activities to meet the definition of an investment company and considers that EFTEN Real Estate Fund 4 AS does not meet the definition of an investment company as it has the characteristics of a real estate company rather than a pure investment company. Although investors in EFTEN Real Estate Fund 4 AS expect both capital appreciation and operating profit from their capital investment, the Group also carries a significant amount of development risk in its investments, which is typical of a typical real estate company. An investment firm should also make direct investments in companies that are measured at fair value in accordance with IFRS 10. For the parent company of the Group, fair value measurement is indirect - the fair value is the value of assets held in subsidiaries, resulting in the fair value of the subsidiary not necessarily being the ultimate market price of the subsidiary. The Group also estimates its financial performance based on rental income, profit margins, volume of assets and other financial indicators of the real estate business, which cannot be measured solely by the fair value of the subsidiary.

Segment reporting

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

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

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

	Estonia	Latvia	Lithuania
Office	Kadrioru business centre, Tallinn	Jauna Teika office quarter, Riga	River Hall business centre, Kaunas
Logistics		Dominante logistics centre, Kekava	SBA logistics and production centre, Klaipeda
		Bergi logistics centre, Riga	Arginta logistics centre, Vilnius
Retail			Ryo shopping centre, Panevežys
			River Mall shopping centre, Kaunas

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

Investments in subsidiaries in the separate balance sheet of the parent company

In the separate balance sheet of the parent company (presented in Note 19), the investments in subsidiaries are measured at fair value.

Revenue recognition

The Group's revenue includes rental income, administrative fees, marketing fees and the profit of mediating utility and administrative expenses (revenues are offset against related expenses).

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

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

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

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

Financial assets

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets without a significant financing component the Company applies a simplified approach permitted by IFRS 9 and measures the allowance for impairment losses at expected lifetime credit losses from initial recognition of the receivables.

As of 31 December 2025, and 31 December 2024, all the Company's financial assets were classified in this category:

- cash and cash equivalents;
- short-term deposits;
- trade receivables.

Investment property

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

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

The fair value of investment property is determined based on the valuation performed by qualified appraisers. In determining the fair value, the method of discounted cash flows is used. In order to calculate the present value of a property's future cash flows, the appraiser has to forecast the property's future rental income (including rent per 1 square meter and the occupancy rate) and operating expenses. Depending on the terms of the lease (whether and how easily the lease can be terminated by the lessee), the appraiser will base the projections on either the property's existing cash flows or the market's current average cash flows for similar properties. The present value of the future net cash flow is found by applying a discount rate, which best reflects the current market assessments of the time value of money and the risks specific to the asset. The discount rate is selected based on the market's average capital structure, not asset structure. The discounted cash flow method is used to determine the value of investment properties that generate stable rental income.

Financial liabilities

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

Success fee liability

EFTEN Real Estate Fund 4, EFTEN Capital AS and EFTEN Neljas GP OÜ (a 100% subsidiary of EFTEN Capital AS) have entered into an agreement, according to which EFTEN Capital AS has the right to receive performance fees for amounts exceeding investors' contributions and preferred returns (8% of contributions per year). 80% of investors' contributions and disbursements exceeding the rate of preferred return are paid to investors and 20% to EFTEN Capital AS. The Fund recognizes a potential contingent performance fee liability at each balance sheet date, considering the contributions made by the group, the profit earned and the net asset value of the group at the balance sheet date. The potential calculation of the performance fee liability is based on the assumption that the Fund, together with its subsidiaries, can be sold for at least the amount of the Group's net asset value. The performance fee obligation is paid to the Management Company after all the initially paid-in capital and preferred return have been returned to the Fund's investors.

Period costs from the change in performance fee are recognized in the Group's operating profit (see also Note 16).

Income tax

Subsidiaries registered in Estonia

According to the Income Tax Act, a company's profit for the reporting year is not taxed in Estonia, but rather the profit distributions (dividends) paid out. The tax rate for (net) dividends is 22/78. The income tax on the payment of dividends is recognized as an expense in the income statement when the dividends are declared (liability arises).

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

Subsidiaries registered in Latvia

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

As a result of the implementation of the Income Tax Act in force since 2018, there are no longer any differences between the tax accounting and carrying amounts of assets and liabilities in Latvia and therefore no deferred income tax assets or liabilities are recognized for Latvian subsidiaries. All deferred income tax assets and liabilities assumed in previous periods were derecognised in 2017 and the corresponding income tax expense / income was recognized in the income statement.

Subsidiaries registered in Lithuania

In Lithuania, a company's net profit is subject to income tax at a rate of 16% (from 01.01.2026: 17%). Taxable income is calculated from the corporate profits before income tax, which is adjusted in accordance with requirements of local income tax laws in addition to income and expense additions permitted in the income tax returns.

For Lithuanian subsidiaries, a deferred tax asset or liability is recognized for the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date. Deferred income tax assets are recognized in the balance sheet only when it is probable that future taxable profits will be available against which the deferred tax assets can be utilized.

Recognition of deferred tax liability in consolidated financial statements

The Group's deferred tax liability arises for companies located in countries where profits are taxed.

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

Paid-in capital

The Fund's investors have made an investment obligation to the Fund and the maximum amount of the obligations is set out in Note 17. Pursuant to the agreement between the Fund and investors (partnership agreement), the Fund requires investors to pay the investment obligation as required by submitting a written application to investors. The Fund's investors (limited partners) are liable to the Fund with the maximum investment obligation and, in accordance with the Commercial Code, are liable for the obligations assumed by the Fund up to the maximum amount of the investment obligation. The Management Company (general partner) has also assumed the maximum investment obligation, but pursuant to the Commercial Code, the general partner is liable to the Fund with all its assets. Investors' contributions (limited partners and general partners) are recorded as a liability in the financial statements, as upon liquidation of the Fund there is an obligation to return their proportionate share of the Fund's net assets, investors' contributions to the Fund are not registered as capital and investors' liabilities to the Fund are not identical.

3 Subsidiaries

Company's name	Country of domicile	Investment property	Equity, € thousands		Group's ownership, %	
			31.12.2025	31.12.2024	31.12.2025	31.12.2024
Parent company						
Usaldusfond EFTEN Real Estate Fund 4	Estonia					
Subsidiaries						
EFTEN Ryo UAB	Lithuania	Ryo shopping centre, Panevėžys	30,762	32,754	100	100
Kadrioru Ärikeskus OÜ	Estonia	Kadrioru business centre, Tallinn	1,278	2,937	100	100
EFTEN River UAB	Lithuania	River Mall, River Hall, Kaunas	15,764	18,608	100	100
EFTEN Logistics SIA	Latvia	Dominante logistics centre, Kekava	5,063	4,855	100	100
EFTEN KL 1 UAB	Lithuania	SBA logistics and production centre, Klaipeda	7,082	6,281	100	100
EFTEN Logistics Bergi SIA	Latvia	Bergi logistics centre, Riga	3,198	2,869	100	100
EFTEN Moletu UAB	Lithuania	Arginta logistics centre, Vilnius	8,358	8,155	100	100
EFTEN Plaza SIA	Latvia	Jauna Teika office complex, Riga	16,046	11,324	100	100

All subsidiaries are engaged in the acquisition and leasing of investment properties. The shares of none of the subsidiaries are listed on the stock exchange. The Fund did not acquire any new subsidiaries in 2025.

4 Segment reporting

SEGMENT RESULT

	Office		Logistics		Retail		Non-allocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<i>€ thousands</i>										
Revenue (Note 5), incl.	11,086	10,801	7,296	6,632	7,911	8,049	0	0	26,293	25,482
Estonia	1,150	1,197	0	0	0	0	0	0	1,150	1,197
Latvia	8,590	8,329	3,754	3,165	0	0	0	0	12,344	11,494
Lithuania	1,346	1,275	3,542	3,467	7,911	8,049	0	0	12,799	12,791
Operating income, net, incl.	10,741	10,505	6,969	6,102	7,145	7,399	0	0	24,855	24,006
Estonia	1,058	1,105	0	0	0	0	0	0	1,058	1,105
Latvia	8,359	8,176	3,428	2,634	0	0	0	0	11,787	10,810
Lithuania	1,324	1,224	3,541	3,468	7,145	7,399	0	0	12,010	12,091
Operating profit, incl.	9,997	9,940	6,571	6,097	6,400	7,123	-145	-190	22,823	22,970
Estonia	-1,232	945	0	0	0	0	-145	-190	-1,377	755
Latvia	9,921	7,289	2,982	1,675	0	0	0	0	12,903	8,964
Lithuania	1,308	1,706	3,589	4,422	6,400	7,123	0	0	11,297	13,251
EBITDA, incl.	9,519	9,263	6,267	5,326	6,706	6,941	-145	-190	22,347	21,340
Estonia	908	963	0	0	0	0	-145	-190	763	773
Latvia	7,386	7,113	3,014	2,171	0	0	0	0	10,400	9,284
Lithuania	1,225	1,187	3,253	3,155	6,706	6,941	0	0	11,184	11,283
Operating profit									22,823	22,970
Net financial expense									-6,665	-8,830
Profit before income tax expense									16,158	14,140
Income tax expense (Note 10)									-2,196	-2,825
NET PROFIT FOR THE FINANCIAL PERIOD									13,962	11,315

SEGMENT ASSETS

As at the end of the year	Office		Logistics		Retail		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
<i>€ thousands</i>								
Investment property								
Estonia	12,110	14,240	0	0	0	0	12,110	14,240
Latvia	131,980	125,700	40,950	40,850	0	0	172,930	166,550
Lithuania	15,500	15,360	47,600	47,250	74,810	74,650	137,910	137,260
Total investment property (Note 13)	159,590	155,300	88,550	88,100	74,810	74,650	322,950	318,050
Other non-current assets							928	942
Net debt (liabilities minus cash)							-166,172	-162,794
Other short-term assets							4,975	4,669
NET ASSETS							162,681	160,867

There were no transactions between the business segments in 2025 and 2024. The Group's main income is derived from investment properties located in the same countries as the subsidiary holding the investment property.

In 2025, 9.1% of the Group's consolidated rental income was received from Innovo Logistika UAB (sole tenant in the SBA logistics centre in Lithuania), 5.4% from Trialto Latvia SIA (anchor tenant in the Dominante logistics centre in Kekava), and 5.4% from HIS MAJESTY THE KING IN RIGHT OF CANADA (anchor tenant in the Bergi logistics centre in Riga). The share of rental income from all other tenants individually is below 5% of the consolidated total.

5 Revenue

Areas of activity	2025	2024
<i>€ thousands</i>		
Rental income from office premises (Note 13)	10,756	10,612
Rental income from retail premises (Note 13)	7,505	7,644
Rental income from logistics premises (Note 13)	7,045	6,440
Other sales revenue	987	786
Total revenue by areas of activity (Note 4)	26,293	25,482

Revenue by geographical area	2025	2024
<i>€ thousands</i>		
Estonia	1,150	1,197
Latvia	12,344	11,494
Lithuania	12,799	12,791
Total revenue by geographical area (Note 4)	26,293	25,482

6 The cost of services sold

Cost of services sold	2025	2024
<i>€ thousands</i>		
Repair and maintenance of rental premises	-260	-426
Property insurance	-14	-18
Land tax and property tax	-97	-103
Utility costs for vacant premises	-10	-1
Depreciation of property, plant and equipment	-87	-29
Improvement costs	-1	-21
Wages and salaries, incl. taxes (Note 18)	-219	-205
Other costs	-7	-7
Allowance for doubtful accounts	-29	-4
Total cost of service sold (Note 13)	-724	-814

7 Marketing costs

Marketing costs	2025	2024
€ thousands		
Commission expenses on rental premises	-273	-303
Advertising, promotional events	-441	-359
Total marketing costs	-714	-662

8 General and administrative expenses

General and administrative expenses	2025	2024
€ thousands		
Management fee (Note 18)	-2,080	-2,080
Office expenses	-49	-43
Wages and salaries, incl. taxes (Note 18)	-44	-78
Consulting expenses, legal services, accounting services, evaluation services, audit	-411	-516
Regulator costs	-75	-83
Other general and administrative expenses	-31	-31
Depreciation	-88	-68
Total general and administrative expenses	-2,778	-2,899

9 Other financial costs

Other financial costs	2025	2024
€ thousands		
Interest expenses, inc	-6,871	-9,141
Interest expenses on loans	-6,791	-9,121
Interest expenses on lease payments	-46	-20
Interest expenses on derivatives (-) / expense reduction (+)	-34	0
Change in fair value of interest rate swap agreements (Note 16)	54	0
Total other financial costs (Note 16)	-6,817	-9,141

10 Income tax

	2025	2024
€ thousands		
Deferred income tax expense on dividends	118	-350
Deferred income tax expense from Lithuanian companies	-1,708	-2,260
Income tax expense on profits from Lithuanian companies	-606	-215
Total income tax expense (Note 4)	-2,196	-2,825

As of 31.12.2025 and 31.12.2024, the Group has deferred income tax liabilities in the following amounts:

	Deferred income tax liability related to investment properties	Deferred income tax liability related to dividends	Total
<i>€ thousands</i>			
Balance as at 31.12.2023	12,509	531	13,040
Change in deferred income tax liability through profit or loss in 2024	2,260	0	2,260
Expected income tax expense	0	351	351
Balance as at 31.12.2024	14,769	882	15,651
Change in deferred income tax liability through profit or loss in 2025	1,708	0	1,708
Expected income tax expense	0	-119	-119
Income tax paid on dividends	0	-232	-232
Balance as at 31.12.2025	16,477	531	17,008

11 Cash and cash equivalents

	31.12.2025	31.12.2024
<i>€ thousands</i>		
Demand deposits	4,739	5,522
Overnight deposits ¹	6,306	7,108
Deposits with a maturity of less than 3 months ²	906	1,860
Cash on hand	0	1
Total cash and cash equivalents (Note 16)	11,951	14,491

¹Overnight deposits carry interest at a floating rate. As of 31.12.2025, the interest rate was between 0.512% and 1.534% per annum (31.12.2024: 1.375% - 2.516%).

²There are deposits with a term of less than 3 months in two subsidiaries: EFTEN KL1 UAB in the amount of 306 thousand euros (31.12.2024: 460 thousand euros), with an interest rate of 2.06% per annum as of 31.12.2025 and maturity date 31.03.2026 (31.12.2024: 2.98% per annum, maturity date 30.03.2025); and EFTEN Logistics SIA in the amount of 600 thousand euros (31.12.2024: 1,400 thousand euros), with an interest rate of 1.9% per annum as of 31.12.2025 and maturity date 20.02.2026 (31.12.2024: 3.10% per annum, maturity date 11.03.2025).

12 Receivables and accrued income

Current receivables and accrued income

	31.12.2025	31.12.2024
<i>€ thousands</i>		
Trade receivables	2,530	2,637
Allowance for doubtful accounts	-33	-4
Total trade receivables (Note 16)	2,497	2,633
Other current receivables	7	23
Total other current receivables	7	23
Interests	13	21
Other accrued income	83	127
Total accrued income	96	148
Total receivables and accrued income	2,600	2,804

13 Investment property

As of 31.12.2025, the Group has made investments in the following investment properties:

Name	Location	Net rental area (m ²)	Year of construction	Date of acquisition	Acquisition cost	Market value as of 31.12.2025	Increase in value	Share of market value of the Fund's asset
<i>€ thousands</i>								
Office								
Kadrioru business centre	Tallinn, Estonia	6,530	2015	12.2018	16,900	12,110	-28%	4%
River Hall business centre	Kaunas, Lithuania	8,786	2018	08.2019	14,443	15,500	7%	5%
Jauna Teika office complex	Riga, Latvia	59,068	2008/2016 2017/2019	02.2022	135,852	131,980	-3%	39%
Total office		74,383			167,195	159,590	-5%	47%
Logistics								
Dominante logistics centre	Riga, Latvia	37,665	2007	01.2020	17,397	15,580	-10%	5%
SBA logistics and production centre	Klaipeda, Lithuania	44,048	2020	12.2020	28,556	31,370	10%	9%
Bergi logistics centre	Riga, Latvia	50,254	2008	01.2021	30,320	25,370	-16%	7%
Arginta logistics centre	Vilnius, Lithuania	16,301	2007/2018	03.2021	15,460	16,230	5%	5%
Total logistics		148,267			91,733	88,550	-3%	26%
Retail								
Ryo shopping centre	Panevėžys, Lithuania	23,718	2005/2015	12.2018	48,810	55,920	15%	16%
River Mall shopping centre	Kaunas, Lithuania	9,818	2012/2019	08.2019	18,348	18,890	3%	6%
Total retail		33,536			67,158	74,810	11%	22%
Total		256,187			326,086	322,950	-1%	95%

During the reporting periods in 2025 and 2024, the following changes have taken place in the Group's real estate investments:

	Completed investment properties	Total investment property
Balance as at 31.12.2023	313,600	313,600
Capitalized improvements	2,723	2,723
Gain/loss from change in fair value	1,727	1,727
Balance as at 31.12.2024 (Note 4)	318,050	318,050
Capitalized improvements	4,249	4,249
Gain/loss from change in fair value	651	651
Balance as at 31.12.2025 (Note 4)	322,950	322,950

The Group's income statement and balance sheet include the following income and expenses and balances related to investment properties:

As of 31 December, or per year	2025	2024
Rental income from investment properties (Note 5)	25,306	24,696
Costs directly related to the management of investment properties (Note 6)	-724	-814
Outstanding amounts from the acquisition of investment properties	0	8
Book value of investment properties pledged as collateral for loan liabilities (Note 14)	322,950	318,050

All real estate investments that generate rental income for the Group are pledged as collateral for long-term bank loans.

The lease agreements concluded between Group subsidiaries and the tenants comply with the terms of the uninterruptible operating lease agreements. Revenue from these leases is distributed as follows:

Payments under non-cancellable operating leases	31.12.2025	31.12.2024
€ thousands		
up to 1 year	25,169	22,904
2-5 years	63,323	62,785
Over 5 years	24,048	31,882
Total	112,540	117,571

Assumptions and basis for determining the fair value of investment properties

The Group's investment properties are valued by an independent appraiser. The fair value of the investment properties reported in the Group's financial statements as of 31.12.2025 and 31.12.2024 has been determined using the discounted cash flow method. The following assumptions have been used to determine the fair value:

In 2025:

Sector	Fair value	Evaluation method	Estimated rental income per year	Discount rate	Exit yield	Average rental price €/m2
€ thousands						
Office	159,590	Discounted cash flows	11,422	8.4%-9.6%	7.0%-7.5%	13.5
Logistics	88,550	Discounted cash flows	7,639	8.95%-11.05%	7.0%-8.5%	4.3
Retail	74,810	Discounted cash flows	7,565	10.0%-10.8%	8.0%-8.5%	19.4
Total	322,950		26,626			

In 2024:

Sector	Fair value	Evaluation method	Estimated rental income per year	Discount rate	Exit yield	Average rental price €/m2
€ thousands						
Office	155,300	Discounted cash flows	11,002	8.0%-9.55%	7.0%-7.25%	12.9
Logistics	88,100	Discounted cash flows	7,217	9.25%-11.25%	7.0%-8.5%	4.1
Retail	74,650	Discounted cash flows	7,246	9.95%-10.5%	8.0%-8.5%	18.4
Total	318,050		25,465			

Independent expert estimates for the fair value of investment properties are based on the following:

- Rental income: prices and real growth rates resulting from existing leases are used;
- Vacancy: the actual vacancy of an investment property, considering the risks associated with the object;
- Discount rate: calculated on the basis of the weighted average cost of capital (WACC) related to investment property;
- Exit yield: based on the estimated level of return at the end of the expected deposit period considering the foreseeable market situation and the risks associated with the object.

Fair value sensitivity analysis

The table below illustrates the sensitivity of the fair value of investment properties recognized in the Group's balance sheet as of 31.12.2025 to the most important valuation assumptions:

Sector	Fair value	Sensitivity to management estimate		Sensitivity to discount rate and exit yield			
		Revenue +10%	Revenue -10%	Discount rate +50bp	Discount rate -50bp	Exit yield +50bp	Exit yield -50bp
<i>€ thousands</i>							
Office	159,590	17,600	-17,580	-3,250	3,370	-8,050	9,300
Logistics	88,550	9,520	-9,530	-1,750	1,800	-4,000	4,590
Retail	74,810	9,110	-9,110	-1,440	1,480	-2,870	3,230
TOTAL	322,950	36,230	-36,220	-6,440	6,650	-14,920	17,120

As of 31.12.2024

Sector	Fair value	Sensitivity to management estimate		Sensitivity to discount rate and exit yield			
		Revenue +10%	Revenue -10%	Discount rate +50bp	Discount rate -50bp	Exit yield +50bp	Exit yield -50bp
<i>€ thousands</i>							
Office	155,300	17,110	-17,110	-3,200	3,290	-7,900	9,100
Logistics	88,100	9,610	-9,610	-1,730	1,780	-3,970	4,550
Retail	74,650	8,680	-8,690	-1,450	1,470	-2,850	3,200
TOTAL	318,050	35,400	-35,410	-6,380	6,540	-14,720	16,850

Level three inputs have been used in finding the fair value of all the Group's investment properties.

14 Borrowings

As of 31.12.2025, the Group has the following borrowings:

Lender	Country of lender	Loan amount as per agreement	Loan balance as at 31.12.25	Contract term	Interest rate as at 31.12.25	Loan collateral	Value of collateral	Loan balance's share of the Fund's net asset value
Swedbank	Estonia	9,200	7,462	28.02.26	3.48%	Mortgage - Kadrioru business centre	12,110	4.6%
Swedbank	Lithuania	24,048	21,964	27.11.28	3.98%	Mortgage - RYO shopping centre	55,920	13.5%
Citadele	Lithuania	15,000	14,917	01.11.26	4.71%	Mortgage - SBA logistics and production centre	31,370	9.2%
SEB	Latvia	14,000	11,297	04.11.30	4.05%	Mortgage - Bergi logistics centre	25,370	6.9%
Luminor	Lithuania	7,536	6,984	30.03.27	4.08%	Mortgage - Arginta logistics centre	16,230	4.3%
SEB	Latvia	75,000	70,574	11.10.26	3.77%	Mortgage - Jauna Teika office quarter	131,980	43.4%
Rietumu	Latvia	6,500	6,132	14.08.28	5.57%	Mortgage - Dominante logistics centre	15,580	3.8%
Swedbank	Lithuania	15,469	15,075	30.06.29	4.04%	Mortgage - River shopping centre	34,390	9.3%
Total		166,753	154,405				322,950	94.9%

As of 31.12.2024, the Group has the following borrowings:

Lender	Country of lender	Loan amount as per agreement	Loan balance as at 31.12.25	Contract term	Interest rate as at 31.12.25	Loan collateral	Value of collateral	Loan balance's share of the Fund's net asset value
Swedbank	Estonia	9,200	7,702	28.02.25	4.46%	Mortgage - Kadrioru business centre	14,240	4.8%
Swedbank	Lithuania	24,048	22,926	27.11.28	4.96%	Mortgage - RYO shopping centre	55,850	14.3%
Citadele	Lithuania	15,000	15,000	01.11.26	5.56%	Mortgage - SBA logistics and production centre	31,000	9.3%
SEB	Latvia	14,000	11,918	04.11.25	5.21%	Mortgage - Bergi logistics centre	25,370	7.4%
Luminor	Lithuania	7,536	7,285	30.03.27	5.02%	Mortgage - Arginta logistics centre	16,250	4.5%
SEB	Latvia	75,000	71,809	11.10.26	4.79%	Mortgage - Jauna Teika office quarter	125,700	44.6%
Rietumu	Latvia	6,500	6,316	14.08.28	6.00%	Mortgage - Dominante logistics centre	15,480	3.9%
Swedbank	Lithuania	13,855	11,640	30.06.29	4.95%	Mortgage - River shopping centre	34,160	7.2%
Total		165,139	154,596				318,050	96.1%

Short-term borrowings	31.12.2025	31.12.2024
<i>€ thousands</i>		
Repayments of long-term bank loans in the next period ¹	95,577	22,721
Discounted contract fees for bank loans	-102	-113
Short-term lease liabilities	64	60
Total short-term borrowings	95,539	22,668

¹Repayments of long-term bank loans in the next period as of 31.12.2025 include the balance of loan obligations of three subsidiaries expiring within the next 12 months amounting to 92,953 thousand euros. The LTVs of the expiring loan agreements are 48%, 53%, and 62%, and the investment properties have a stable strong rental cash flow. Therefore, in the opinion of the Group's management, there will be no obstacles to extending the loan agreements.

Long-term borrowings	31.12.2025	31.12.2024
<i>€ thousands</i>		
Total long-term borrowings	154,922	155,079
incl. current portion of borrowings	95,539	22,668
incl. non-current portion of borrowings, incl.	59,383	132,411
Bank loans	58,828	131,875
Long-term lease liabilities	613	673
Discounted contract fees on bank loans	-58	-137

Bank loans are divided as follows according to repayment date:

Repayments of bank loans by maturity	31.12.2025	31.12.2024
<i>€ thousands</i>		
Up to 1 year	95,577	22,721
2-5 years	58,828	131,875
Total repayments of bank loans	154,405	154,596

Cash flows of borrowings	2025	2024
<i>€ thousands</i>		
Balance at the beginning of period	155,079	154,026
Bank loans received	4,000	4,000
Annuity payments on bank loans	-4,191	-3,756
Lease liabilities	-56	733
Change of discounted contract fees	90	76
Balance as at the end of period	154,922	155,079

Additional information on loan liabilities is also provided in Note 16.

15 Payables and prepayments

Short-term payables and prepayments

	31.12.2025	31.12.2024
<i>€ thousands</i>		
Payables to suppliers from fixed asset transactions	0	8
Other payables to suppliers	520	463
Total payables to suppliers (Note 16)	520	471
Other debts	28	26
Total other debts	28	26
Value added tax	509	484
Corporate income tax	392	18
Personal income tax	0	1
Social tax	1	1
Land tax and property tax	70	73
Other tax liabilities	5	5
Total tax liabilities	977	582
Payables to employees (Note 16)	8	7
Interest liabilities (Note 16)	100	151
Tenant security deposits (Note 16)	484	962
Other accrued liabilities (Note 16)	269	344
Total accrued expenses	861	1,464
Other prepaid income	129	155
Total prepayments	129	155
Total payables and prepayments (Note 16)	2,515	2,698

Long-term payables

	31.12.2025	31.12.2024
<i>€ thousands</i>		
Tenants' security deposits (Note 16)	3,678	3,857
Total other long-term payables	3,678	3,857

16 Financial instruments, management of financial risks

The main financial liabilities of the Group are borrowings that have been raised to finance the investment properties of the Group. The balance sheet of the Group also contains cash and short-term deposits, trade receivables, other receivables and trade payables. Additional information on the Group's finance costs is presented in note 9 to the financial statements.

The table below indicates the division of the Group's financial assets and financial liabilities according to financial instrument type.

Carrying amounts of financial instruments

	Notes	31.12.2025	31.12.2024
<i>€ thousands</i>			
Financial assets – loans and receivables measured at amortised cost			
Cash and cash equivalents	11	11,951	14,491
Short-term deposits ¹		2,261	1,582
Trade receivables	12	2,497	2,633
Derivatives (interest rate swap agreements)		54	0
Total financial assets measured at amortised cost		16,763	18,706
Financial liabilities measured at amortised cost			
Borrowings	14	154,922	155,079
Trade payables	15	520	471
Tenant security deposits	15	4,162	4,819
Interest payables	15	100	151
Accrued expenses	15	277	351
Total financial liabilities measured at amortised cost		159,981	160,871
Total financial liabilities		159,981	160,871

¹Short-term deposits carry interest at rates between 1.55% and 2.25% per annum (as of 31.12.2024: between 1.55% and 3.20% per annum).

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

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

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

The Group defines financial risk as the risk arising from investments, including the market, liquidity and credit risks, which may impact the company's financial capacity and investment value.

Market risk

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

Interest risk

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

As of 31.12.2025, all of the Group's loan agreements are concluded on a floating interest basis (2024: 96%, with 4% of the loan agreements carrying a fixed interest rate of 6%). Of these, 67% (31.12.2024: 64%) are linked to 3-month EURIBOR and 33% (31.12.2024: 32%) to 1-month EURIBOR. The 3-month EURIBOR fluctuated in 2025 at the level of 1.937% to 2.789%. The margins on floating interest loan agreements ranged from 1.6% to 3.5% at the end of 2025 (31.12.2024: 1.6% to 2.65%). A 0% floor has been set for the Group's loan portfolio to protect against negative EURIBOR, meaning that in the event of a negative EURIBOR, the loan margin on these loan obligations will not decrease.

As of 31.12.2025, the weighted average interest rate of the Group's loan portfolio was 4.05% (31.12.2024: 4.73%). No special terms of any loan agreement were breached in 2025 due to interest rate increases.

To hedge interest rate risk, two subsidiaries of the Group entered into interest rate swap agreements in June 2025. The fair value of these swaps is determined by discounting the cash flows of the interest rate swap agreements, whereby incoming and outgoing cash flows are derived based on the market expectations of EURIBOR and discounted using zero-rate curves. The Group uses information received from the credit institution acting as the counterparty to the swap agreements to account for the fair value of the interest rate swaps.

The fair value of the interest rate swap agreements entered into in 2025 is positive for both derivative instruments (totalling EUR 54 thousand):

	Country of location	Contract nominal amount	Contract term	Fixed interest rate	Fair value	
					31.12.2025	31.12.2024
<i>€ thousands</i>						
Swedbank	Lithuania	22,445	27.11.2028	1-month EURIBOR at 2.068%	27	0
Swedbank	Lithuania	15,370	29.06.2029	1-month EURIBOR at 2.124%	27	0
Total		37,815			54	0

Changes in EURIBOR have a significant impact on the Group's net profit and cash flows. The table below shows the effect of interest rate changes on the Group's profit before tax and cash flows at EURIBOR levels ranging from 1.0% to 3.0%, taking into account the loan balances as of 31.12.2025 and the existing interest rate swap agreements:

EURIBOR RATE	Impact on profit before tax and cash flows per year	Change in interest expense, %
<i>€ thousands</i>		
Interest expense for the year, as of the end of the reporting period	-5,574	
Impact of change in EURIBOR:		
EURIBOR 1.0%	988	-17.73%
EURIBOR 1.5%	485	-8.70%
EURIBOR 2.5%	-521	9.35%
EURIBOR 3.0%	-1,025	18.39%

Liquidity risk

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

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

The Group's objective is to manage net cash flows so that when making real estate investments, no more than 70% of the acquisition cost of the investment is involved in external capital and the Group's debt coverage ratio is greater than 1.2. As of 31.12.2025, the Group's interest-bearing liabilities accounted for 48% of the rental income-generating investment properties (31.12.2024: 49%) and the debt coverage ratio was 2.1 (2024: 1.7).

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

As of 31.12.2025	Up to 1 month	2-4 months	5 to 12 months	2 to 5 years	over 5 years	Total
<i>€ thousands</i>						
Interest-bearing liabilities	392	8,564	86,623	58,826	0	154,405
Interest payments	533	1,545	3,496	5,212	0	10,786
Interest payables	100	0	0	0	0	100
Trade payables	520	0	0	0	0	520
Tenant security deposits	158	54	272	3,011	668	4,162
Accrued expenses	277	0	0	0	0	277
Total financial liabilities	1,980	10,163	90,391	67,049	668	170,250

As of 31.12.2024	Up to 1 month	2-4 months	5 to 12 months	2 to 5 years	over 5 years	Total
<i>€ thousands</i>						
Interest-bearing liabilities	316	8,572	13,834	131,874	0	154,596
Interest payments	662	1,921	4,935	10,002	0	17,520
Interest payables	151	0	0	0	0	151
Trade payables	471	0	0	0	0	471
Tenant security deposits	205	245	513	2,248	1,609	4,819
Accrued expenses	351	0	0	0	0	351
Total financial liabilities	2,156	10,738	19,282	144,124	1,609	177,908

Report of working capital

	31.12.2025	31.12.2024
<i>€ thousands</i>		
Cash and cash equivalents (Note 11)	11,951	14,491
Short-term deposits	2,261	1,582
Derivatives	54	0
Receivables and accrued income (Note 12)	2,600	2,804
Prepaid expenses	60	283
Total current assets	16,926	19,160
Short-term portion of long-term liabilities (Note 14)	-95,539	-22,668
Short-term payables and prepayments (Note 15)	-2,515	-2,698
Total current liabilities	-98,054	-25,366
Total working capital	-81,128	-6,206

The Group's working capital is negative as of 31.12.2025 due to three loans expiring in 2026 in the total amount of 92,953 thousand euros. The expiring loans are secured by real estate investments with strong rental cash flow, and the LTVs of the loans are 48%, 53%, and 62%, therefore, the Fund's management sees no obstacles to extending the loans upon their maturity.

Credit risk

Credit risk refers to the risk arising from the inability of counterparties to fulfil their obligations to the Group. The Group is exposed to credit risk due to its business activities (mainly claims against buyers) and transactions with financial institutions, including money in accounts and through deposits.

The Group's activity in preventing reduction of cash flows due to credit risk and minimising such risk lies in the daily monitoring and guiding of clients' payment behaviour, so that appropriate measures could be applied on a timely basis. In addition, agreements with customers generally provide payment of rent at the beginning of the calendar month, giving sufficient time for monitoring the customers' payment discipline and ensuring existence of sufficient liquidity on bank accounts at the date of annuity payment of financing contracts. For hedging the risk, the Group has entered into a contract with one anchor tenant under which the tenant's financial institution has underwritten rental payments during the entire rent period. Most rent contracts also include the obligation to pay guarantee funds that entitle the Group to cover debts incurred in case of the tenant's insolvency.

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

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

Accounts receivables are illustrated by the table below:

	31.12.2025	31.12.2024
<i>€ thousands</i>		
Not due	2,173	1,650
Past due, incl.	357	987
Up to 30 days	226	373
30-60 days	32	157
Over 60 days	99	457
Allowance for doubtful accounts	-33	-4
Total trade receivables (Note 12)	2,497	2,633

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

	31.12.2025	31.12.2024
<i>€ thousands</i>		
Cash and cash equivalents (Note 11)	11,951	14,491
Short-term deposits	2,261	1,582
Trade receivables (Note 12)	2,497	2,633
Interest rate derivatives with positive fair value	54	0
Total maximum credit risk	16,763	18,706

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

Rating	31.12.2025	31.12.2024
<i>€ thousands</i>		
Aa2	6,842	7,590
Aa3	3,559	4,362
A2	153	118
Baa1	419	562
Unrated	978	1,858
Total	11,951	14,490

Capital management

The aim of the Group in capital management is to ensure the Group's going concern status to provide an investment return to shareholders and maintain an optimal capital structure. The group considers loan obligations received as capital and the net value of the Fund's assets belonging to trust and general partners.

The Fund invests in subsidiaries whose main cash flow is from investment properties and raises new capital to make investments. The Fund invests both directly in the equity of subsidiaries and provides loans to subsidiaries for investments. The required amount of capital is calculated for each investment individually, considering the volume of net cash flows of a specific investment. Upon acquisition of subsidiaries, the Fund invests not less than 40% of the value of the subsidiary's assets in its equity. After the investment has been made, the EBITDA of any real estate generating cash flow of the subsidiary may not be less than 120% of the loan annuity payments.

In 2025, the Fund repaid to investors dividends received from subsidiaries in the amount of 10,931 thousand euros (2024: 8,142 thousand euros) and interest of 616 thousand euros (2024: 4,656 thousand euros).

According to the Fund's management, the existing investment portfolio allows for a total of 6,869 thousand euros in payouts to investors from the profit earned in 2025.

Fair value

The valuation methods used to analyse the Group's assets and liabilities measured at fair value have been defined as follows:

Level 1 – quoted prices in active markets;

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

Level 3 – unobservable inputs at the market.

As of 31.12.2025 or 31.12.2024, the Group had no assets measured at fair value that would include within Level 1 of the fair value hierarchy. All the Group's investment properties are measured at fair value and according to the valuation method are included within Level 3 of the fair value hierarchy. All the Group's borrowings and the derivative contracts entered into to mitigate the interest risk are classified as Level 2.

17 Paid-in capital

Financial liability agreements have been concluded between the Group and the Group's investors, according to which the investors pay a total of 147,438 thousand euros in capital contributions to the Group for the purpose of making investments. As of the end of 2025, all capital from investors has been raised for the purpose of making investments. In 2025, investors were paid out of the profits earned by subsidiaries in the amount of 11,548 thousand euros (2024: 12,798 thousand

euros). In June 2025, capital in the amount of 600 thousand euros was returned to the Fund's investors. The Group's consolidated retained earnings as of 31.12.2025 were 22,279 thousand euros (31.12.2024: 19,865 thousand euros).

The owners of more than 10% of the Fund are listed in the table below:

Investors	31.12.2025	31.12.2024
Swedbank Latvia pension funds	21.7%	21.7%
EBRD	20.0%	20.0%
SEB pension funds	14.9%	14.9%
LHV pension funds	13.6%	13.6%
Swedbank Estonia pension funds	12.7%	12.7%

18 Related party transactions

The Group considers the following as related parties:

- Management Board members and companies owned by the Management Board members of Usaldusfond EFTEN Real Estate Fund 4;
- Employees and companies owned by the employees of Usaldusfond EFTEN Real Estate Fund 4;
- General partner EFTEN Neljas GP OÜ;
- EFTEN Capital AS (Fund Manager).

The Group purchased management services from EFTEN Capital AS in 2025 in the amount of 2,080 thousand euros (2024: the same), (see Note 8), and accounting services in the amount of 42 thousand euros (2024: 36 thousand euros). The Group did not purchase or sell any other goods or services from or to other related parties in 2025 or 2024.

The Group had 6 employees in 2025 (2024: 9 employees), for whom a total of 263 thousand euros (2024: 283 thousand euros) was calculated together with the related taxes (see Note 6.8). No remuneration was calculated or paid to the members of the Group's Management Board in 2025 or 2024. The members of the Group's Management Board work for EFTEN Capital AS, a company providing management services to the Group, and the costs related to the activities of the Management Board members are included in the management services.

19 Parent company separate financial statements

Pursuant to the Estonian Accounting Act, the separate unconsolidated primary financial statements of the consolidating entity (parent company) must be disclosed in the notes to the consolidated financial statements. The primary financial statements of the parent company have been prepared in accordance with the same accounting policies as used in the preparation of the consolidated financial statements. The accounting policies for subsidiaries have been changed in the parent's separate financial statements as annexed to the consolidated financial statements in accordance with the requirements of IAS 27 Consolidated and Separate Financial Statements.

In the separate primary financial statements of the parent company, which are presented in the notes to these consolidated financial statements, investments in subsidiaries are accounted for using the fair value method.

COMPREHENSIVE INCOME

	2025	2024
<i>€ thousands</i>		
Revenue	2,080	2,080
Gross profit	2,080	2,080
General and administrative expenses	-2,225	-2,270
Operating loss	-145	-190
Profit/loss from subsidiaries	-231	2,896
Financial income and expenses	14,338	8,609
Profit before income tax	13,962	11,315
Net profit for the year	13,962	11,315
Comprehensive income for the year	13,962	11,315

STATEMENT OF FINANCIAL POSITION

	31.12.2025	31.12.2024
<i>€ thousands</i>		
ASSETS		
Current assets		
Cash and cash equivalents	318	450
Receivables and accrued income	7,877	20,198
Total current assets	8,195	20,648
Non-current assets		
Shares in subsidiaries	87,551	87,783
Non-current receivables	68,618	55,065
Total non-current assets	156,169	142,848
TOTAL ASSETS	164,364	163,496
LIABILITIES AND TOTAL NET ASSETS		
Current liabilities		
Borrowings	8	7
Total current liabilities	8	7
Non-current liabilities		
Loan liabilities	1,593	2,500
Non-current debts	82	122
Total non-current liabilities	1,675	2,622
TOTAL LIABILITIES	1,683	2,629
Total net asset value of the Fund owned by limited and general partners	162,681	160,867
TOTAL LIABILITIES AND TOTAL NET ASSETS	164,364	163,496

STATEMENT OF CASH FLOWS

	2025	2024
<i>€ thousands</i>		
Cash flow from business		
Net profit	13,962	11,315
<i>Net profit adjustments:</i>		
Interest income and interest expenses	-3,407	-2,967
Gain/loss on change in fair value of subsidiaries	231	-2,896
Dividends received	-10,931	-5,642
Total adjustments	-14,107	-11,505
Cash flow from operations before changes in working capital	-145	-190
Change in other trade receivables and payables	1	-1
Net cash flow generated from operating activities	-144	-191
Net cash flow generated from investing activities		
Loans granted	0	-1,000
Repayments of given loans	1,600	0
Dividends received	10,931	5,642
Interest received	697	4,702
Net cash generated from investing activities	13,228	9,344
Cash flows from financing activities		
Loans received	0	2,500
Loan repayments received	-907	0
Interest paid	-778	-4,656
Dividends paid	-10,931	-8,142
Capital returns	-600	0
Net cash generated from financing activities	-13,216	-10,298
NET CASH FLOW	-132	-1,145
Cash and cash equivalents at the beginning of the period	450	1,595
Change in cash and cash equivalents	-132	-1,145
Cash and cash equivalents at the end of the period	318	450

STATEMENT OF CHANGES IN THE FUND'S NET ASSETS

	2025	2024
<i>€ thousands</i>		
Net asset value of the Fund owned by limited and general partners at the beginning of the period	160,867	162,350
Capital contributions	-600	0
Net change in net assets	-600	0
Transfer of dividends and interest	-11,548	-12,798
Net profit for the year	13,962	11,315
Net asset value of the Fund owned by limited and general partners at the end of the period	162,681	160,867

The adjusted statement of changes in the unconsolidated net asset value of the Fund (to take account of the requirements established in the Commercial Code) is as follows:

	31.12.2025	31.12.2024
<i>€ thousands</i>		
Net asset value of the Fund owned by limited and general partners of the parent company at the end of the period	162,681	160,867
Value of subsidiaries in the parent company's separate balance sheet (minus)	-87,551	-87,783
Value of subsidiaries calculated using the equity method (plus)	87,551	87,783
Total	162,681	160,867



Independent Auditor's Report

To the unitholders of Usaldusfond EfTEN Real Estate Fund 4

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Usaldusfond EfTEN Real Estate Fund 4 and its subsidiaries (together the "Group") as at 31 December 2025, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of comprehensive income for the year ended 31 December 2025;
- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in net assets of the fund for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISAs (EE)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) as adopted by Auditing Activities Oversight Board (Code of Ethics (Estonia)) and we have fulfilled our other ethical responsibilities in accordance with Code of Ethics (Estonia).

Reporting on other information including the Management report

The Management Board is responsible for the other information. The other information comprises the Management report, Distribution of revenue according to the Estonian Classification of Economic Activities and Environmental and/or social characteristics (but does not include the consolidated financial statements and our auditor's report thereon).

Aktsiaselts PricewaterhouseCoopers
Tatari 1, 10116 Tallinn, Estonia
License No. 6; Registry code: 10142876
+372 6141 800, ee_info@pwc.com

Translation note:
This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Our opinion on the consolidated financial statements does not cover the other information, including the Management report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management report, we also performed the procedures required by the Auditors Activities Act. Those procedures include considering whether the Management report is consistent, in all material respects, with the consolidated financial statements and is prepared in accordance with the requirements of the Accounting Act.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management report for the financial year for which the consolidated financial statements are prepared is consistent, in all material respects, with the consolidated financial statements; and
- the Management report has been prepared in accordance with the requirements of the Accounting Act.

If, based on the work we have performed on the Management report and other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement in the Management report and in this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Board and those charged with governance for the consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (EE) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Translation note:

This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

As part of an audit in accordance with ISAs (EE), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

On behalf of AS PricewaterhouseCoopers

Original report is signed in Estonian language.

Jüri Koltsov
Auditor's certificate no. 623

9 March 2026
Tallinn, Estonia

Translation note:
This version of the report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Signatures of the Management on the consolidated annual report for 2025

We hereby confirm the accuracy of the information provided in the annual report of Usaldusfond EFTEN Real Estate Fund 4 for the financial year ended 31 December 2025

Viljar Arakas

Member of the Management Board of EFTEN Neljas GP OÜ

Tõnu Uustalu

Member of the Management Board of EFTEN Neljas GP OÜ

Distribution of revenue according to the Estonian Classification of Economic Activities

	EMTAK code	2024	Sales Revenue %	Main activity
€ thousands				
Fund management	66301	2,080	100%	yes

ANNEX: Environmental and/or social characteristics of the Fund

Product name: Usaldusfond EFTEN Real Estate Fund 4

Legal entity identifier: N/A

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<p style="text-align: center;">●● <input type="checkbox"/> Yes</p> <p><input type="checkbox"/> It made sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It made sustainable investments with a social objective: ___%</p>	<p style="text-align: center;">●● <input checked="" type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 100% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

EFTEN EFTEN Real Estate Fund 4 (hereinafter the “Fund”) has established performance indicators and metrics for its activities, covering pre-acquisition sustainability assessments, sustainable portfolio management, and reporting to investors. The Fund focuses on the long-term implementation of sustainability-oriented lease agreements (so-called “green leases”) as well as on the cost-effective improvement of sustainability performance. As of the date of this annex, the entire portfolio of the Fund complies with the environmental characteristics promoted in the Fund’s documentation.

● **How did the sustainability indicators perform?**

The Fund’s sustainability performance indicators are defined in the Fund’s documentation and are monitored on an asset-by-asset basis, based on energy consumption data and progress in certification. The overall assessment of the Fund’s sustainability performance is carried out annually through the Global Real Estate Sustainability Benchmark (GRESB).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

All assets of the Fund are covered by Energy Performance Certificates (EPCs). Data coverage was 100%, and no estimates or proxy data were required, and no material methodological limitations were identified during the reporting period. In 2025, the BREEAM certifications of five investments were successfully renewed.

● **...and compared to previous periods?**

In 2025, the BREEAM certification of the River Hall business centre was renewed, resulting in an improvement from the previous level of “Very Good” to “Excellent”. The BREEAM certification of the Kadriorg Business Centre was not renewed in 2025, and the existing “Good” certification remained valid until November 2025.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund’s objective is to improve the environmental and overall sustainability performance of its assets over the lifetime of the Fund, where this is appropriate and can be achieved in a cost-effective manner. The achievement of these objectives is primarily supported through technical improvements to buildings, the implementation of energy efficiency measures, and the enhancement of certification levels.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

When assessing potential significant environmental or social harm, the Fund relies on the “do no significant harm” criteria for real estate investments as set out in the EU Taxonomy. The Fund considers these conditions to be met where the climate change mitigation measures of the investment substantially align with the principles of the EU Taxonomy.

— **How were the indicators for adverse impacts on sustainability factors taken into account?**

The Fund does not currently account for principal adverse impacts on sustainability factors due to limited data of underlying investments. As the Fund’s investment portfolio matures and data becomes available, principal adverse impacts will be reconsidered and accounted for.

— **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

All investments of the Fund are real estate investments. Compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is assessed through due diligence processes carried out in the course of investment and portfolio management, with a particular focus on counterparties related to the investments (e.g. developers, asset managers and service providers). During the reporting period, no material breaches of these principles have been identified to the best of the Fund’s knowledge.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



What were the top investments of this financial product?

During the reporting period (01 January 2025 – 31 December 2025), the Fund held three real estate investments, accounting for 100% of the portfolio.

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01.01.2025-31.12.2025.

Largest investments	Sector	% Assets	Country
Jauna Teika	Office	41%	Latvia
Ryo Shopping Center	Retail	17%	Lithuania
SBA Logistics	Logistics	10%	Lithuania
Bergi Logistics	Logistics	8%	Latvia
River Mall Shopping Center	Retail	6%	Lithuania
Arginta Logistics	Logistics	5%	Lithuania
Dominante Logistics	Logistics	5%	Latvia
River Office Building	Office	5%	Lithuania
Kadrioru Office Building	Office	4%	Estonia

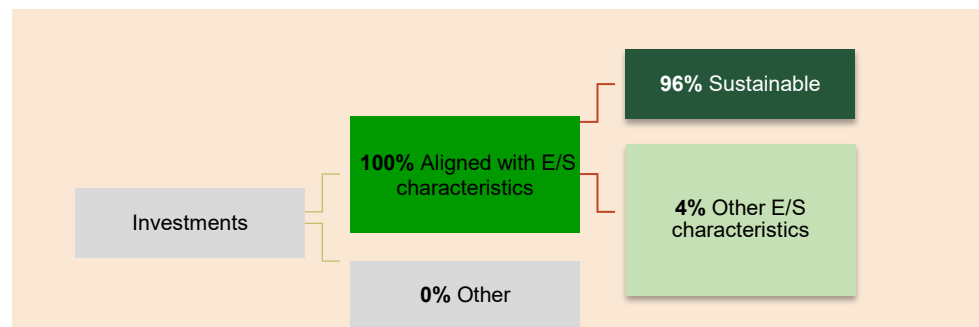


What was the proportion of sustainability-related investments?

All of the Fund's investments follow the criteria established in the Fund's documentation, including eligibility for promoted sustainability related activities. The Fund does not have a minimum level of sustainable investments.

Asset allocation describes the share of investments in specific assets.

● What was the asset allocation?



Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **Aligned with E/S characteristics** covers:

- The sub-category **Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**

100% of the Fund's investments are allocated to commercial real estate, comprising office buildings and retail and logistics centres.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Currently, 0% of the Fund's investments are fully aligned with the EU Taxonomy and therefore 0% of the Fund's investments' turnover, capital expenditure and operational expenditure can be allocated to Taxonomy-aligned activities.

● **What was the share of investments made in transitional and enabling activities?**

No investments were made in transitional and enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Fund does not have a previous reference period for EU Taxonomy alignment comparison purposes.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

During the reporting period, sustainable investments with an environmental objective that were not aligned with the EU Taxonomy accounted for 96% of the Fund's investments. EU Taxonomy alignment was not a precondition for investment decisions. The Fund assesses its assets on an ongoing basis and plans and implements improvement measures with the aim of increasing the share of investments aligned with the EU Taxonomy in the future.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

No other investments were made.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reporting period, the Fund primarily focused on improving energy efficiency, increasing the use of renewable energy, promoting more efficient use of resources, and strengthening ESG governance and transparency. In 2025, the BREEAM certifications of five investments were successfully renewed, and the 2024 sustainability data was assessed through the 2025 GRESB reporting, as a result of which the Fund achieved a score of 86/100 (4 stars). In addition, the Fund publishes a separate, detailed ESG report.

At the investment level, several specific environmental measures were implemented. In the Jauna Teika office campus, LED lighting was expanded across 8,922 m², and the electricity supply was transitioned to 100% renewable energy. At the Bergi logistics centre, water and energy efficiency as well as building safety measures were implemented, including optimisation of water use in sanitary systems, replacement of existing lighting with energy-efficient LED solutions, and upgrades to building technical systems. In addition, a 70 kW solar power plant was installed at the Moletu 75 building of the Arginta logistics centre, supporting the use of renewable energy.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

