

Consolidated interim report for the second quarter and first half of 2025

EfTEN Real Estate Fund AS

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MANAGEMENT REPORT

Fund Manager's Commentary

In Q2 2025, the Baltic commercial real estate market continued to reflect similar trends as in previous quarters. Transaction activity remained very low, primarily due to a lack of equity capital, and modest economic growth did not bring new major tenants to the market. On a positive note, the decline in EURIBOR continued, resulting in reduced borrowing costs.

Despite intense competition in the tenant market, EFTEN Real Estate Fund AS managed to decrease portfolio's vacancy by 0.7 percentage points during the quarter, down to 3.7%. New tenants were added in the retail segment, and after a long pause, the first faintly positive signs were also observed in the Estonian office segment. Conversely, the high volume of new developments in recent years continues to pressure the Vilnius office market. In Q2, the Paemurru logistics centre within the fund's portfolio was completed, and construction of Block C at the Valkla elderly home was finalized. As a result, the fund's sales revenue increased by 4.5% compared to Q1 and by 3.1% year-on-year.

The fund's subsidiaries have floating interest rate bank loans. With the rapid decline in EURIBOR, interest expenses have decreased significantly. However, euro interest rates have now reached a level where further substantial decreases are increasingly unlikely. In this context, the fund has started fixing interest rates—one subsidiary entered into an interest rate swap agreement in June with a nominal value of €11.6 million at a rate of 1.995%. Given favourable swap terms, the fund plans to continue fixing floating interest rates for up to half of its loan portfolio.

Financial Performance Overview

EFTEN Real Estate Fund AS earned consolidated sales revenue of €8.210 million for Q2 2025 (Q2 2024: €7.957 million), and consolidated revenue for H1 2025 was €16.068 million (H1 2024: €15.918 million). This represents a 3.1% year-on-year increase for Q2 and a 1.0% increase for H1. Revenue increase was primarily driven by new investments in the logistics and elderly homes sectors.

The fund's consolidated net operating income (NOI) for H1 2025 was €14.845 million (H1 2024: €14.781 million), reflecting a 0.4% increase. The NOI margin was 92% in H1 (2024: 93%), indicating that direct property-related costs (including land tax, insurance, maintenance and improvement works), along with marketing expenses, accounted for 8% of the fund's revenue (2024: 7%).

In Q2 2025, the fund earned a consolidated net profit of €4.025 million (Q2 2024: €2.442 million). The increase in net profit was primarily due to the positive change in the fair value of investment properties, which amounted to €546 thousand in June 2025, compared to a revaluation loss of €1.454 million in the same period in 2024. Additionally, the decrease in interest expenses resulting from the decline in EURIBOR had a positive impact on quarterly net profit—interest costs totalled €1.697 million in Q2 2025, down from €2.237 million a year earlier.

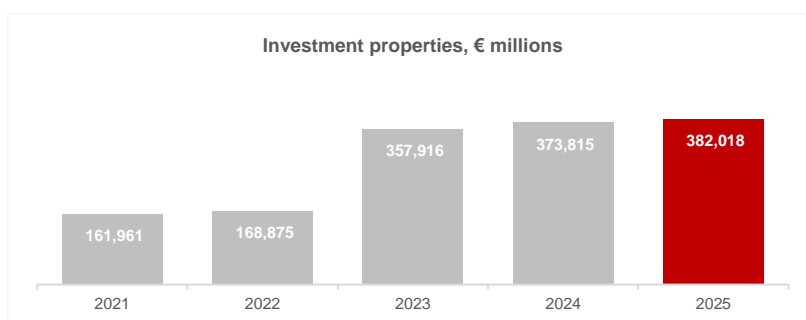
The consolidated net profit for H1 2025 was €8.192 million (H1 2024: €6.250 million). Interest expenses decreased by €973 thousand, or 22%, year-on-year.

	II quarter			I quarter		
	2025	2024	2023	2025	2024	2023
€ million						
Rental income, other fees from investment properties	8.210	7.957	7.961	16.068	15.918	15.749
Expenses related to investments incl. marketing costs	-0.576	-0.519	-0.555	-1.223	-1.137	-1.045
Net rental income	7.634	7.438	7.406	14.845	14.781	14.704
<i>Net rental income margin</i>	93%	93%	93%	92%	93%	93%
Interest expense and interest income	-1.704	-2.174	-1.973	-3.382	-4.308	-3.464
Net rental sales less finance costs	5.930	5.264	5.433	11.463	10.473	11.240
Management fees	-0.563	-0.539	-0.535	-1.126	-1.078	-1.071
Other income and other expenses	-0.363	-0.297	-0.322	-0.843	-0.655	-0.643
Profit before change in value of investment property, change in fair value of interest rate swap, joint venture profits and losses and income tax expense	5.004	4.428	4.576	9.494	8.740	9.526

As of 30 June 2025, the Group's total assets amounted to €399.517 million (31 December 2024: €398.763 million), of which the fair value of investment properties accounted for 95.6% (31 December 2024: 93.7%).

	30.06.25	31.12.2024	31.12.2023
€ million			
Investment properties	382.018	373.815	357.916
Ownership in joint venture	1.989	1.960	2.078
Other non-current assets	0.253	0.288	0.372
Current assets, excluding cash and cash equivalents	1.808	2.193	2.466
Net debt (cash deposits minus short-term and long-term bank loans)	-142.781	-129.045	-129.796
Net asset value (NAV) ¹	228.566	233.073	218.698
EPRA net asset value (EPRA NRV)	238.557	242.779	226.807
Net asset value (NAV) per share, in euros ¹	19.98	20.37	20.21
EPRA net asset value (EPRA NRV) per share, in euros	20.85	21.22	20.96

¹ The NAV of EFTEN Real Estate Fund AS is equivalent to the EPRA NDV (Net Disposal Value), as calculated in accordance with the recommended guidelines of EPRA.



Investment properties by segment

Segment	30.06.25	31.12.2024	31.12.2023	31.12.2022	31.12.2021
€ million					
Logistics	126.710	124.297	109.860	51.300	50.590
Retail	136.961	136.140	138.542	56.820	55.270
Office building	89.880	90.560	90.460	51.801	49.831
Care homes	20.787	15.618	11.834	8.954	6.270
National	7.680	7.200	7.220	0.000	0.000
Total investment properties	382.018	373.815	357.916	168.875	161.961

Key performance and liquidity ratios

6 months	2025	2024	2023
ROE, % (net profit of the period / average equity of the period) * 100	3.5	2.9	1.5
ROA, % (net profit of the period / average assets of the period) * 100	2.1	1.7	0.9
ROIC, % (net profit of the period / average invested capital of the period) * 100	4.0	3.2	1.3
Revenue, € thousands	16,068	15,918	15,749
Rental income, € thousands	15,571	15,342	15,218
EBITDA (operating profit minus change in fair value of investment property minus depreciation of fixed assets and profit on sale), € thousands	12,902	13,078	13,025
EBITDA margin (EBITDA / revenue), %	80%	82%	83%
EBIT (operating profit), € thousands	13,422	11,594	6,808
EPRA's profit (see also 'EPRA's performance indicators'), € thousands	7,927	8,464	9,130
Liquidity ratio (current assets / current liabilities)	0.3	1.1	1.3
DSCR (EBITDA / (interest expenses + scheduled loan payments))	1.9	1.7	1.8

Real estate portfolio

As of 30 June 2025, the Group held 37 (31 December 2024: 36) commercial real estate investments with a fair value of €382.018 million (31 December 2024: €373.815 million) and an acquisition cost of €378.218 million (31 December 2024: €370.561 million). In addition to the investment properties owned by the fund's subsidiaries, the Group also holds a 50% interest in a joint venture that owns the Palace Hotel in Tallinn, with a fair value of €8.630 million as at 30 June 2025 (31 December 2024: €8.630 million).

Main indicators of the investment portfolio

Investment property, as of 30.06.2025	Location	Group's ownership	Acquisition cost, € thousands ²	Fair value, € thousands	Net leasable area	Prognosed rental revenue per annum, € thousands	Direct yield ³	Primary net yield ⁴	Occupancy, %	Average length of rental agreements	Number of tenants
Premia Külmhoone	Tallinn	100	6,840	6,560	7,258	522	7.6%	8.0%	100.0	2.0	1
Kuuli 10	Tallinn	100	11,713	11,760	15,197	840	7.2%	7.1%	100.0	6.9	1
Betooni 1a	Tallinn	100	9,217	9,270	10,678	668	7.2%	7.2%	100.0	1.8	1
Betooni 6	Tallinn	100	10,249	9,840	17,210	795	7.8%	8.1%	97.0	1.5	19
Jurkalne Technology Park	Riga	100	25,210	24,180	44,571	2,007	8.0%	8.3%	94.5	7.9	59
DSV logistics centre	Vilnius	100	8,580	9,420	11,751	736	8.6%	7.8%	100.0	1.3	1
DSV logistics centre	Tallinn	100	12,368	13,330	16,014	1,045	8.4%	7.8%	100.0	1.4	1
DSV logistics centre	Riga	100	9,079	8,480	12,149	772	8.5%	9.1%	100.0	4.4	1
Piepiļsetas logistics centre	Kekava	100	8,856	8,300	13,382	703	7.9%	8.5%	97.7	2.5	10
Ramygalos logistics centre	Panevėžys	100	10,028	10,840	20,126	851	8.5%	7.9%	100.0	11.8	1
Härgmäe	Tallinn	100	8,829	8,880	9,838	671	7.6%	7.6%	100.0	9.3	1
Paemurru	Harku Parish	100	5,670	5,850	5,407	447	7.9%	7.6%	100.0	9.8	1
Logistics total			126,639	126,710	183,581	10,057	7.9%	7.9%	98.2	4.8	97
Võru Rautakesko	Võru	100	2,890	2,710	3,120	242	8.4%	8.9%	100.0	2.8	1
Uku Centre	Viljandi	100	13,672	13,670	8,931	1,093	8.0%	8.0%	100.0	4.4	44
Mustika Centre	Tallinn	100	37,177	38,920	27,639	2,949	7.9%	7.6%	98.9	2.9	62
RAF Centrs	Jelgava	100	9,307	10,253	6,225	743	8.0%	7.2%	100.0	3.6	41
Tammsaare tee Rautakesko	Tallinn	100	15,700	15,880	9,120	1,280	8.2%	8.1%	100.0	6.7	1
Jelgava development project	Jelgava	100	2,342	1,658			<i>development</i>				
Saules Miestas shopping centre	Šiauliai	100	31,908	39,060	20,145	3,114	9.8%	8.0%	99.2	4.9	116
Laagri Selver	Tallinn	100	6,303	8,110	3,059	554	8.8%	6.8%	100.0	4.8	13
Laagri gardening centre	Laagri	100	3,138	3,610	3,470	286	9.1%	7.9%	100.0	9.8	1
ABC Motors Autokeskus	Tallinn	100	3,482	3,090	2,149	286	8.2%	9.3%	100.0	3.6	1
Retail total			125,919	136,961	83,858	10,547	8.4%	7.7%	99.5	4.4	280
Lauteri 5	Tallinn	100	5,994	5,090	3,604	294	4.9%	5.8%	84.2	2.1	17
Pärnu mnt 105	Tallinn	100	8,355	6,340	4,712	549	6.6%	8.7%	89.9	1.1	31
Pärnu mnt 102	Tallinn	100	16,962	11,290	8,782	787	4.6%	7.0%	65.7	1.5	42
Terbata	Riga	100	9,266	8,490	6,036	474	5.1%	5.6%	95.6	1.6	12
Menulio 11	Vilnius	100	8,339	7,530	5,617	344	4.1%	4.6%	36.4	2.0	11
Ulonu	Vilnius	100	8,440	8,700	5,290	679	8.0%	7.8%	100.0	1.9	13
L3	Vilnius	100	8,916	10,390	6,150	747	8.4%	7.2%	90.3	2.7	31
Evolution	Vilnius	100	10,455	11,380	6,614	732	7.0%	6.4%	88.3	3.3	27
airBaltic	Riga	100	7,777	7,820	6,217	653	8.4%	8.4%	100.0	3.5	1
Rutkauskos	Vilnius	100	11,822	12,850	6,835	883	7.5%	6.9%	93.8	7.0	4
Office total			96,326	89,880	59,857	6,142	6.4%	6.8%	83.8	2.9	189
Pirita Pansionaat	Tallinn	100	6,217	5,840	5,983	447	7.2%	7.7%	100.0	5.4	1
Valkla Sūdamekodu	Valkla	100	4,990	4,350	6,505	366	7.3%	8.4%	100.0	6.8	1
Tartu Sūdamekodu	Tartu	100	6,612	6,450	4,118	486	7.4%	7.5%	100.0	9.1	1
Nõmme Sūdamekodu	Tallinn	100	4,147	4,147			<i>development</i>				
Care homes total			21,966	20,787	16,606	1,299	5.9%	6.2%	100.0	6.9	3
Rakvere Police and rescue building (National)	Rakvere	100	7,368	7,680	5,775	667	9.1%	8.7%	100.0	0.3	1
Hotel Palace (hotels) ¹	Tallinn	50	11,889	8,630	4,874	526	4.4%	6.1%	100.0	5.2	1
Investment portfolio total			390,107	390,648	354,551	29,238	7.5%	7.5%	96.3	4.1	571

¹ The Palace Hotel is owned by the Group's joint venture, EFTEN SPV11 OÜ, in which the Group holds a 50% interest.

² The acquisition cost includes initial purchase-related expenses of the investment property, along with subsequent capital expenditures.

³ The direct yield is calculated by dividing the net operating income (NOI) by the sum of the acquisition cost and subsequent capital expenditures of the investment property.

⁴ The initial yield is calculated by dividing the net operating income (NOI) by the market value of the investment property.

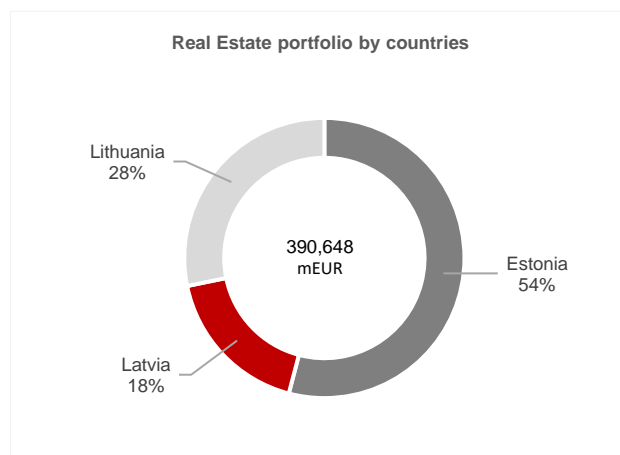
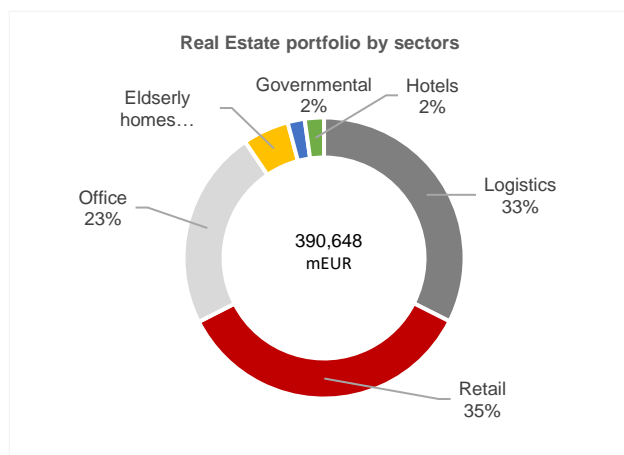
Investments in H1 2025

In the first half of 2025, the Group invested a total of €7.657 million in both new properties and the development of the existing real estate portfolio.

In March, the Group's subsidiary EFTEN Hiiu OÜ acquired a property located at Hiiu 42 in Tallinn for €4 million. Under an existing lease agreement, the North Estonia Medical Centre Foundation continues to occupy part of the property, while a long-term (10 + 10 years) lease was signed for the remaining space with Hiiu Sündamekodu OÜ, a company within the Sündamekodud AS group. In cooperation with the tenant and Sündamekodud AS, the building will be partially redeveloped into a general elderly home called "Nõmme Sündamekodu," which will eventually accommodate up to 170 residents.

In H1 2025, construction of Block C at the Valkla care home was completed, and phase II construction began at the Ermi elderly home in Tartu.

In April 2025, the Paemurru logistics centre—acquired in autumn of the previous year—was completed, with an additional €1.743 million invested in the property during the first half of the year.



Rental income

In the first six months of 2025, the Group earned a total of €15.571 million in rental income, representing a 1% increase compared to the same period in 2024.

Like-for-like rental income by business segments

€ thousands	1st half-year				
	Fair value 30.06.2025	Rental income 2025	Rental income 2024	Change	Change, %
Office	89,880	3,541	3,745	-204	-5%
Logistics	111,980	4,653	4,754	-101	-2%
Retail	135,303	5,922	5,877	45	1%
National	7,680	427	419	8	2%
Care homes	5,840	221	217	4	2%
Total like-for-like assets and rental income	350,683	14,764	15,012	-248	-2%
Non-comparable assets and rental income	31,335	807	330	477	
Total investment portfolio and rental income	382,018	15,571	15,342	229	1%

€ thousands	II quarter				
	Fair value 30.06.2025	Rental income 2025	Rental income 2024	Change	Change, %
Office	89,880	1,768	1,861	-93	-5%
Logistics	111,980	2,336	2,398	-62	-3%
Retail	135,303	2,974	2,964	10	0%
National	7,680	213	210	3	1%
Care homes	5,840	111	108	3	3%
Total like-for-like assets and rental income	350,683	7,402	7,541	-139	-2%
Non-comparable assets and rental income	31,335	496	164	332	
Total investment portfolio and rental income	382,018	7,898	7,705	193	3%

Like-for-like rental income by countries

€ thousands	1st half-year				
	Fair value 30.06.2025	Rental income 2025	Rental income 2024	Change	Change, %
Estonia	172,990	7,159	7,244	-85	-1%
Latvia	67,523	3,111	3,108	3	0%
Lithuania	110,170	4,494	4,660	-166	-4%
Total like-for-like assets and rental income	350,683	14,764	15,012	-248	-2%
Non-comparable assets and rental income	31,335	807	330	477	
Total investment portfolio and rental income	382,018	15,571	15,342	229	1%

€ thousands	II quarter				
	Fair value 30.06.2025	Rental income 2025	Rental income 2024	Change	Change, %
Estonia	172,990	3,572	3,634	-62	-2%
Latvia	67,523	1,587	1,605	-18	-1%
Lithuania	110,170	2,243	2,302	-59	-3%
Total like-for-like assets and rental income	350,683	7,402	7,541	-139	-2%
Non-comparable assets and rental income	31,335	496	164	332	
Total investment portfolio and rental income	382,018	7,898	7,705	193	3%

As of 30 June 2025, the vacancy rate for the Group's investment properties stood at 3.7% (31 December 2024: 2.6%). The highest vacancy was in the office segment at 16.2%, where leasing of vacant space has taken longer than in previous periods. Compared to the end of last year, the most notable increase in vacancy occurred in the office building at Pärnu mnt 102 in Tallinn, where an additional 2.2 thousand m² of space became vacant.

The largest tenants of EFTEN Real Estate Fund AS as of 30.06.2025

Tenants	Share of total rental income
Kesko Senukai Estonia AS	5.5%
Livonia Print SIA	5.3%
Prisma Peremarket AS	5.0%
DSV Estonia AS	3.5%
Logistika Pluss OÜ	2.9%
Adax UAB	2.8%
Riigi Kinnisvara Aktsiaselts	2.7%
DSV Latvia SIA	2.5%
DHL Logistics Estonia OÜ	2.5%
DSV Lithuania, UAB	2.4%
Atea, UAB	2.3%
ELP Logistics OÜ	2.2%
Air Baltic Corporation AS	2.1%
Premia Tallinna Külmhoone AS	1.8%
Rimi Lietuva, UAB	1.8%
Südamekodud AS	1.5%
European Food OÜ	1.5%
Valkla Südamekodu OÜ	1.3%
Others	50.4%

Fair Value of Investment Properties

EFTEN Real Estate Fund AS conducts regular valuations of its investment properties twice a year—as of 30 June and 31 December. Based on the valuations carried out by Colliers International in June 2025, the fair value of the investment properties increased by 0.1%, resulting in a revaluation gain of €0.5 million for the fund.

Changes in valuation assumptions

				Change compared to 31.12.2024				
30.06.2025 or 1st half-year	Location	Fair value	Acquisitions, developments, and CAPEX 2025	Change in fair value	%	Annualized net rental income in year 1, %	Capitalization rate, percentage point	Discount rate, Percentage point
<i>€ thousands</i>								
Logistics								
Premia Külmoone	Tallinn	6,560	0	10	0.2%	1.0%	0.00	0.00
Kuuli 10	Tallinn	11,760	149	21	0.2%	0.8%	0.00	0.00
Betooni 1a	Tallinn	9,270	19	111	1.2%	0.9%	0.00	0.00
Betooni 6	Tallinn	9,840	0	20	0.2%	2.9%	0.00	0.10
Jurkalne Technology Park	Riga	24,180	30	-10	0.0%	-5.7%	0.00	0.00
DSV logistics centre	Vilnius	9,420	13	-3	0.0%	-1.4%	0.00	0.00
DSV logistics centre	Tallinn	13,330	0	-10	-0.1%	0.7%	0.00	0.00
DSV logistics centre	Riga	8,480	19	31	0.4%	0.9%	0.00	0.00
Piepilsetas logistics centre	Kekava	8,300	8	-8	-0.1%	4.3%	0.00	0.00
Ramygalos logistics centre	Panevėžys	10,840	4	-4	0.0%	-0.1%	0.00	0.00
Härgmäe 8	Tallinn	8,880	0	90	1.0%	1.8%	0.00	0.00
Paemurru tee 3	Harku	5,850	1,743	180	3.2%	<i>Comparison data not available, initial valuation</i>		
Logistics total		126,710	1,985	428	0.3%			
Retail								
Võru Rautakesko	Võru	2,710	0	-50	-1.8%	-2.6%	0.00	-0.25
Uku Centre	Viljandi	13,670	52	-52	-0.4%	0.4%	0.00	0.00
Mustika Centre	Tallinn	38,920	32	548	1.4%	2.5%	0.00	0.00
RAF Centrs	Jelgava	10,253	19	241	2.4%	0.8%	0.00	0.05
Tammsaare tee Rautakesko	Tallinn	15,880	0	20	0.1%	2.0%	0.00	0.00
Jelgava development project	Jelgava	1,658	1			<i>development</i>		
Saules Miestas shopping centre	Šiauliai	39,060	6	-126	-0.3%	-0.6%	0.00	0.00
Laagri Selver	Tallinn	8,110	0	0	0.0%	0.8%	0.00	0.00
Laagri gardening centre	Laagri	3,610	0	140	4.0%	37.5%	-0.30	-0.30
ABC Motors Autokeskus	Tallinn	3,090	0	-10	-0.3%	1.3%	0.00	0.00
Retail total		136,961	110	711	0.5%			
Office								
Lauteri 5	Tallinn	5,090	18	12	0.2%	-4.7%	0.00	0.00
Pärnu mnt 105	Tallinn	6,340	9	-129	-2.0%	-1.2%	0.00	0.00
Pärnu mnt 102	Tallinn	11,290	212	-922	-7.5%	-5.8%	0.00	0.00
Terbata	Riga	8,490	11	149	1.8%	-16.2%	0.00	0.00
Menulio 11	Vilnius	7,530	7	33	0.4%	-7.2%	0.25	0.40
Ulonu	Vilnius	8,700	0	0	0.0%	-8.5%	0.00	0.00
L3	Vilnius	10,390	36	-256	-2.4%	-3.8%	0.00	0.00
Evolution	Vilnius	11,380	32	-12	-0.1%	4.4%	0.00	0.20
airBaltic	Riga	7,820	0	70	0.9%	6.0%	0.00	0.00
Rutkauskos	Vilnius	12,850	3	47	0.4%	2.1%	0.10	0.00
Office total		89,880	328	-1,008	-1.1%			
Care homes								
Pirita Pansionaat	Tallinn	5,840	0	10	0.2%	1.1%	0.00	0.00
Valkla Súdamekodu	Valkla	4,350	343	-141	-3.1%	28.5%	0.00	0.00
Tartu Súdamekodu	Tartu	6,450	744	66	1.0%	44.0%	0.00	0.00
Nõmme Súdamekodu	Tallinn	4,147	4,147			<i>development</i>		
Care homes total		20,787	5,234	-65	-0.3%			
Rakvere Police and rescue building (National)	Rakvere	7,680	0	480	6.7%	0.3%	0.00	0.00
Hotel Palace (hotels) ¹	Tallinn	8,630	8	-8	-0.1%	0.0%	0.00	0.00
Total investment property portfolio		390,648	7,665	538	0.1%			

¹ Hotel Palace belongs to the group's joint venture EFTEN SPV11 OÜ. The group has a 50% stake in the joint venture.

EPRA performance indicators

EPRA performance indicators

As of the balance sheet date or per 6 months	30.06.2025	30.06.2024
EPRA profit, € thousands	7,927	8,464
EPRA profit per share, in euros	0.69	0.78
EPRA NRV (net reinstatement value), € thousands	238,557	222,738
EPRA NRV per share, in euros	20.85	20.59
EPRA NDV (net disposal value), € thousands	228,566	214,128
EPRA NDV per share, in euros	19.98	19.79
EPRA NIY (net initial yield)	7.5%	7.6%
EPRA Topped-up NIY (adjusted net initial yield)	7.5%	7.6%
EPRA LTV	38.1%	39.0%
EPRA cost ratio, including direct vacancy costs	17%	16%
EPRA cost ratio, excluding direct costs related to vacancy	16%	14%
EPRA vacancy ratio	4.2%	3.3%

EPRA indicator calculations

EPRA net asset value indicators

As at 30.06.2025

€ thousands	EPRA NRV	EPRA NTA	EPRA NDV
Net asset value calculated in accordance with IFRS	228,566	228,566	228,566
Adjustments:			
Deferred income tax liability related to the calculation of the change in the fair value of investment properties and tax depreciation	9,949	9,949	-
Fair value of derivative instruments	42	42	-
EPRA net asset value	238,557	238,557	228,566
Number of fully diluted shares	11,440,340	11,440,340	11,440,340
EPRA net asset value per unit, in euros	20.85	20.85	19.98

As at 30.06.2024

€ thousands	EPRA NRV	EPRA NTA	EPRA NDV
Net asset value calculated in accordance with IFRS	214,128	214,128	214,128
Adjustments:			
Deferred income tax liability related to the calculation of the change in the fair value of investment properties and tax depreciation	8,610	8,610	-
EPRA net asset value	222,738	222,738	214,128
Number of fully diluted shares	10,819,796	10,819,796	10,819,796
EPRA net asset value per unit, in euros	20.59	20.59	19.79

EPRA profit

	1st half-year	
€ thousands	2025	2024
Net profit (IFRS)	8,192	6,250
Adjustments:		
Change in the fair value of investment properties	-546	1 454
Change in the fair value of financial instruments	42	0
Effect of investment properties changes in fair value on profit/loss from joint ventures	-4	259
Deferred income tax expense related to EPRA adjustments	243	501
EPRA profit	7,927	8,464
Weighted average numbers of shares during the period	11,440,340	10,819,796
EPRA profit per share, in euros	0.69	0.78

EPRA net yield

As at 30.06, € thousands	2025	2024
Investment property	382,018	361,391
Minus constructions and land	-5,805	-7,572
Finished investment property	376,213	353,819
Annualized rental income from leases in force at the reporting date	32,256	30,753
Costs related to investment property not covered by tenants	-3,544	-3,344
Annualized net rental income	28,712	27,409
Nominal impact of the end of rent exemptions or other rental incentives	0	0
Adjusted annualized net rental income	28,712	27,409
EPRA initial net yield (NIY)	7.5%	7.6%
EPRA adjusted initial net yield (Topped-up NIY)	7.5%	7.6%

EPRA vacancy rate

	1st half-year	
€ thousands	2025	2024
Estimated rental income from vacant premises	1,383	1,036
Estimated rental income for the entire investment portfolio	32,898	31,723
EPRA vacancy rate	4.2%	3.3%

EPRA cost ratio

	1st half-year	
€ thousands	2025	2024
Cost of sales	-895	-759
Other sales revenue paid by tenants to cover expenses	497	576
Marketing costs	-328	-378
Operating costs	-1,947	-1,819
Total costs, including direct costs related to the vacancy	-2,673	-2,380
Direct vacancy cost	-247	-208
Total costs, excluding direct costs related to vacancy	-2,426	-2,172
Rental income (gross)	15,571	15,342
EPRA cost ratio, including direct vacancy costs	17%	16%
EPRA cost ratio, excluding direct costs related to vacancy	16%	14%

EPRA LTV

€ thousands	30.06.2025	30.06.2024
Total borrowings	156,230	149,523
Total liabilities	2,705	2,255
Minus cash and cash equivalents	13,449	10,772
Minus short-term deposits	0	50
Total net debt	145,486	140,956
Completed investment property	376,213	353,819
Investment property under development	5,805	7,572
Total assets	382,018	361,391
LTV	38.1%	39.0%

Financing

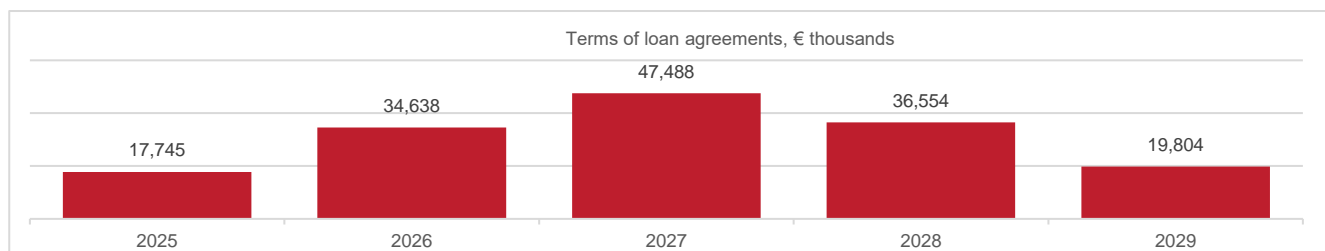
In April 2025, subsidiaries of EFTEN Real Estate Fund AS increased their total bank loan commitments by €7.32 million, reflecting improved financial capacity. Additionally, bank financing totalling €2.67 million was used in the first half of the year for the construction of the Valkla elderly home and the Paemurru logistics centre. In April, the fund's subsidiary EFTEN Hiiu OÜ entered into a loan agreement of €3.25 million to finance the redevelopment of the building at Hiiu 42. As of the end of June, this loan had not yet been drawn down.

Over the next 12 months, loan agreements of eleven subsidiaries will mature, with a total outstanding balance of €40.641 million as of 30 June 2025. The LTV (Loan-to-Value) ratios of these maturing loans range from 37% to 46%, and the related investment properties generate stable rental cash flows. Therefore, management of the Fund does not foresee any obstacles to refinancing.

As of 30 June 2025, the Group's weighted average interest rate on loan agreements was 3.95% (31 December 2024: 4.89%), and the overall LTV stood at 41% (31 December 2024: 40%). All loan agreements of the fund's subsidiaries are based on floating interest rates. To mitigate interest rate risk, one of the Group's subsidiaries entered into an interest rate swap agreement in June 2025 with a notional amount of €11.6 million, fixing the 1-month EURIBOR at 1.995%.

As of 30 June 2025, the fund's interest coverage ratio (ICR) was 3.7 (30 June 2024: 2.9), with the improvement primarily driven by the decrease in EURIBOR.

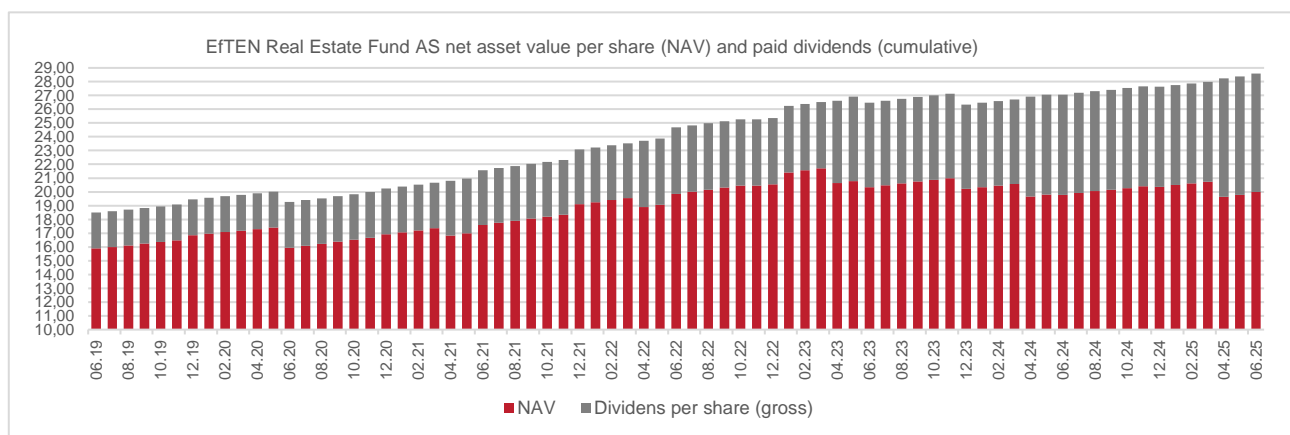
ICR	1st half-year	
	2025	2024
EBITDA	12,902	13,078
Interest expense	-3,500	-4,473
ICR	3.7	2.9

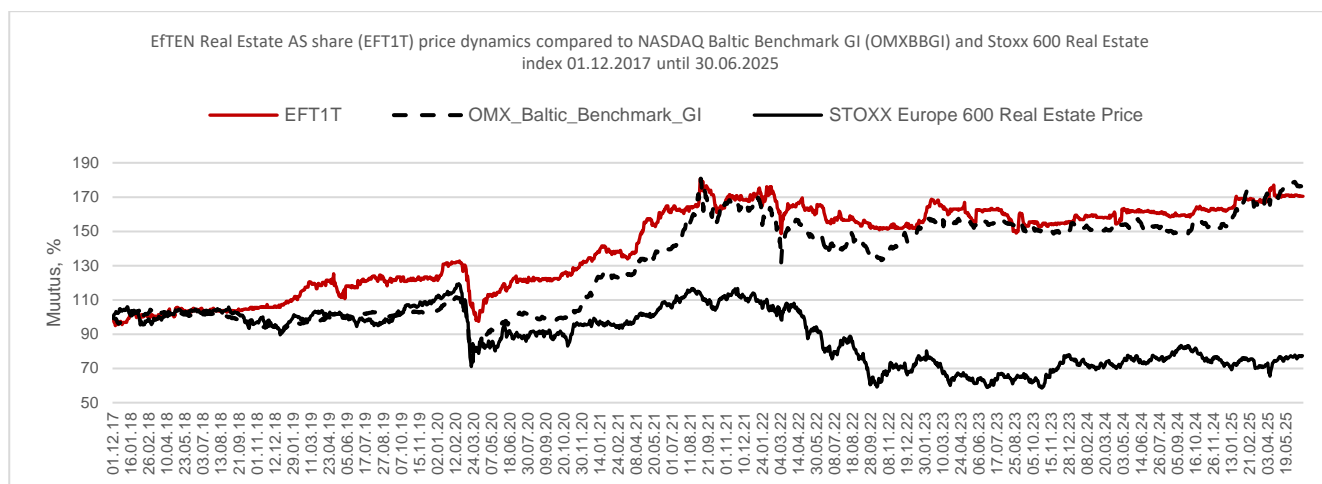


Share information

As of 30 June 2025, the registered share capital of EFTEN Real Estate Fund AS was €114,403 thousand (31 December 2024: unchanged). The share capital consisted of 11,440,340 shares (31 December 2024: unchanged), each with a nominal value of €10 (31 December 2024: unchanged).

The net asset value (NAV) per share of EFTEN Real Estate Fund AS was €19.98 as of 30 June 2025 (31 December 2024: €20.37), reflecting a 1.9% decrease during the first half of 2025. Excluding dividend distributions, the fund's NAV would have increased by 4.1% over the same period.





The shares of EFTEN Real Estate Fund AS have been traded on the main list of Nasdaq Tallinn since December 2017.

	1st half-year	
EFT1T share statistics	2025	2024
Opening price	18.95	18.90
Closing price	19.10	18.85
Minimum share price	18.90	18.55
Maximum share price	20.60	19.90
Volume of traded shares, thousands	182.744	89.424
Volume, € million	3.575	1.713
Market capitalization as at 30.06, € million	218.510	203.953
Profit per share, €	0.72	0.58
Net accounting value of the share	19.98	19.79
EPRA net value of the share	20.85	20.59
P/B (closing price / equity per share)	0.96	0.95
P/B EPRA (closing price / EPRA equity per share)	0.92	0.92

Shareholder statistics

	30.06.2025	31.12.2024
Number of shareholders	7,139	7,058
Number of represented countries	26	25
Share of Estonian residents in share capital	96.52%	96.33%
Share of legal entities in share capital	78.51%	79.27%
Share of private individuals in share capital	21.49%	20.73%

As of 30.06.2025, members of the fund's council and management board and their related persons owned 32,18% of the shares.

Shareholders by geographical areas

Share	30.06.2025	31.12.2024
Estonia	96.52%	96.33%
Lithuania	1.80%	2.03%
Switzerland	1.30%	1.30%
United States of America	0.19%	0.17%
Latvia	0.15%	0.13%
Other	0.04%	0.04%

The largest shareholders as at 30.06.2025

	Number of shares	Share
Altiusse KVI OÜ	1,565,503	13.7%
Hoiukonto OÜ	1,287,296	11.3%
REF Aktsiad OÜ	1,258,144	11.0%
LHV Pensionifond L	1,198,848	10.5%
Vello Kunman	630,864	5.5%
EFTEN Capital AS	292,688	2.6%
LHV Pensionifond XL	212,779	1.9%
EFTEN United Property Fund	211,559	1.8%
HTB Investeeringute OÜ	198,032	1.7%
LHV Pensionifond M	187,978	1.6%
Invego Tiskreaja OÜ	180,636	1.6%
Luminor Bank AS/EE Pensions	171,754	1.5%
Gomab (Swiss) AG	146,690	1.3%

INTERIM FINANCIAL STATEMENTS OF THE CONSOLIDATION GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		II quarter		1st half-year	
	Notes	2025	2024	2025	2024
€ thousands					
Revenue	3,4	8,210	7,957	16,068	15,918
Cost of services sold	5	-389	-341	-895	-759
Gross profit		7,821	7,616	15,173	15,159
Marketing costs	6	-187	-178	-328	-378
General and administrative expenses	7	-941	-880	-1,947	-1,819
Profit / loss from the change in the fair value of investment property	14	546	-1,454	546	-1,454
Other operating income and expense		15	44	-22	86
Operating profit	3	7,254	5,148	13,422	11,594
Profit / loss from joint ventures	2,8	87	-204	29	-254
Interest income		35	64	118	165
Other finance income and expense	9	-1,739	-2,238	-3,542	-4,473
Profit before income tax		5,637	2,770	10,027	7,032
Income tax expense	10	-1,612	-328	-1,835	-782
Net profit for the reporting period	3	4.025	2,442	8,192	6,250
Total comprehensive income for the period		4,025	2,442	8,192	6,250
Earnings per share	11				
- basic		0.35	0.23	0.72	0.58
- diluted		0.35	0.23	0.72	0.58

The notes on pages 18-36 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONARUANNE

	Notes	30.06.2025	31.12.2024
€ thousands			
ASSETS			
Cash and cash equivalents	12	13,449	18,415
Current deposits	17	0	2,092
Receivables and accrued income	13	1,671	2,055
Prepaid expenses		137	138
Total current assets		15,257	22,700
Long-term receivables	13	133	154
Shares in joint ventures	2	1,989	1,960
Investment property	3,14	382,018	373,815
Property, plant, and equipment		120	134
Total non-current assets		384,260	376,063
TOTAL ASSETS		399,517	398,763
LIABILITIES AND EQUITY			
Borrowings	15	45,418	30,300
Derivative instruments	17	42	0
Payables and prepayments	16	2,705	3,245
Total current liabilities		48,165	33,545
Borrowings	15	110,688	119,120
Other long-term liabilities	16	2,090	1,928
Deferred income tax liability	10	10,008	11,097
Total non-current liabilities		122,786	132,145
TOTAL LIABILITIES		170,951	165,690
Share capital	18	114,403	114,403
Share premium	18	90,306	90,306
Statutory reserve capital		4,156	2,799
Retained earnings	19	19,701	25,565
TOTAL EQUITY		228,566	233,073
TOTAL LIABILITIES AND EQUITY		399,517	398,763

The notes on pages 18-36 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

		II quarter		1st half-year	
	Notes	2025	2024	2025	2024
€ thousands					
Cash flows from operating					
Net profit		4,025	2,442	8,192	6,250
Adjustments of net profit:					
Loss from joint ventures using the equity method	2,8	-87	204	-29	254
Income on interest		-35	-64	-118	-165
Finance income and expense	9	1,739	2,238	3,542	4,473
Gain / Loss on revaluation of investment properties	14	-546	1,454	-546	1,454
Depreciation and impairment losses	5,7	13	14	26	30
Income tax expense	10	1,612	328	1,835	782
Total adjustments with non-cash changes		2,696	4,174	4,710	6,828
Total cash flows from operations before changes in working capital		6,721	6,616	12,902	13,078
Change in receivables and prepayments related to operating activities		-157	-201	115	454
Change in obligations related to operating activities		230	14	113	-398
Total cash flows from operating activities		6,794	6,429	13,130	13,134
Cash flows from investing activities					
Purchase of property, plant and equipment		-11	-1	-11	-3
Purchase of investment property	14	-1,670	-2,648	-8,028	-5,555
Change in short-term deposits	17	0	3,350	2,092	3,350
Interest received		38	106	144	168
Total cash flows from investing activities		-1,643	807	-5,803	-2,040
Cash flows from financing activities					
Loans received	15	8,114	2,778	9,993	4,880
Loan payments	15	-1,681	-1,666	-3,315	-3,264
Interest paid		-1,712	-2,251	-3,510	-4,457
Dividends paid	18	-12,699	-10,820	-12,699	-10,820
Income tax on dividends paid		-2,762	-1,373	-2,762	-1,373
Total cash flows from financing activities		-10,740	-13,332	-12,293	-15,034
TOTAL CASH FLOW		-5,589	-6,096	-4,966	-3,940
Cash and cash equivalents at the beginning of period	12	19,038	16,868	18,415	14,712
Change in cash and cash equivalents		-5,589	-6,096	-4,966	-3,940
Cash and cash equivalents at the end of the period	12	13,449	10,772	13,449	10,772

The notes on pages 18-36 form an integral part of these financial statement.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Statutory reserve capital	Retained earnings	Total
<i>€ thousands</i>					
Balance as at 31.12.2023	108,198	84,721	2,749	23,030	218,698
Dividends paid	0	0	0	-10,820	-10,820
Allocations to reserve capital	0	0	50	-50	0
Total transactions with the owners	0	0	50	-10,870	-10,820
Net profit for the financial period	0	0	0	6,250	6,250
Total comprehensive income for the period	0	0	0	6,250	6,250
Balance as at 30.06.2024	108,198	84,721	2,799	18,410	214,128
Saldo 31.12.2024	114,403	90,306	2,799	25,565	233,073
Dividends paid	0	0	0	-12,699	-12,699
Allocations to reserve capital	0	0	1,357	-1,357	0
Total transactions with the owners	0	0	1,357	-14,056	-12,699
Net profit for the financial period	0	0	0	8,192	8,192
Total comprehensive income for the period	0	0	0	8,192	8,192
Balance as at 30.06.2025	114,403	90,306	4,156	19,701	228,566

Further information on the share capital can be found in Note 18.

The notes on pages 18-36 form an integral part of these financial statement.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1 Accounting policies and measurement bases used in the preparation of the consolidated interim financial statements

EFTEN Real Estate Fund AS is a publicly traded closed-end alternative investment fund established in 2015, whose main area of activity is investments in cashflow-generating commercial real estate in the Baltic States.

EFTEN Real Estate Fund AS Group's structure as of 30.06.2025 is as follows (see also Note 2):

EFTEN REAL ESTATE FUND AS					
	OFFICE	LOGISTICS	RETAIL	CARE HOMES	OTHER
ESTONIA	EFTEN SPV2 OÜ <i>Lauteri 5, Tallinn</i>	EFTEN SPV15 OÜ <i>Premia Külmhoone, Tallinn</i>	EFTEN SPV14 OÜ <i>Võru Rautakesko</i>	EFTEN Pirita OÜ <i>Pirita Pansionaat, Tallinn</i>	EFTEN SPV4 OÜ <i>Rakvere Police and rescue communal building</i>
	EFTEN SPV5 OÜ <i>Pärnu mnt 105, Tallinn</i>	EFTEN SPV17 OÜ <i>Betooni 1a, Betooni 6, Tallinn</i>	EFTEN SPV3 OÜ <i>Uku Centre, Viljandi</i>	EFTEN Valkla OÜ <i>Valkla Súdamekodu</i>	EFTEN SPV11 OÜ (joint venture 50%) <i>Hotel Palace</i>
	EFTEN SPV6 OÜ <i>Pärnu mnt 102, Tallinn</i>	EFTEN SPV12 OÜ <i>Kuuli 10, Tallinn</i>	EFTEN SPV7 OÜ, EFTEN SPV8 OÜ <i>Mustika Centre, Tallinn</i>	EFTEN Ermi OÜ <i>Tartu Súdamekodu</i>	
		EFTEN Tännassilma OÜ <i>DSV logistics centre, Tallinn</i>	EFTEN SPV12 OÜ <i>Tammsaare tee Rautakesko, Tallinn</i>	EFTEN Hiiu OÜ <i>Nõmme Súdamekodud (in development)</i>	
		EFTEN Härgmäe OÜ <i>Härgmäe tn 8, Tallinn</i>	EFTEN Laagri OÜ <i>Laagri Selver, Tallinn</i>		
		EFTEN Paemurru OÜ <i>Paemurru tee 3, Harku Parish</i>	EFTEN Seljaku OÜ <i>Gardening centre, Laagri</i>		
			EFTEN Autokeskus OÜ <i>ABC Motors Autokeskus, Tallinn</i>		
			EFTEN Tähesaju tee OÜ <i>In liquidation</i>		
LATVIA	EFTEN Terbata SIA <i>Terbata office building, Riga</i>	EFTEN Jurkalne SIA <i>Jurkalne Technology Park, Riga</i>	EFTEN Jelgava SIA <i>RAF Centrs, Jelgava</i>		EFTEN ABC SIA
	EFTEN Riga Airport SIA <i>airBaltic head office, Riga</i>	EFTEN Krustpils SIA <i>DSV logistics centre, Riga</i>			Auras Centrs SIA <i>Jelgava development project (in development)</i>
		EFTEN Piepilsetas SIA <i>Piepilsetas logistics centre, Kekava</i>			
LITHUANIA	Verkių projektas UAB <i>Ulonu office building, Vilnius</i>	EFTEN Stasylu UAB <i>DSV logistics centre, Vilnius</i>	Saulės Miestas UAB <i>Saulės Miestas shopping centre, Šiauliai</i>		
	EFTEN Menulio UAB <i>Menulio 11, Vilnius</i>	EFTEN Ramygalos UAB <i>Ramygalos logistics centre, Panevėžys</i>			
	EFTEN Laisves UAB <i>L3 office building, Vilnius</i>				
	EFTEN Evolution UAB <i>Evolution office building, Vilnius</i>				
	EFTEN Rutkauskos UAB <i>Rutkauskos office building, Vilnius</i>				

The consolidated interim financial statements of EFTEN Real Estate Fund AS and its subsidiaries have been prepared in accordance with International Standards as adopted by the European Union (IFRS EU). This consolidated interim financial statement has been prepared in accordance with International Accounting Standard IAS 34: Interim Financial Reporting. The same accounting policies have been used in the preparation of the interim financial statement as in the annual report for the financial year ended 31.12.2024. The interim financial statement should be read in conjunction with the group's recently published annual report for 2024, which has been prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of the Management Board, the interim report of EFTEN Real Estate Fund AS for the 1st half-year of 2025 correctly and fairly reflects the Group's financial performance on a going concern basis. This interim report has not been audited or otherwise verified by auditors and contains only the consolidated financial statements of the group. The reporting currency is the euro. The consolidated interim financial statements are prepared in thousands of euros and all figures are rounded to the nearest thousand, unless otherwise indicated.

2 Subsidiaries and joint ventures

In February 2025, the Group established a new subsidiary - EFTEN Hiiu OÜ. EFTEN Hiiu OÜ was established to acquire the 'Nõmme Súdamekodud' investment property and 4,183 thousand euros have been contributed to the company's equity, the group began the liquidation process of the subsidiary EFTEN Tähesaju tee OÜ.

As of 30.06.2025, EFTEN Real Estate Fund AS owns the following subsidiaries and joint ventures:

Company name	Country of domicile	Investment property	Equity, € thousands		Group's ownership, %	
			30.06.2025	31.12.2024	30.06.2025	31.12.2024
Parent company						
EFTEN Real Estate Fund AS	Estonia					
Subsidiaries						
Saules Miestas UAB	Lithuania	Saules Miestas shopping centre, Šiauliai	23,209	24,079	100	100
Verkiu Projektas UAB	Lithuania	Ulonu office building, Vilnius	4,452	4,364	100	100
EFTEN Stasyly UAB	Lithuania	DSV logistics centre, Vilnius	5,218	5,252	100	100
EFTEN Tānassilma OÜ	Estonia	DSV logistics centre, Tallinn	8,493	8,514	100	100
EFTEN Krustpils SIA	Latvia	DSV logistics centre, Riga	3,320	3,077	100	100
EFTEN Laisves UAB	Lithuania	L3 office building, Vilnius	6,033	6,076	100	100
EFTEN Laagri OÜ	Estonia	Laagri Selver, Tallinn	4,745	4,723	100	100
EFTEN Seljaku OÜ	Estonia	Gardening centre, Laagri	2,661	2,482	100	100
EFTEN Evolution UAB	Lithuania	Evolution office building, Vilnius	5,968	5,728	100	100
EFTEN Tähesaju tee OÜ	Estonia	-	23	63	100	100
EFTEN Autokeskus OÜ	Estonia	ABC Motors Autokeskus, Tallinn	1,831	1,828	100	100
EFTEN Riga Airport SIA	Latvia	airBaltic main building, Riga	5,502	5,238	100	100
EFTEN Piepilsetas SIA	Latvia	Piepilsetas logistics centre, Kekava	2,520	3,811	100	100
EFTEN Rutkausko UAB	Lithuania	Rutkausko office building, Vilnius	6,854	6,667	100	100
EFTEN Piritā OÜ	Estonia	Piritā Pansionaat, Tallinn	3,532	3,560	100	100
EFTEN Ramygalos UAB	Lithuania	Ramygalos logistics centre, Panevėžys	5,624	5,573	100	100
EFTEN Valkla OÜ	Estonia	Valkla Südamekodu, Valkla	1,783	1,822	100	100
EFTEN Ermi OÜ	Estonia	Tartu Südamekodu, Tartu	2,558	-183	100	100
EFTEN ABC SIA	Latvia	-	3	3	100	100
EFTEN SPV2 OÜ	Estonia	Lauteri 5, Tallinn	3,384	3,295	100	100
EFTEN SPV3 OÜ	Estonia	Uku Centre, Viljandi	6,934	7,948	100	100
EFTEN SPV4 OÜ	Estonia	Rakvere Police and rescue building	4,584	4,127	100	100
EFTEN SPV5 OÜ	Estonia	Pärnu mnt 105, Tallinn	2,895	2,843	100	100
EFTEN SPV6 OÜ	Estonia	Pärnu mnt 102, Tallinn	4,471	5,305	100	100
EFTEN SPV7 OÜ	Estonia	Mustika centre, Tallinn	23,739	25,144	100	100
EFTEN SPV8 OÜ (subsidiary of EFTEN SPV7 OÜ)	Estonia	Mustika centre, Tallinn	10,296	10,596	100	100
EFTEN SPV12 OÜ	Estonia	Tammsaare tee Rautakesko, Tallinn; Kuuli 10, Tallinn	17,547	17,553	100	100
EFTEN SPV14 OÜ	Estonia	Võru Rautakesko	1,585	1,619	100	100
EFTEN SPV15 OÜ	Estonia	Premia Külmoone, Tallinn	3,703	3,690	100	100
EFTEN SPV17 OÜ	Estonia	Betooni 1a, Tallinn, Betooni 6, Tallinn	11,638	11,494	100	100
EFTEN Jelgava SIA	Latvia	RAF Centrs, Jelgava	5,052	5,844	100	100
EFTEN Jurkalne SIA	Latvia	Jurkalne Technology Park, Riga	13,643	14,814	100	100
EFTEN Terbata SIA	Latvia	Terbata office building, Riga	5,105	4,757	100	100
Auras Centrs SIA	Latvia	Jelgava development project, Jelgava	776	822	100	100
EFTEN Menulio UAB	Lithuania	Menulio 11, Vilnius	3,660	3661	100	100
EFTEN Härgmäe OÜ	Estonia	Härgmäe tn 8, Tallinn	4,659	4383	100	100
EFTEN Paemurru OÜ	Estonia	Paemurru tee 3, Harku Parish	2,061	1,886	100	100
EFTEN Hiiu OÜ	Estonia	Hiiu tn.42, Tallinn	4,235	0	100	0
Joint ventures						
EFTEN SPV11 OÜ	Estonia	Hotel Palace, Tallinn	1,989	1,960	50	50

All subsidiaries and joint ventures are engaged in the acquisition and leasing of investment property. No shares of any subsidiaries are listed on the stock exchange.

EFTEN Real Estate Fund AS acquired a 50% stake in the joint venture EFTEN SPV11 OÜ, which owns the Hotel Palace building in Tallinn. The main financial indicators of the joint venture are presented in the table below:

EFTEN SPV11 OÜ	30.06.2025	31.12.2024
<i>€ thousands</i>		
Cash and cash equivalents	68	49
Other current assets	135	48
Total current assets	203	97
Investment property	8,630	8,630
Shares in joint ventures	97	190
Total non-current assets	8,727	8,820
TOTAL ASSETS	8,930	8,917
Current borrowings	4,918	4,970
Other current liabilities	34	26
Total current liabilities	4,952	4,996
TOTAL LIABILITIES	4,952	4,996
NET ASSETS	3,978	3,921

1st half-year		
	2025	2024
Revenue	218	190
<i>incl. sales revenue II quarter</i>	215	173
Profit/Loss	57	-509

In the first half of 2025, there have been the following changes to the investment in joint venture:

1st half-year		
	30.06.2025	30.06.2024
Book value at the beginning of the reporting period	1,960	2,078
Profit/Loss from joint venture (Note 3,8)	29	-254
Book value at the end of the period	1,989	1,824

3 Segment reporting

SEGMENT RESULTS

	Office		Logistics		Retail		Care homes		National		No allocated		Total	
1st half-year	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
€ thousands														
Sales income (Note 4), incl.	3,554	3,760	5,239	4,880	6,257	6,479	591	380	427	419	0	0	16,068	15,918
Estonia	831	995	2,560	2,076	3,707	3,847	591	380	427	419	0	0	8,116	7,717
Latvia	691	678	2,002	2,000	532	535	0	0	0	0	0	0	3,225	3,213
Lithuania	2,032	2,087	677	804	2,018	2,097	0	0	0	0	0	0	4,727	4,988
Net rental income, incl.	3,237	3,496	5,040	4,596	5,644	5,967	585	377	344	345	-5	0	14,845	14,781
Estonia	688	889	2,473	2,026	3,389	3,645	585	377	344	345	0	0	7,479	7,282
Latvia	654	633	1,890	1,766	447	434	0	0	0	0	-5	0	2,986	2,833
Lithuania	1,895	1,974	677	804	1,808	1,888	0	0	0	0	0	0	4,380	4,666
Operating profit, incl.	1,800	1,898	4,937	4,947	5,640	4,358	441	312	815	278	-211	-199	13,422	11,594
Estonia	-442	-274	2,656	2,160	3,633	3,087	441	312	815	278	-211	-199	6,892	5,364
Latvia	754	798	1,688	1,807	621	395	0	0	0	0	0	0	3,063	3,000
Lithuania	1,488	1,374	593	980	1,386	876	0	0	0	0	0	0	3,467	3,230
EBITDA, incl.	2,811	3,134	4,510	4,197	4,951	5,306	506	302	335	338	-211	-199	12,902	13,078
Estonia	599	799	2,234	1,901	3,045	3,260	506	302	335	338	-211	-199	6,508	6,401
Latvia	535	543	1,676	1,565	381	385	0	0	0	0	0	0	2,592	2,493
Lithuania	1,677	1,792	600	731	1,525	1,661	0	0	0	0	0	0	3,802	4,184
Operating profit													13,422	11,594
Profit/loss from joint ventures (Notes 2, 8)													29	-254
Net financial expense (Note 9)													-3,424	-4,308
Profit before income tax													10,027	7,032
Income tax expense (Note 10)													-1,835	-782
NET PROFIT FOR THE FINANCIAL PERIOD													8,192	6,250

SEGMENT RESULT, 2nd quarter

	Office		Logistics		Retail		Care homes		National		Non-allocated		Total	
II quarter	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
€ thousands														
Sales income, incl.	1,776	1,869	2,702	2,475	3,179	3,212	340	191	213	210	0	0	8,210	7,957
Estonia	410	499	1,343	1,046	1,862	1,945	340	191	213	210	0	0	4,168	3,891
Latvia	358	358	1,021	1,027	275	278	0	0	0	0	0	0	1,654	1,663
Lithuania	1,008	1,012	338	402	1,042	989	0	0	0	0	0	0	2,388	2,403
Net rental income, incl.	1,616	1,745	2,619	2,375	2,897	2,957	336	189	171	172	-5	0	7,634	7,438
Estonia	334	460	1,309	1,021	1,742	1,848	336	189	171	172	0	0	3,892	3,690
Latvia	339	343	971	952	229	225	0	0	0	0	-5	0	1,534	1,520
Lithuania	943	942	339	402	926	884	0	0	0	0	0	0	2,208	2,228
Operating profit, incl.	388	320	2,787	2,941	3,290	1,703	235	165	647	110	-93	-91	7,254	5,148
Estonia	-747	-654	1,617	1,235	2,175	1,497	235	165	647	110	-93	-91	3,834	2,262
Latvia	491	556	879	1,091	439	212	0	0	0	0	0	0	1,809	1,859
Lithuania	644	418	291	615	676	-6	0	0	0	0	0	0	1,611	1,027
EBITDA, incl.	1,396	1,555	2,360	2,191	2,591	2,636	300	155	167	170	-93	-91	6,721	6,616
Estonia	292	418	1,195	976	1,583	1,664	300	155	167	170	-93	-91	3,444	3,292
Latvia	272	301	867	849	199	201	0	0	0	0	0	0	1,338	1,351
Lithuania	832	836	298	366	809	771	0	0	0	0	0	0	1,939	1,973
Operating profit													7,254	5,148
Loss from joint ventures (Notes 2, 8)													87	-204
Net financial expense													-1,704	-2,174
Profit before income tax													5,637	2,770
Income tax expense													-1,612	-328
NET PROFIT FOR THE II QUARTER													4,025	2,442

SEGMENTI ASSETS

	Office		Logistics		Retail		Care homes		National		Total	
As of 30 June	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
€ thousands												
Investment property												
Estonia	22,720	24,470	65,490	50,250	85,990	88,330	20,787	14,400	7,680	7,160	202,667	184,720
Latvia	16,310	15,450	40,960	40,340	11,911	11,721	0	0	0	0	69,181	67,511
Lithuania	50,850	50,160	20,260	19,960	39,060	39,040	0	0	0	0	110,170	109,160
Total investment property (Note 14)	89,880	90,080	126,710	110,660	136,961	139,091	20,787	14,400	7,680	7,160	382,018	361,391
Joint ventures (Note 2)											1,989	1,824
Other non-current assets											253	607
Net debt (liabilities less cash)											-157,502	-151,432
Other current assets											1,808	1,738
NET ASSETS											228,566	214,128

In the first half-year of 2025, the Group acquired one property in the care home segment – 'Nõmme Südamekodud' at Hiiumäe tn. 42 in Tallinn.

In the first half-year of 2025 and 2024, no transactions were made between business segments. The Group's main income is derived from investment properties located in the same countries as the subsidiary owning the investment property.

The Group's largest customers are Kesko Senukai Estonia AS, Livonia Print SIA and Prisma Peremarket AS, whose rental income accounts for 5.5%, 5.3% and 5.0% of the Group's consolidated rental income, respectively. The share of the remaining tenants' income in the consolidated income is less than 5%.

4 Revenue

	1st half-year	
Segments	2025	2024
€ thousands		
Rental income from office premises (Note 14)	3,541	3,745
Rental income from national institutions (Note 14)	427	419
Rental income from retail premises (Note 14)	5,922	6,059
Rental income from logistics premises (Note 14)	5,090	4,754
Rental income from care home premises (Note 14)	591	365
Other sales revenue	497	576
Total revenue by segments of activity (Note 3)	16,068	15,918

	1st half-year	
Revenue by geographic areas	2025	2024
€ thousands		
Estonia	8,116	7,717
Latvia	3,225	3,213
Lithuania	4,727	4,988
Total revenue by geographical area (Note 3)	16,068	15,918

5 Cost of services sold

Cost of services sold	1st half-year	
	2025	2024
€ thousands		
Repair and maintenance of rental premises	-294	-358
Property insurance	-35	-32
Land tax and real estate tax	-132	-101
Other costs of administrative activities	-44	-50
Utility costs of vacant premises	-200	-129
Depreciation expenses	-7	-9
Improvement costs	-77	-45
Wage costs, including taxes (Note 20)	0	-5
Proportional costs of VAT	-16	-22
Other selling expenses	-1	-1
Allowance for doubtful accounts	-89	-7
Total cost of services sold (Note 14)	-895	-759

6 Marketing costs

Marketing costs	1st half-year	
	2025	2024
€ thousands		
Commission expenses on rental premises	-47	-79
Advertising, advertising events ¹	-281	-299
Total marketing costs	-328	-378

¹Expenditure on advertising and promotional events consists to a large extent of the costs of marketing events in shopping centres, which are covered by tenants through agreed marketing fees.

7 General and administrative expenses

General and administrative expenses	1st half-year	
	2025	2024
€ thousands		
Management services (Note 20)	-1,126	-1,078
Office expenses	-51	-34
Wages and salaries, incl. Taxes (Note 20)	-221	-234
Consulting expenses, legal expenses, accounting service, evaluation service	-333	-272
Audit costs	-84	-80
Regulator costs	-86	-71
Other general administrative expenses	-27	-29
Depreciation costs	-19	-21
Total administrative expense	-1,947	-1,819

8 Profit/loss from joint ventures

Profit/loss from joint ventures	1st half-year	
	2025	2024
€ thousands		
Loss from joint ventures using the equity method (Note 2)	29	-254
Total loss from the joint venture	29	-254

9 Other financial income and expenses

Other financial income and expenses	1st half-year	
	2025	2024
€ thousands		
Interest expenses, incl.	-3,500	-4,473
Interest expenses from loans	-3,500	-4,473
Change in fair value of interest swaps (Note 17)	-42	0
Total other financial income and expenses (Notes 3,17)	-3,542	-4,473

10 Income tax

Income tax expense

	1st half-year	
	2025	2024
€ thousands		
Income tax expense from added dividends	-1,429	-270
Lithuanian corporate deferred income tax expense	-243	-501
Lithuanian corporate income tax expense on profits	-163	-11
Total income tax expense (Note 3)	-1,835	-782

Deferred income tax liability

	Deferred income tax liability related to real estate investments	Deferred income tax liability in respect of dividends	Total
€ thousands			
Balance as at 31.12.2024	9,706	1,391	11,097
Change in deferred income tax liability in the income statement	243	0	243
Income tax expense from added dividends	0	1,429	1,429
Income tax paid on dividends	0	-2,761	-2,761
Saldo 30.06.2025	9,949	59	10,008

11 Earnings per share

Earnings per share	II quarter		1st half-year	
	2025	2024	2025	2024
Net profit for the period, € thousands	4,025	2,442	8,192	6,250
Dividend per share, euros	1.11	1.00	1.11	1.00
Weighted average number of shares over the period, in pc	11,440,340	10,819,796	11,440,340	10,819,796
Earnings per share, euros	0.35	0.23	0.72	0.58

12 Cash and cash equivalents

	30.06.2025	31.12.2024
€ thousands		
Demand deposit	8,470	7,476
Overnight deposit	4,929	10,369
Deposits with a maturity of less than 3 months	50	570
Cash and cash equivalents (Note 17)	13,449	18,415

Overnight deposits carry interest at a variable rate, as of 30.06.2025 the interest rate was 1.529% (31.12.2024: 1.412% and 2.52%) per annum. Term deposits bear interest at 1.8% (31.12.2024: 2.5% and 3.5%) per annum.

13 Receivables and accrued income

Short-term receivables

	30.06.2025	31.12.2024
€ thousands		
Trade receivables		
Receivables from customers	1,310	1,309
Allowance for doubtful accounts	-187	-136
Total trade receivables (note 17)	1,123	1,173
Other short-term receivables		
Other short-term receivables	20	32
Total other short-term receivables	20	32
Accrued income		
Interests	2	28
Advances and refunds of VAT	127	325
Other accrued income	399	497
Total accrued income	528	850
Total receivables and accrued income (note 17)	1,671	2,055

Long-term receivables

	30.06.2025	31.12.2024
€ thousands		
Receivables and prepayments related to property development projects	133	154
Total long-term receivables	133	154

Additional information on receivables and accrued income is provided in Note 17.

14 Investment properties

As at 30.06.2025, 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 at 30.06.2025	Increase in value	Share of market value of the Fund's asset
<i>€ thousands</i>								
Office								
Lauteri 5	Tallinn, Estonia	3,604	1958	01.2023	5,994	5,090	-15%	1%
Pärnu mnt 105	Tallinn, Estonia	4,712	1998	01.2023	8,355	6,340	-24%	2%
Pärnu mnt 102	Tallinn, Estonia	8,782	2005	01.2023	16,962	11,290	-33%	3%
Terbata	Riga, Latvia	6,036	2005	01.2023	9,266	8,490	-8%	2%
Menulio 11	Vilnius, Lithuania	5,617	recon. 2011-2013	01.2023	8,339	7,530	-10%	2%
Ulonu	Vilnius, Lithuania	5,290	2012	12.2015	8,440	8,700	3%	2%
L3	Vilnius, Lithuania	6,150	2004	10.2016	8,916	10,390	17%	3%
Evolution	Vilnius, Lithuania	6,614	2009	05.2018	10,455	11,380	9%	3%
airBaltic	Riga, Latvia	6,217	recon. 2016	03.2020	7,777	7,820	1%	2%
Rutkauskos	Vilnius, Lithuania	6,835	2014	08.2020	11,822	12,850	9%	3%
Office total		59,857			96,326	89,880	-7%	22%
Logistics								
Premia Külmoone	Tallinn, Estonia	7,258	2002/2007	01.2023	6,840	6,560	-4%	2%
Kuuli 10	Tallinn, Estonia	15,197	2006	01.2023	11,713	11,760	0%	3%
Betooni 1a	Tallinn, Estonia	10,678	2008	01.2023	9,217	9,270	1%	2%
Betooni 6	Tallinn, Estonia	17,210	1998	01.2023	10,249	9,840	-4%	2%
Jurkalne Technology Park	Riga, Latvia	44,571	2002	01.2023	25,210	24,180	-4%	6%
DSV logistics centre	Vilnius, Lithuania	11,751	2005	06.2016	8,580	9,420	10%	2%
DSV logistics centre	Tallinn, Estonia	16,014	2003	07.2016	12,368	13,330	8%	3%
DSV logistics centre	Riga, Latvia	12,149	2000	07.2016	9,079	8,480	-7%	2%
Piepilsetas logistics centre	Kekava, Latvia	13,382	2007	03.2020	8,856	8,300	-6%	2%
Ramygalos logistics centre	Panevėžys, Lithuania	20,126	2007	06.2021	10,028	10,840	8%	3%
Härgmäe logistics centre	Tallinn, Estonia	9,838	2024	09.2024	8,829	8,880	1%	2%
Paemurru logistics centre	Tallinn, Estonia	5,407	2025	09.2024	5,670	5,850	3%	1%
Total logistics		183,581			126,639	126,710	0%	32%
Retail								
Võru Rautakesko	Võru, Estonia	3,120	2008	01.2023	2,890	2,710	-6%	1%
Uku Centre	Viljandi, Estonia	8,931	2012/2018	01.2023	13,672	13,670	0%	3%
Mustika Centre	Tallinn, Estonia	27,639	1998/2002	01.2023	37,177	38,920	5%	10%
RAF Centrs	Jelgava, Latvia	6,225	2014/2017	01.2023	9,307	10,253	10%	3%
Tammsaare tee Rautakesko	Tallinn, Estonia	9,120	2007	01.2023	15,700	15,880	1%	4%
Jelgava development project	Jelgava, Latvia		In development	01.2023	2 342	1,658	-29%	0%
Saules Miestas shopping centre	Šiauliai, Lithuania	20,145	2007	08.2015	31,908	39,060	22%	10%
Laagri Selver	Tallinn, Estonia	3,059	2017	05.2017	6,303	8,110	29%	2%
Laagri gardening centre	Laagri, Estonia	3,470	2006	05.2017	3,138	3,610	15%	1%
ABC Motors Autokeskus	Tallinn, Estonia	2,149	2002	02.2019	3,482	3,090	-11%	1%
Retail total		83,858			125,919	136,961	9%	34%
National								
Rakvere Police and rescue communal building (National)	Rakvere, Estonia	5,775	2010	01.2023	7,368	7,680	4%	2%
Care homes								
Pirita Pansionaat	Tallinn, Estonia	5,983	2020	12.2020	6,217	5,840	-6%	1%
Valkla Südamekodu	Valkla, Estonia	6,505	2023	04.2022	4,990	4,350	-13%	1%
Tartu Südamekodu	Tartu, Estonia	4,118	2024	04.2022	6,612	6,450	-2%	2%
Nõmme Südamekodu			In development	03.2025	4 147	4,147	0%	1%
Care homes total		16,606			21,966	20,787	-5%	5%
Total		349,677			378,218	382,018	1%	96%

During the reporting period, the Group acquired a property at Hiiumäe tn. 42, Tallinn for the construction of 'Nõmme Südamekodud' for a price of 4,000 thousand euros.

In addition to the investment properties listed in the table above, the Group's 50% joint venture EFTEN SPV11 OÜ owns a property investment at Vabaduse väljak 3 /Pärnu mnt 14, Tallinn (hotel "Palace"). The fair value of the property investment as of 30.06.2025 was 8,630 thousand euros (Note 2).

In the first half-year of 2025 and 2024, the Group's property investments have undergone the following change:

	Investment property under development	Completed investment property	Total investment property
Balance as at 31.12.2023	5,016	352,900	357,916
Acquisitions and developments	2,556	0	2,556
Capitalized improvements	0	2,373	2,373
Gain/loss from the change in fair value	0	-1,454	-1,454
Balance as at 30.06.2024	7,572	353,819	361,391
Balance as at 31.12.2024	6,372	367,443	373,815
Acquisitions and developments	5,890	1,087	6,977
Capitalized improvements	0	680	680
Reclassifications	-6,457	6,457	0
Gain/loss from the change in fair value	0	546	546
Balance as at 30.06.2025	5,805	376,213	382,018

Additional information regarding investment properties is provided in Note 3.

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

As of June 30 or per 6 months	2025	2024
Rental income from investment properties (Note 4)	15,571	15,218
Costs directly related to the management of investment properties (Note 5)	-895	-757
Outstanding amounts from the acquisition of investment properties (Note 16)	695	345
Book value of investment properties pledged as collateral for loan liabilities (Note 15)	380,360	359,049

Assumptions and basis for determining the fair value of investment property

The Group's investment properties are evaluated by an independent appraiser twice a year – as of 30 June and 31 December. As of 30.06.2025 the fair value of investment properties reported in the Group's financial statements has been obtained using the discounted cash flow method. The following assumptions have been used to determine the fair value:

As of 30.06.2025:

Sector	Fair value	Valuation method	Estimated rental income per year	Discount rate	Exit yield	Average rental price €/m2
<i>€ thousands</i>						
Office	89,880	Discounted cash flows	7,056	7.5%-9.95%	6.5%-8.5%	11.1
Logistics	126,710	Discounted cash flows	10,928	8.0%-10.55%	7.1%-8.5%	4.9
Retail	136,961	Discounted cash flows	12,059	7.8%-10.05%	6.8%-8.5%	12.5
National	7,680	Discounted cash flows	838	9.4%	8.5%	11.1
Care homes	20,787	Discounted cash flows	1,376	8.5%-9.5%	7.5%-8.5%	9.8
Total	382,018		32,257			

As of 31.12.2024:

Sector	Fair value	Valuation method	Estimated rental income per year	Discount rate	Exit yield	Average rental price €/m2
<i>€ thousands</i>						
Office	90,560	Discounted cash flows	7,192	7.5%-9.55%	6.5%-8.3%	11.2
Logistics	124,297	Discounted cash flows	10,461	8.0%-10.55%	7.1%-8.5%	4.8
Retail	136,140	Discounted cash flows	11,637	7.8%-10.0%	6.8%-8.5%	12.6
National	7,200	Discounted cash flows	836	9.4%	8.5%	11.1
Care homes	15,618	Discounted cash flows	1,133	8.5%-9.5%	7.5%-8.5%	8.9
Total	373,815		31,259			

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 based on the weighted average cost of capital (WACC) related to investment property;

- Exit yield: based on the estimated level of yield at the end of the expected deposit period, considering the foreseeable market situation and the risks associated with the object.

Level three inputs have been used to determine the fair value of all of the Group's investment properties (Note 17).

Fair value sensitivity analysis

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

Sector	Fair value	Sensitivity to management estimate		Sensitivity to independent appraisal			
		Revenue +10%	Revenue - 10%	Discount rate +50bp	Discount rate - 50bp	Exit yield rate +50bp	Exit yield rate - 50bp
€ thousands							
Office	89,880	10,090	-10,040	-1,810	1,880	-4,000	4,650
Logistics	126,710	13,840	-13,810	-2,470	2,560	-5,330	6,100
Retail	136,961	15,367	-15,453	-2,683	2,687	-5,693	6,377
National	7,680	990	-980	-140	160	-280	320
Care homes	20,787	1,780	-1,790	-310	290	-700	770
TOTAL	382,018	42,067	-42,073	-7,413	7,577	-16,003	18,217

15 Borrowings

As at 30.06.2025 the Group has the following borrowings:

Lender	Country of lender	Loan amount as per agreement	Loan balance as at 30.06.25	Contract term	Loan agreement interest rate as at 30.06.25	Loan collateral	Loan collateral	Loan balance's share of the fund's net asset value
SEB	Estonia	4,800	3,073	30.04.27	3.80%	Mortgage - Premia Külmhoone	6,560	1.3%
Luminor	Estonia	2,633	1,212	25.12.26	4.34%	Mortgage - Võru Rautakesko	2,710	0.5%
SEB	Estonia	2,714	1,929	13.06.26	3.85%	Mortgage - Lauteri 5	5,090	0.8%
SEB	Estonia	9,429	5,895	25.01.27	3.85%	Mortgage - Uku Centre	13,670	2.6%
Swedbank	Estonia	3,711	3,404	25.10.25	3.78%	Mortgage - Rakvere Police and rescue communal building	7,680	1.5%
Swedbank	Estonia	4,153	2,883	30.08.28	3.68%	Mortgage - Pärnu mnt 105	6,340	1.3%
Swedbank	Estonia	8,508	6,839	30.08.26	3.63%	Mortgage - Pärnu mnt 102	11,290	3.0%
SEB	Estonia	21,500	16,194	31.08.27	4.10%	Mortgage - Mustika Centre	38,920	7.1%
Swedbank	Estonia	15,622	11,599	31.05.28	3.58%	Mortgage - Tammsaare tee Rautakesko; Kuuli 10	27,640	5.1%
SEB	Estonia	10,300	7,990	26.06.27	4.11%	Mortgage - Betooni 1a; Betooni 6	19,110	3.5%
Swedbank	Lithuania	4,078	2,892	07.12.25	4.36%	Mortgage - Menulio 11	7,530	1.3%
SEB	Latvia	5,561	4,176	16.04.27	3.84%	Mortgage - RAF Centrs	10,253	1.8%
Swedbank	Latvia	5,850	3,389	31.07.27	3.98%	Mortgage - Terbata office building	8,490	1.5%
SEB	Latvia	14,560	11,199	08.08.29	4.00%	Mortgage - Jurkalne Technology Park	24,180	4.9%
Swedbank	Lithuania	17,116	13,013	13.08.28	4.44%	Mortgage - Saules Miestas shopping centre	39,060	5.7%
SEB	Lithuania	5,500	3,604	28.06.26	3.84%	Mortgage - DSV logistics centre	9,420	1.6%
SEB	Latvia	5,123	3,471	29.06.26	3.89%	Mortgage - DSV logistics centre	8,480	1.5%
SEB	Estonia	7,950	5,227	29.06.26	3.83%	Mortgage - DSV logistics centre	13,330	2.3%
SEB	Lithuania	5,620	3,692	27.10.26	3.89%	Mortgage - L3 office building	10,390	1.6%
SEB	Lithuania	5,200	3,247	21.12.25	4.24%	Mortgage - Ulonu office building	8,700	1.4%
SEB	Lithuania	5,850	4,273	30.05.28	3.93%	Mortgage - Evolution office building	11,380	1.9%
Swedbank	Estonia	3,833	3,526	29.06.27	3.32%	Mortgage - Laagri Selver	8,110	1.5%
SEB	Estonia	1,860	1,124	05.07.27	4.56%	Mortgage - Hortes gardening centre Laagri	3,610	0.5%
LHV	Estonia	1,800	1,488	25.02.29	5.45%	Mortgage - ABC Motors Autokeskus	3,090	0.7%
Swedbank	Latvia	4,000	3,637	05.02.26	4.25%	Mortgage - Piepilsetas logistics centre	8,300	1.6%
Luminor	Latvia	3,905	2,037	29.02.28	4.68%	Mortgage - airBaltic head office	7,820	0.9%
Swedbank	Estonia	3,100	2,604	28.11.25	3.87%	Mortgage - Piritä Pansionaat, EFTEN Real Estate Fund AS guarantee	5,840	1.1%
Swedbank	Estonia	2,250	2,121	25.09.27	3.93%	Mortgage - Valkia Südamekodu	4,350	0.9%
Swedbank	Estonia	3,400	2,750	21.12.28	3.93%	Mortgage - Tartu Südamekodu; EFTEN Real Estate Fund AS guarantee	6,450	1.2%
Šiaulių bankas	Lithuania	6,000	5,028	13.06.26	4.50%	Mortgage - Ramygalos logistics centre	10,840	2.2%
SEB	Lithuania	7,300	5,597	12.08.25	4.17%	Mortgage - Rutkauskos office building	12,850	2.4%
Swedbank	Estonia	4,500	4,399	27.09.29	4.18%	Mortgage - Härgmäe logistics centre	8,880	1.9%
SEB	Estonia	3,000	2,718	27.10.29	3.79%	Mortgage - Paemurru logistics centre; EFTEN Real Estate Fund AS guarantee	5,850	1.2%
Swedbank	Estonia	3,250	0	30.04.30	4.04%	Mortgage - Hiiumä 42; EFTEN Real Estate Fund AS guarantee	4,147	
Total		213,976	156,230				380,360	68.4%

Current borrowings	30.06.2025	31.12.2024
<i>€ thousands</i>		
Repayments of non-current bank loans in the next period ¹	45,473	30,358
Discounted contract fees for bank loans	-55	-58
Total current borrowings	45,418	30,300

¹ Repayments of long-term bank loans in the next period as of 30.06.2025 include the balance of six loan obligations expiring within the next 12 months in the amount of 40,641 thousand euros. The LTV of expiring loan agreements is 37% - 46% and investment properties have a stable rental cash flow, therefore, according to the Group's management, there will be no obstacles to extending loan agreements and the Group's working capital is sufficient to cover short-term liabilities.

Non-current borrowings	30.06.2025	31.12.2024
<i>€ thousands</i>		
Total non-current borrowings	156,106	149,420
incl. current portion of borrowings	45,418	30,300
incl. non-current portion of borrowings, incl	110,688	119,120
Bank loans	110,757	119,194
Discounted contract fees on borrowings	-69	-74

Repayments of borrowings by maturity	30.06.2025	31.12.2024
<i>€ thousands</i>		
Up to 1 year	45,473	30,358
2 - 5 years	110,757	119,194
Total repayments of borrowings	156,230	149,552

	1st half-year	
Cash flows of borrowings	2025	2024
<i>€ thousands</i>		
Balance at the beginning of the period	149,420	147,756
Bank loans received	9,993	4,880
Annuity payments on bank loans	-3,315	-3,264
Change of discounted contract fees	8	4
Balance at the end of the period	156,106	149,376

Additional information on borrowings is also provided in Note 17.

16 Payables and prepayments

Current liabilities and prepayments

	30.06.2025	31.12.2024
€ thousands		
Payables to suppliers from fixed asset transactions (note 14)	695	1,065
Other payables to suppliers	690	621
Total payables to suppliers	1,385	1,686
Other payables	51	74
Total other payables	51	74
Tax liabilities		
VAT	490	551
Corporate income tax	85	1
Personal income tax	7	7
Social tax	6	13
Land tax, property tax	19	88
Other tax liabilities	1	9
Total tax liabilities	608	669
Payables to employees	40	36
Interest liabilities	98	118
Tenants' security deposits	382	452
Other accrued liabilities	127	208
Total accrued liabilities	647	814
Other prepaid income	14	2
Total prepayments	14	2
Total liabilities and prepayments	2,705	3,245

Non-current liabilities

	30.06.2025	31.12.2024
€ thousands		
Tenants' security deposits	2,090	1,928
Total other non-current liabilities	2,090	1,928

For additional information on liabilities, please see Note 17.

17 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. For additional information on the Group's finance costs, please see Note 9.

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	30.06.2025	31.12.2024
€ thousands			
Financial assets – loans and receivables			
Cash and cash equivalents	12	13,449	18,415
Short-term deposits		0	2,092
Trade receivables	13	1,123	1,173
Total financial assets		14,572	21,680
Financial liabilities measured at amortised cost			
Borrowings	15	156,106	149,420
Trade payables	16	1,385	1,686
Tenant security deposits	16	2,472	2,380
Interest liabilities	16	98	118
Accrued expenses	16	167	244
Total financial liabilities measured at amortised cost		160,228	153,848
Financial liabilities at fair value			
Derivative instruments (interest rate swaps)		42	0
Total financial liabilities at fair value		42	0
Total financial liabilities		160,270	153,848

¹Current deposits as of 31.12.2024 are concluded with a maturity of 3 to 6 months and bear interest of 2.8% - 3.7%.

The fair value of the financial assets and financial liabilities presented in the table above, which are recorded at adjusted cost, does not differ materially from their fair value.

The Group's risk management is based on the principle that risks must be taken in a balanced manner, considering the rules established by the Group and implementing risk mitigation measures as appropriate, which achieves the Group's stable profitability and shareholder value growth. When making new investment decisions, the solvency of future customers, the length of lease agreements, the possibility of tenant substitutability and the risks of rising interest rates are carefully assessed. The terms of the financing agreements are adjusted to correspond to the net cash flow of a specific real estate object, which ensures the preservation and growth of sufficient free cash of the Group even after the fulfilment of financial obligations.

The investment of the Group's assets is based on the risk expectations of the Group's investors, therefore excessive risk-taking is unacceptable and appropriate measures must be applied to manage the risks.

The Group considers financial risk to be the risk that arises directly from investing in real estate, including market risk, liquidity risk and credit risk, thereby reducing the company's financial strength or reducing the value of investments.

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 rate 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 a 30.06.2025 all loan agreements of the group have been concluded on a floating interest basis (margin between 1.40% and 3.0% plus 1-month, 3-month and 6-month EURIBOR). All contracts in the loan portfolio of EFTEN Real Estate Fund AS have a 0% limit (floor) set to protect against negative EURIBOR, i.e. in case of negative EURIBOR, the loan margin for these loan obligations does not decrease.

The weighted average interest rate of the group's loans was 3.95% as of 30.06.2025 (31.12.2024: 4.89%).

To hedge interest rate risk, the group's subsidiary entered into an interest rate swap agreement in June 2025. The fair value of the interest rate swap agreement is obtained by discounting the cash flows of the interest rate swap, where incoming and outgoing cash flows are calculated based on EURIBOR market expectations and then discounted using a zero-rate. The group uses information received from the credit institution, acting as the contract partner, to recognize the fair value of the interest rate swap agreement. As a result of entering into this derivative contract, 7.4% of the fund's consolidated loan portfolio will carry a fixed interest rate for the next three years.

					Fair value	
	Country of location	Nominal amount of the contract	Contract term	Fixed interest rate	30.06.2025	31.12.2024
€ thousands						
Swedbank	Estonia	11,599	25.05.2028	1-month EURIBOR at the level of 1.995%	-42	0
Total		11,599			-42	0

The change in EURIBOR has a significant impact on the group's net profit and cash flows. The table below shows the effect of the interest rate change on the group's pre-tax profit and cash flow by EURIBOR levels, taking into account loan balances as of 30.06.2025.

EURIBOR RATE	Impact on pre-tax profits and cash flows per year	Change in interest expense, %
<i>€ thousands</i>		
Interest expense per year, as at the end of the reporting period	-5,695	
Effect of EURIBOR change:		
EURIBOR 1.0%	1,439	-25.3%
EURIBOR 1.5%	727	-12.8%
EURIBOR 2.5%	-696	12.2%
EURIBOR 3.0%	-1,407	24.7%

Liquidity risk

Liquidity risk arises from a potential change in financial position that would reduce the Group's ability to service its liabilities in a timely and correct manner. The Group's liquidity is primarily 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 in such a way that no more than 65% of the acquisition cost of the investment property involves external debt and the Group's debt coverage ratio would be higher than 1.2. As at 30.06.2025, the share of the Group's interest-bearing debt liabilities in rental income generating investment properties was 41% (31.12.2024: 40%) and the average debt coverage ratio (DSCR) for the last 12 months was 1.8 (31.12.2024: 1.7).

The Group's financing policy stipulates that loan agreements to raise borrowed capital are entered into on a long-term basis, taking into account the maximum length of leases encumbering real estate properties. The table below summarizes the timeliness of the Group's financial liabilities (undiscounted cash flows):

As at 30.06.2025	Less than 1 month	Between 2 and 4 months	Between 5 and 12 months	Between 2 and 5 years	Over 5 years	Total
<i>€ thousands</i>						
Interest-bearing liabilities (Note 15)	565	10,536	34,372	110,757	0	156,230
Interest payments	522	1,539	3,634	7,034	0	12,729
Interest liabilities (Note 16)	98	0	0	0	0	98
Trade payables (Note 16)	1,385	0	0	0	0	1,385
Tenant security deposits (Note 16)	42	176	164	1,449	641	2,472
Accrued expenses (Note 16)	167	0	0	0	0	167
Derivative instruments (interest rate swaps)	42	0	0	0	0	42
Total financial liabilities	2,821	12,251	38,170	119,240	641	173,123

Statement of working capital

	30.06.2025	31.12.2024
€ thousands		
Cash and cash equivalents (Note 12)	13,449	18,415
Short-term deposits	0	2,092
Receivables and accrued income (Note 13)	1,671	2,055
Prepaid expenses	137	138
Total current assets	15,257	22,700
Short-term portion of long-term liabilities (Note 15)	-45,418	-30,300
Short-term liabilities and prepayments (Note 16)	-2,747	-3,245
Total current liabilities	-48,165	-33,545
Total working capital	-32,908	-10,845

As of June 30, 2025, the group's working capital is negative, totalling -32,908 thousand euros. This is due to the maturity of eleven loan agreements within the next 12 months, amounting to a total of 40,641 thousand euros. The expiring loan agreements are secured by real estate investments with stable rental cash flow, and therefore, management believes there will be no obstacles to extending loan agreements.

Credit risk

Credit risk is the risk that counterparties will fail to meet their obligations to the Group. The Group is exposed to credit risk due to its business activities (mainly trade receivables) and transactions with financial institutions, including cash in bank accounts and deposits.

The Group's activities to prevent and minimize the decrease in cash flows arising from credit risk are to monitor and direct the payment behaviour of customers on a daily basis, which enables the implementation of operationally necessary measures. Customer agreements also provide for the payment of rent payments at the beginning of the calendar month in most cases, which provides sufficient time to monitor customers' payment discipline and to have sufficient liquidity in cash accounts on the day of the annuity payments of financing agreements. The terms of most leases give rise to an obligation to pay a security deposit, at the expense of which the Group has the right to write off debts arising from the insolvency of the lessee. For some leases, the deposit may be replaced by a bank guarantee.

Group companies generally only enter into lease agreements with counterparties previously recognized as creditworthy. The client's analysis of this is made before concluding the lease agreement.

If it becomes apparent that there is a risk that the lessee will become insolvent, the Group assesses each receivable individually and decides to recognize the receivables as doubtful. In general, receivables that are overdue for more than 180 days are considered unlikely to be collected, unless the Group has sufficient assurance that the receivable will be received or a payment schedule has been agreed for the receivables.

Trade receivables are illustrated by the table below:

	30.06.2025	31.12.2024
Not due	880	1,005
Past due, incl	430	304
Up to 30 days	202	125
30-60 days	29	38
More than 60 days	199	141
Allowance for doubtful accounts	-187	-136
Total trade receivables (Note 13)	1,123	1,173

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

	30.06.2025	31.12.2024
€ thousands		
Cash and cash equivalents (Note 12)	13,449	18,415
Short-term deposits	0	2,092
Trade receivables (Note 13)	1,123	1,173
Total maximum credit risk	14,572	21,680

Capital management

The Group treats borrowings and equity as capital.

The Group's objective in capital management is to secure the Group's ability to continue as a going concern in order to ensure return on investment for its shareholders and to maintain an optimal capital structure.

The Group continues to invest in cash-generating real estate and raises new equity to make investments. The Group's investment policy stipulates that at least 35% of equity will be invested in new investment projects. The required amount of equity is calculated for each investment individually, taking into account the volume and proportion of the net cash flows and loan payments of a specific investment.

After making an investment, the EBITDA of any cash-generating property must not be less than 120% of the loan's annuity payments (including interest expense).

In the first half of 2025, the group has earned a free cash flow (EBITDA minus loan payments and interest costs) of 6,087 thousand euros (2024 first half: 5,341 thousand euros). All loans were serviced as usual, and the fund's subsidiaries did not take payment holidays.

Statement of capitalization

More detailed information on mortgages established as collateral for the obligations provided in the capitalisation report is available in Note 14 of the report.

	30.06.2025	31.12.2024
€ thousands		
Short term liabilities guaranteed with mortgage (Note 15)	45,473	30,358
Unsecured current liabilities	2,692	3,187
Total current liabilities	48,165	33,545
Long term liabilities guaranteed with mortgage (Note 14)	110,757	119,194
Unsecured non-current liabilities	12,029	12,951
Total non-current liabilities	122,786	132,145
Share capital and share premium (Note 18)	204,709	204,709
Reserves	4,156	2,799
Retained earnings (Note 19)	19,701	25,565
Total shareholder's equity	228,566	233,073
Total liabilities and equity	399,517	398,763

Statement of net debt

	30.06.2025	31.12.2024
€ thousands		
Cash (note 12)	13,449	18,415
Short term deposits	0	2,092
Total liquid assets	13,449	20,507
The current portion of non-current borrowings (Note 15)	45,473	30,358
Net current liabilities	32,024	9,851
Non-current borrowings (non-current portion) (Note 15)	110,757	119,194
Total non-current liabilities	110,757	119,194
Total net debt	142,781	129,045

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 30.06.2025 and 31.12.2024 the Group does not have any assets at fair value that would belong to the Level 1 group upon finding the value. All the Group's investment properties are carried at fair value and belong to the Level 3 group according to the valuation method (see Note 14). All the Group's loan liabilities belong to the Level 2 group.

To hedge interest rate risk, the group has entered into an interest rate swap agreement. The fair value of this swap is determined by discounting the cash flows of the interest rate swap, calculating the incoming and outgoing cash flows based on EURIBOR market expectations, and then discounting them using a zero-rate. The group relies on information from the credit institution acting as the contract partner to recognize the fair value of the interest rate swap agreement.

18 Share capital

The registered share capital of EFTEN Real Estate Fund AS as of 30.06.2025 is 114,403 thousand euros (31.12.2024: 114,403 thousand euros). The share capital consisted of 11,440,340 shares (31.12.2024: 11,440,340 shares) with a nominal value of 10 euros (31.12.2024: the same). As of 30.06.2025, EFTEN Real Estate Fund AS has allocated 4,156 thousand euros from retained earnings to reserve capital (31.12.2024: 2,799 thousand euros).

By the resolution of the EFTEN Real Estate Fund AS general meeting held on April 8, 2025, the fund distributed net dividends totalling 12,699 thousand euros (€1.11 per share) and allocated 1,357 thousand euros to reserve capital from retained earnings. Dividend payments were made to shareholders on 30.04.2025.

List of shareholders with a stake of more than 10% in EFTEN Real Estate Fund AS:

Company	As at 30.06.2025	
	Number of shares	Ownership, %
Altiusse KVI OÜ	1,565,503	13.68%
Hoiukonto OÜ	1,287,296	11.25%
REF Aktsiad OÜ	1,258,144	11.00%
LHV Pensonifond L	1,198,848	10.48%

Shares owned by EFTEN Real Estate Fund AS Management or Supervisory Board members, their close relatives, or companies under their control:

Company	As at 30.06.2025	
	Number of shares	Ownership, %
REF Aktsiad OÜ, a company under the significant control of Supervisory Board member Olav Miil	1,258,144	11.00%
Altiusse KVI OÜ, a company under the significant control of Supervisory Board member Arti Arakas	1,565,503	13.68%
EFTEN Capital AS, fund manager	292,688	2.56%
EFTEN United Property Fund, fund manager, managed by EFTEN Capital AS	211,559	1.85%
HTB Investeeringud OÜ, a company under the significant control of Supervisory Board member Siive Penu	198,032	1.73%
Tõnu Uustalu, member of the Management Board	70,500	0.62%
Olav Miil, member of the Supervisory Board	52,649	0.46%
Viljar Arakas, member of the Management Board	2,000	0.02%
Miemma Holding OÜ, a company owned by Viljar Arakas, member of the Management Board	22,606	0.20%
Meeli Leis, a close relative of Tõnu Uustalu, member of the Management Board	2,707	0.02%
Siive Penu, member of the Supervisory Board	1,500	0.01%
Aile Arakas, a close relative of Arti Arakas, member of the Supervisory Board	850	0.01%
Martin Arakas, a close relative of Arti Arakas, member of the Supervisory Board	1,665	0.01%
Lisandra Nirgi, a close relative of Arti Arakas, member of the Supervisory Board	205	0.00%
Oskar Arakas, a close relative of Arti Arakas, member of the Supervisory Board	358	0.00%
Laura Ly Oja, a close relative of Viljar Arakas, member of the Management Board	19	0.00%
Sander Rebane, member of the Supervisory Board	2	0.00%
Sannu Investeeringud OÜ, a company owned by Sander Rebane, member of the Supervisory Board	167	0.00%
Total	3,681,154	32.18%

19 *Contingent liabilities*

	30.06.2025	31.12.2024
€ thousands		
Retained earnings	19,701	25,565
Potential income tax liability	4,334	5,624
Dividends can be paid out	15,367	19,941

The maximum possible income tax liability has been calculated on the assumption that the net dividends to be distributed and the income tax expense related to their payment may not exceed the distributable profit as at 30.06.2025 and 31.12.2024.

20 *Related party transactions*

EFTEN Real Estate Fund AS considers the following as related parties:

- EFTEN Real Estate Fund AS board members and companies owned by board members;
- board members of EFTEN Real Estate Fund AS subsidiaries and companies belonging to the board members;
- members of the Supervisory Board of EFTEN Real Estate Fund AS and companies belonging to the mentioned persons;
- employees of EFTEN Real Estate Fund AS and companies owned by employees;
- Joint venture EFTEN SPV11 OÜ;
- EFTEN Capital AS (Fund Manager).

In the first half of 2025, the group purchased management services from EFTEN Capital AS totalling 1,126 thousand euros (2024: 1,078 thousand euros) and accounting services totalling 118 thousand euros (2024: 101 thousand euros) (see Note 7). EFTEN Real Estate Fund AS did not purchase other goods or services from related parties or sell goods or services to related parties in the first half of 2025 or 2024.

As of 30.06.2025 the Group had a total of 10 employees (30.06.2024: 13 employees), with salaries and associated taxes totalling 221 thousand euros for the first half of 2025 (2024: 239 thousand euros) (see Notes 5, 7). No fees were calculated or paid to the members of the group's management board or supervisory board in the first half of 2025 or 2024. The members of the management board work for EFTEN Capital AS, the company providing management services to the group, and the costs related to the management board members' activities are included in the management service fee.

21 *Provisions*

Pending cases

EFTEN SPV2 OÜ's claim against AS Tallinna Vesi

In 2020, EFTEN SPV2 OÜ filed a claim of 91 thousand euros against AS Tallinna Vesi, based on the fact that AS Tallinna Vesi had unlawfully charged excessively high prices for water from 2011 to 2019 without the approval of the Competition Authority. In April 2024, Harju County Court dismissed the claim, but in April 2025, the Tallinn Circuit Court overturned this decision and referred the case back to the county court for a new hearing. A hearing date has not yet been set. Due to the uncertainty of the claim, the group has not recognized it as a separate provision.

Management Board Declaration for the Consolidated Interim Report of 1st half-year of 2025

The Management Board hereby confirms that the consolidated interim report of EFTEN Real Estate Fund AS for the II quarter and 1st half-year of 2025 has been prepared to the best of the Management Board's knowledge and provides a true and fair view of the assets, liabilities, financial position and profit or loss of EFTEN Real Estate Fund AS and the undertakings included in the consolidation as a whole, in accordance with applicable accounting standards, and that the management report provides a true and fair view of the development and results of the business activities and financial position of EFTEN Real Estate Fund AS and the undertakings included in the consolidation as a whole, and includes a description of the main risks and uncertainties.

/signed digitally/

Viljar Arakas

Member of the Management Board

/signed digitally/

Tõnu Uustalu

Member of the Management Board