

# Interim report for the 1st quarter of 2024

EfTEN Real Estate Fund AS

Commercial register number: 12864036

Beginning of financial period: 01.01.2024

End of financial period: 31.03.2024

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## MANAGEMENT REPORT

### Fund manager's comment

Signs of stabilization in the Eurozone interest markets and Baltic economies were reflected in the consolidated results of EFTEN Real Estate Fund AS for the first quarter of 2024. The fund's net rental income increased by 0.6% on an annual basis, and the vacancy rate in the real estate portfolio remained low at 2.9%. Interest expenses in the first quarter were higher compared to the same period last year but slightly lower than the fourth quarter of 2023. Construction continued on the elderly home being built next to the Estonian National Museum in Tartu. Completion of the works is scheduled for the upcoming summer, and the new elderly home is set to open to clients in the fall.

### Financial overview

The consolidated sales income of EFTEN Real Estate Fund AS for the first quarter of 2024 was 7.961 million euros (2023 I quarter: 7.788 million euros). Sales revenue increased mainly in the retail sector.

The Fund's net rental income (NOI) totalled 7.343 million euros in 2024 I quarter (2023 I quarter: 7.298 million euros). The consolidated net rental income margin was 92% (2023: 94%), so costs directly related to property management (including land tax, insurance, maintenance and improvement costs) and distribution costs were 8% (2023: 6%) of sales income.

The Fund's consolidated net profit was 3.808 million euros in the I quarter of 2024 (2023 I quarter: 4.634 million euros). The decrease in net profit compared to the previous year is due to the increase in EURIBOR.

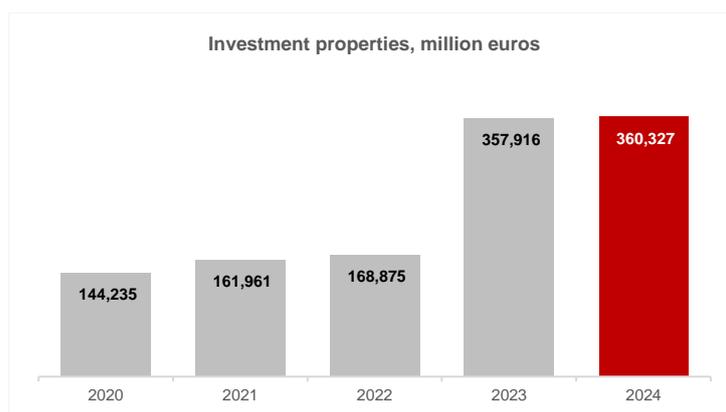
	I quarter	
	2024	2023
€ million		
Rental income, other fees from investment properties	7.961	7.788
Expenses related to investment properties, incl. marketing costs	-0.618	-0.490
<b>Net rental income</b>	<b>7.343</b>	<b>7.298</b>
Net rental income margin	92%	94%
Interest income and expense	-2.134	-1.544
<b>Net rental income less finance costs</b>	<b>5.209</b>	<b>5.754</b>
Management fees	-0.539	-0.536
Other income and expenses	-0.358	-0.321
<b>Profit before change in the value of investment property, fair value change of the interest rate swap and income tax expense</b>	<b>4.312</b>	<b>4.897</b>

The volume of the Group's assets as of 31.03.2024 was 384.846 million euros (31.12.2023: 380.944 million euros), including the fair value of investment properties made up 94% of the volume of assets (31.12.2023: the same).

	31.03.24	31.12.2023 <sup>2</sup>	31.12.2022	31.12.2021	31.12.2020
€ million					
Investment properties	360.327	357.916	168.875	161.961	144.235
Ownership in joint venture	2.028	2.078	0.000	0.000	0.000
Other non-current assets	0.343	0.372	0.179	0.147	0.123
Current assets, excluding cash and cash equivalents	1.880	2.466	1.571	1.219	2.146
Net debt (cash and deposits minus short-term and long-term bank loans)	-128.143	-129.796	-56.730	-58.103	-67.335
Net asset value (NAV) <sup>1</sup>	222.506	218.698	104.264	96.914	71.483
EPRA net asset value (EPRA NAV)	231.061	226.807	111.123	102.708	76.112
Net asset value (NAV) per share, in euros <sup>1</sup>	20.56	20.21	20.55	19.11	16.93
EPRA net asset value (EPRA NRV) per share, in euros	21.36	20.96	21.91	20.25	18.03

<sup>1</sup> The NAV of EFTEN Real Estate Fund AS is equal to the NDV value calculated according to EPRA's recommended guidelines.

<sup>2</sup> The double increase in the volume of assets in 2023 is related to the merger of EFTEN Real Estate Fund AS and EFTEN Kinnisvarafond AS on 01.01.2023 (balance sheet date).



### Investment properties by segment

Segment	31.03.24	31.12.2023	31.12.2022	31.12.2021	31.12.2020
€ million					
Logistics	109.875	109.860	51.300	50.590	39.047
Retail	139.257	138.542	56.820	55.270	51.520
Office building	90.797	90.460	51.801	49.831	47.751
Care homes	13.178	11.834	8.954	6.270	5.917
National	7.220	7.220	0.000	0.000	0.000
<b>Total investment properties</b>	<b>360.327</b>	<b>357.916</b>	<b>168.875</b>	<b>161.961</b>	<b>144.235</b>

### Key yield and liquidity ratios

For 1st quarter	2024	2023
ROE, % (net profit of the period / average equity of the period) * 100	1.7	2.7
ROA, % (net profit of the period / average assets of the period) * 100	1.0	1.6
ROIC, % (net profit of the period / average invested capital of the period) * 100	2.0	2.4
Revenue (€ thousands)	7,961	7,788
Rent income (€ thousands)	7,637	7,499
EBITDA (€ thousands)	6,462	6,458
EBITDA margin, %	81%	83%
EBIT (€ thousands)	6,446	6,441
EPRA's profit (€ thousands)	4,254	4,855
Liquidity ratio (current assets / current liabilities)	2.0	0.5
ICR (EBITDA / interest expenses)	2.9	4.2
DSCR (EBITDA/ (interest expenses + scheduled loan payments)	1.7	1.9

## Investment portfolio

### Main indicators of the investment portfolio

Investment property as of 31.03.2024	Location	Group's ownership	Acquisition cost, € thousands <sup>1</sup>	Fair value, € thousands	Net leasable area	Prognosed rental revenue per annum, € thousands	Direct yield <sup>2</sup>	Primary net yield <sup>3</sup>	Occupancy, %	Average length of rental agreements	Number of tenants
Premia Külmoone	Tallinn	100	6,840	6,530	7,258	515	7.5%	7.9%	100.0	3.2	1
Kuuli 10	Tallinn	100	11,545	11,510	15,197	824	7.1%	7.2%	100.0	6.2	1
Betooni 1a	Tallinn	100	9,190	9,140	10,678	663	7.2%	7.3%	100.0	3.1	1
Betooni 6	Tallinn	100	10,246	9,622	17,220	773	7.5%	8.0%	97.1	2.4	24
Jurkalne Technology Park	Riga	100	24,858	23,447	44,435	2,106	8.5%	9.0%	97.6	8.5	73
DSV logistics centre	Vilnius	100	8,525	9,120	11,751	724	8.5%	7.9%	100.0	2.6	1
DSV logistics centre	Tallinn	100	12,366	13,300	16,014	1,028	8.3%	7.7%	100.0	2.6	1
DSV logistics centre	Riga	100	8,869	8,324	12,149	750	8.5%	9.0%	100.0	5.7	1
Piepilsetas logistics centre	Kekava	100	8,838	8,292	13,389	695	7.9%	8.4%	97.8	2.7	9
Ramygalos logistics centre	Panevėžys	100	10,024	10,590	20,126	831	8.3%	7.8%	100.0	13.1	1
<b>Logistics total</b>			<b>111,301</b>	<b>109,875</b>	<b>168,217</b>	<b>8,909</b>	<b>8.0%</b>	<b>8.1%</b>	<b>98.9</b>	<b>5.6</b>	<b>113</b>
Võru Rautakesko	Võru	100	2,890	2,670	3,120	245	8.5%	9.2%	100.0	4.0	1
Uku Keskus	Viljandi	100	13,597	13,620	8,940	1,072	7.9%	7.9%	100.0	5.4	47
Mustika Keskus	Tallinn	100	37,031	36,831	27,561	2,761	7.5%	7.5%	99.5	3.7	66
RAF Centrs	Jelgava	100	9,280	9,360	6,225	701	7.6%	7.5%	100.0	3.8	40
Tammsaare tee Rautakesko	Tallinn	100	15,700	15,580	9,120	1,246	7.9%	8.0%	100.0	7.9	1
Jelgava development project	Jelgava	100	2,342	2,342					<i>In construction</i>		
Saules Miestas shopping centre	Šiauliai	100	30,791	39,101	20,312	3,228	10.5%	8.3%	97.6	4.6	130
Laagri Selver	Tallinn	100	6,292	7,713	3,059	525	8.3%	6.8%	100.0	4.4	13
Hortes gardening centre	Laagri	100	3,138	3,550	3,470	216	6.9%	6.1%	100.0	8.2	1
Hortes gardening centre	Tallinn	100	5,458	5,340	5,300	358	6.6%	6.7%	100.0	13.6	1
ABC Motors Autokeskus	Tallinn	100	3,482	3,150	2,149	281	8.1%	8.9%	100.0	4.9	1
<b>Retail total</b>			<b>130,001</b>	<b>139,257</b>	<b>89,256</b>	<b>10,633</b>	<b>8.2%</b>	<b>7.6%</b>	<b>99.3</b>	<b>5.0</b>	<b>301</b>
Lauteri 5	Tallinn	100	5,910	5,129	3,825	328	5.5%	6.4%	85.6	1.4	19
Pärnu mnt 105	Tallinn	100	8,104	6,813	4,776	559	6.9%	8.2%	89.9	1.3	32
Pärnu mnt 102	Tallinn	100	16,448	13,266	8,989	950	5.8%	7.2%	89.3	1.1	24
Terbata	Riga	100	9,234	8,297	6,036	678	7.3%	8.2%	100.0	1.8	14
Menulio 11	Vilnius	100	8,128	7,490	5,617	531	6.5%	7.1%	43.3	2.1	15
Ulonu	Vilnius	100	8,405	8,761	5,290	785	9.3%	9.0%	92.2	2.7	13
L3	Vilnius	100	8,879	10,400	6,150	758	8.5%	7.3%	95.9	2.5	32
Evolution	Vilnius	100	10,023	11,131	6,614	863	8.6%	7.8%	78.6	2.0	26
airBaltic	Riia	100	7,112	6,890	6,217	566	8.0%	8.2%	100.0	1.9	1
Rutkauskos	Vilnius	100	11,819	12,620	6,812	939	7.9%	7.4%	100.0	6.5	4
<b>Office total</b>	<b>Büroo</b>		<b>94,062</b>	<b>90,797</b>	<b>60,326</b>	<b>6,957</b>	<b>7.4%</b>	<b>7.7%</b>	<b>88.0</b>	<b>2.5</b>	<b>180</b>
Pirita Pansionaat	Tallinn	100	6,217	5,820	5,983	581	9.3%	10.0%	100.0	6.6	1
Valkla Súdamekodu	Valkla	100	3,887	3,367	4,423	280	7.2%	8.3%	100.0	8.1	1
Tartu Súdamekodu	Tartu	100	3,991	3,991					<i>In construction</i>		1
<b>Care homes total</b>			<b>14,095</b>	<b>13,178</b>	<b>10,406</b>	<b>861</b>	<b>6.1%</b>	<b>6.5%</b>	<b>100.0</b>	<b>7.2</b>	<b>3</b>
Rakvere Police and rescue common building (national)	Rakvere	100	7,360	7,220	5,775	710	9.6%	9.8%	100.0	1.6	1
Hotell Palace (hotels) <sup>4</sup>	Tallinn	50	11,165	9,047	4,874	535	4.8%	5.9%	100.0	6.4	1
<b>Investment portfolio total</b>			<b>367,984</b>	<b>369,374</b>	<b>338,854</b>	<b>28,605</b>	<b>7.8%</b>	<b>7.7%</b>	<b>97.1</b>	<b>4.6</b>	<b>599</b>

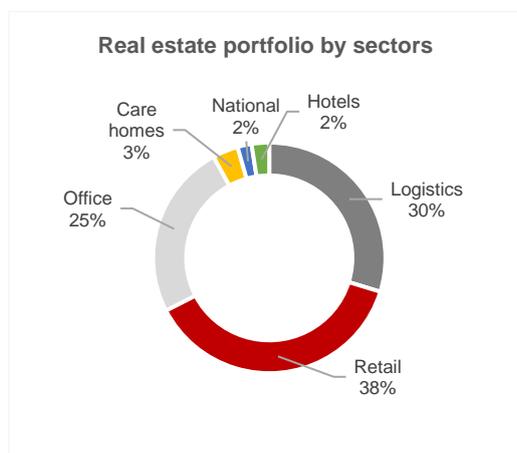
<sup>1</sup> The acquisition cost includes the costs associated with the initial acquisition of the investment property, plus the capital costs incurred later.

<sup>2</sup> To find the direct yield, the net operating income (NOI) is divided by the sum of the acquisition cost of the investment property and subsequent capital expenditures.

<sup>3</sup> To find the primary net yield, the net operating income (NOI) is divided by the market value of the investment property.

<sup>4</sup> Hotel Palace belongs to the Group's joint venture EFTEN SPV11 OÜ. The Group has a 50% stake in the joint venture.

As of the end of March 2024, the Group has 35 (31.12.2023: 35) commercial investment properties, the fair value of which on the balance sheet date is 360.327 million euros (31.12.2023: 357.916 million euros) and the acquisition cost was 356.819 million euros (31.12.2023: 354.408 million euros). In addition, the group's joint venture owns the Palace hotel in Tallinn, the fair value of which as of 31.03.2024 was 9.0 million euros (31.12.2023: same).



### Rental income

In the first 3 months of 2024, the Group earned a total of 7.637 million euros in rental income, which is 2% more than at the same time in 2023.

### Like-for-like rental income by business segments

€ thousands	I quarter			Change	Change, %
	Fair value as of 31.03.2024	Rental income 2024	Rental income 2023		
Office	90,797	1,884	1,933	-49	-3%
Logistics	109,875	2,356	2,295	61	3%
Retail	136,915	3,006	2,910	96	3%
National	7,220	209	205	4	2%
Care homes	5,820	109	107	2	2%
<b>Total like-for-like assets and rental income</b>	<b>350,627</b>	<b>7,564</b>	<b>7,450</b>	<b>114</b>	<b>2%</b>
Other assets and rental income	9,700	73	49	24	
<b>Total investment portfolio and rental income</b>	<b>360,327</b>	<b>7,637</b>	<b>7,499</b>	<b>138</b>	<b>2%</b>

### Like-for-like rental income by countries

€ thousands	I quarter			Change	Change, %
	Fair value as of 31.03.2024	Rental income 2024	Rental income 2023		
Estonia	176,804	3,703	3,650	53	1%
Latvia	64,610	1,503	1,437	66	5%
Lithuania	109,213	2,358	2,363	-5	0%
<b>Total like-for-like assets and rental income</b>	<b>350,627</b>	<b>7,564</b>	<b>7,450</b>	<b>114</b>	<b>2%</b>
Other assets and rental income	9,700	73	49	24	
<b>Total investment portfolio and rental income</b>	<b>360,327</b>	<b>7,637</b>	<b>7,499</b>	<b>138</b>	<b>2%</b>

As of 31.03.2024 the vacancy of investment properties belonging to the Group per portfolio was 2.9% (31.12.2023: 2.6%). The largest vacancy is in the office buildings segment (12%), where it takes longer than before to fill vacant rental premises.

**The largest tenants of EFTEN Real Estate Fund AS as of 31.03.2024**

Tenant	Share of total rental income
Kesko Senukai Estonia AS	5.7%
Livonia Print SIA	5.6%
Prisma Peremarket AS	5.1%
DSV Estonia AS	3.6%
Logistika Pluss OÜ	3.0%
Adax UAB	2.9%
Riigi Kinnisvara Aktsiaselts	2.8%
DHL Logistics Estonia OÜ	2.5%
DSV Latvia SIA	2.5%
DSV Lithuania, UAB	2.5%
Atea, UAB	2.4%
Air Baltic Corporation AS	2.1%
Premia Tallinna Külmuhoone AS	1.9%
Rimi Lietuva, UAB	1.8%
Hortes AS	1.7%
Südamekodud AS	1.5%
Selver AS	1.2%
Kinnisvarahalduse AS	1.1%
Others	50.1%

**EPRA performance indicators****EPRA performance indicators**

As of the balance sheet date or for the quarter	31.03.2024	31.03.2023
EPRA profit, € thousands	4,254	4,855
EPRA profit per share, in euros	0.39	0.45
EPRA NRV (net reinstatement value), € thousands	231,061	241,884
EPRA NRV per share, in euros	21.36	22.36
EPRA NDV (net disposal value), € thousand	222,506	234,804
EPRA NDV per share, in euros	20.56	21.70
EPRA LTV	36.3%	34.4%
EPRA cost ratio, including direct vacancy costs	16%	14%
EPRA cost ratio, excluding direct costs related to vacancy	15%	14%
EPRA vacancy ratio	3.3%	1.4%

**EPRA indicator calculations****EPRA net asset value indicators**

As at 31.03.2024

€ thousands	EPRA NRV	EPRA NTA	EPRA NDV
Net asset value calculated in accordance with IFRS	222,506	222,506	222,506
Adjustments:			
Deferred income tax liability related to the change in the fair value of investment property and tax depreciation	8,555	8,555	-
<b>EPRA net asset value</b>	<b>231,061</b>	<b>231,061</b>	<b>222,506</b>
Number of fully diluted shares	10,819,796	10,819,796	10,819,796
<b>EPRA net asset value per unit, in euros</b>	<b>21.36</b>	<b>21.36</b>	<b>20.56</b>

**As at 31.03.2023**

€ thousands	EPRA NRV	EPRA NTA	EPRA NDV
Net asset value calculated in accordance with IFRS	234,804	234,804	234,804
Adjustments:			
Deferred income tax liability related to the change in the fair value of investment property and tax depreciation	7,133	7,133	-
Fair value of derivatives	-53	-53	-
<b>EPRA net asset value</b>	<b>241,884</b>	<b>241,884</b>	<b>234,804</b>
Number of fully diluted shares	5,072,535	5,072,535	5,072,535
<b>EPRA net asset value per unit, in euros</b>	<b>22.36</b>	<b>22.36</b>	<b>21.70</b>

**EPRA profit**

€ thousands	I quarter	
	2024	2023
Net profit (IFRS)	3,808	4,634
Adjustments:		
Deferred income tax expense related to EPRA adjustments	446	221
<b>EPRA profit</b>	<b>4,254</b>	<b>4,855</b>
Weighted average number of shares during the period	10,819,796	10,819,796
<b>EPRA earnings per share, in euros</b>	<b>0.39</b>	<b>0.45</b>

**EPRA vacancy rate**

€ thousands	I quarter	
	2024	2023
Estimated rental income from vacant premises	1,028	423
Estimated rental income for the entire investment portfolio	31,574	30,435
<b>EPRA vacancy rate</b>	<b>3.3%</b>	<b>1.4%</b>

**EPRA cost ratios**

€ thousands	I quarter	
	2024	2023
Cost of sales	-418	-394
Other sales revenue paid by tenants to cover expenses	324	289
Marketing costs	-200	-96
Operating costs	-939	-867
<b>Total costs, including direct costs related to the vacancy</b>	<b>-1,233</b>	<b>-1,068</b>
Direct vacancy costs	-123	-40
<b>Total costs excluding direct costs related to the vacancy</b>	<b>-1,110</b>	<b>-1,028</b>
Rental income (gross)	7,637	7,499
<b>EPRA cost ratio, including direct vacancy costs</b>	<b>16%</b>	<b>14%</b>
<b>EPRA cost ratio, excluding direct costs related to vacancy</b>	<b>15%</b>	<b>14%</b>

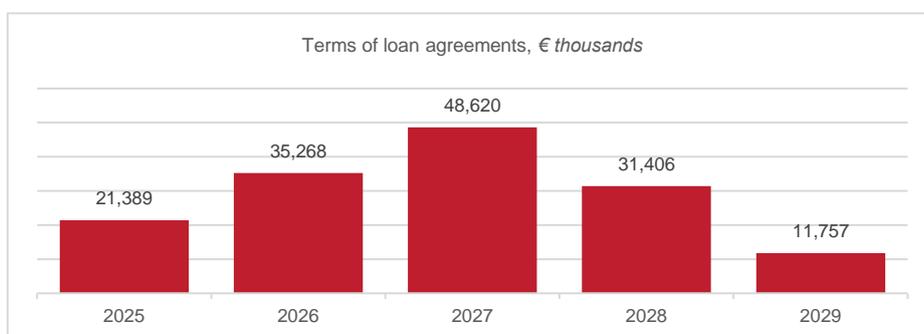
## Financing

The increase in Eurozone interest rates has had a significant impact on the Group's cash flows, bringing the interest coverage ratio (ICR) to a lower level compared to last year

	I quarter	
ICR	2024	2023
EBITDA	6,462	6,458
Interest expense	-2,235	-1,550
<b>ICR</b>	<b>2.9</b>	<b>4.2</b>

During the first 3 months of 2024, the fund's subsidiaries EFTEN Autokeskus OÜ and EFTEN Jurkalne SIA extended their loan agreements. Within the next 12 months, the loan agreement of one of the Group's subsidiaries will expire, the balance of which is 2,240 thousand euros as of 31.03.2024. The LTV of the expiring loan agreement is 33%, and the investment properties a stable, strong rental cash flow, so according to the group's management, there are no obstacles to extending the loan agreement.

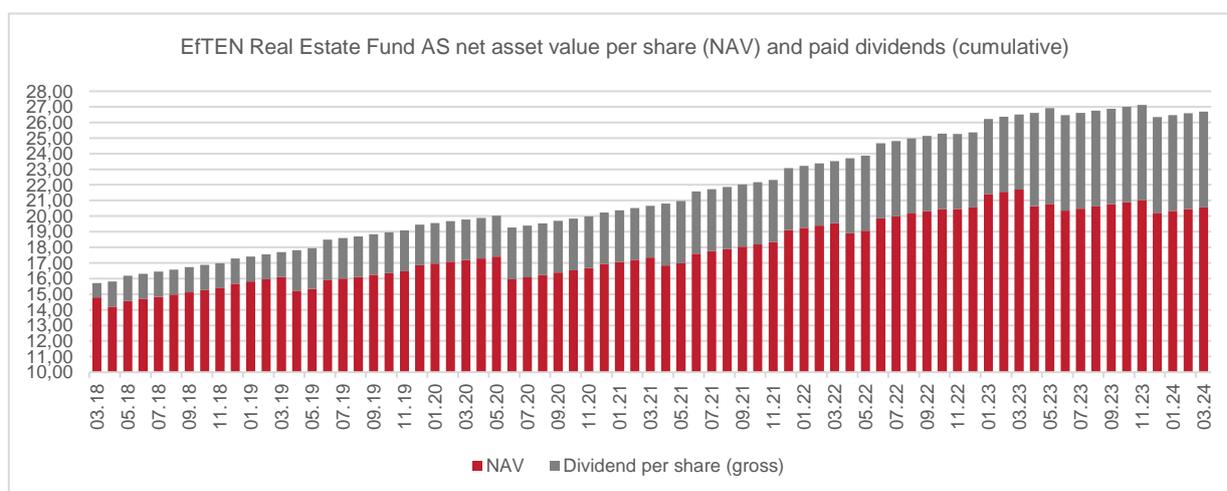
The weighted average interest rate of the Group's loan agreements is 5.9% as of 31.03.2024 (31.12.2023: the same) and the LTV (Loan to Value) is 42% (31.12.2023: the same). All loan agreements of the Fund's subsidiaries are linked to a floating interest rate.



## Share information

The registered share capital of EFTEN Real Estate Fund AS as of 31.03.2024 is 108,198 thousand euros (31.12.2023: the same). The share capital consisted of 10,819,796 shares (31.12.2023: the same) with a nominal value of 10 euros (31.12.2023: the same).

The net value of the share of EFTEN Real Estate Fund AS as of 31.03.2024 was 20.56 euros (31.12.2023: 20.21 euros). The net value of EFTEN Real Estate Fund AS shares increased by 1.7% in the first three months of 2024.



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

**Shareholder statistics**

	31.03.2024	31.12.2023
Shareholder statistics	6,836	6,794
Number of represented countries	14	13
Share of Estonian residents in share capital	96.35%	96.35%
Share of legal entities in share capital	79.08%	86.13%
Share of private individuals in share capital	20.92%	13.87%

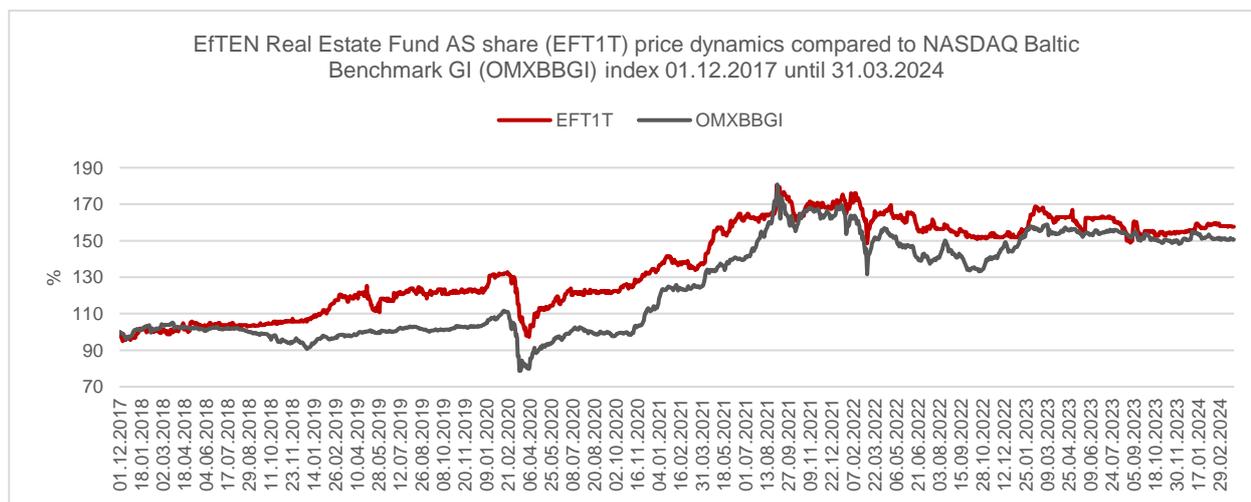
As of 31.03.2024, members of the fund's council and management board and their related persons owned 26.62% of the shares.

**Shareholders by geographical areas**

Proportion	31.03.2024	31.12.2023
Estonia	96.35%	96.35%
Lithuania	2.05%	2.05%
Switzerland	1.35%	1.35%
United States of America	0.19%	0.19%
Latvia	0.04%	0.04%
Finland	0.01%	0.01%
Other	0.01%	0.01%

**The largest shareholders as of 31.03.2024**

	Number of shares	Share
LHV Pensionifond L	1,210,475	11.2%
REF Aktsiad OÜ	1,151,700	10.6%
Altiuse KVI OÜ	1,092,845	10.1%
Vello Kunman	632,148	5.8%
Ivard OÜ	433,158	4.0%
Hoiukonto OÜ	359,370	3.3%
AR Holdings OÜ	352,053	3.3%
EFTEN Capital AS	292,688	2.7%
Eggera OÜ	276,209	2.6%
EFTEN United Property Fund	218,759	2.0%



EFT1T share statistics	I quarter	
	2024	2023
Opening price	18.90	19.8
Closing price	19.25	21.1
Minimum share price	18.65	19.5
Maximum share price	19.55	22.1
Volume of traded shares, thousands	37	59
Volume, € million	0.713	1.20
Market capitalization as at 31.03, € million	208.281	228.298
Profit per share, €	0.35	0.43
Net accounting value of the share	20.56	20.21
EPRA net value of the share	21.36	20.96
P/B (closing price / equity per share)	0.94	1.04
P/B EPRA (closing price / EPRA equity per share)	0.90	1.01

## INTERIM FINANCIAL STATEMENTS OF THE CONSOLIDATION GROUP

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	I quarter	
		2024	2023
<i>€ thousands</i>			
Sales income	3,4	7,961	7,788
Cost of services sold	5	-418	-394
<b>Gross profit</b>		<b>7,543</b>	<b>7,394</b>
Marketing costs	6	-200	-96
General and administrative expenses	7	-939	-867
Other operating income and expense		42	10
<b>Operating profit</b>	3	<b>6,446</b>	<b>6,441</b>
Profit / loss from joint ventures	2	-50	-9
Interest income		101	6
Other finance income and expense	8	-2,235	-1,550
<b>Profit before income tax</b>		<b>4,262</b>	<b>4,888</b>
Income tax expense	9	-454	-254
<b>Net profit for the financial year</b>		<b>3,808</b>	<b>4,634</b>
<b>Total comprehensive income for the period</b>	3	<b>3,808</b>	<b>4,634</b>
Earnings per share	10		
- basic		0.35	0.43
- diluted		0.35	0.43

The notes on pages 16 to 34 form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31.03.2024	31.12.2023
<i>€ thousands</i>			
<b>ASSETS</b>			
Cash and cash equivalents	11	16,868	14,712
Short-term deposits	16	3,400	3,400
Receivables and accrued income	12	1,741	2,360
Prepaid expenses		139	106
<b>Total current assets</b>		<b>22,148</b>	<b>20,578</b>
Long-term receivables		199	214
Shares in joint ventures	2	2,028	2,078
Investment property	3,13	360,327	357,916
Property, plant and equipment		144	158
<b>Total non-current assets</b>		<b>362,698</b>	<b>360,366</b>
<b>TOTAL ASSETS</b>		<b>384,846</b>	<b>380,944</b>
<b>LIABILITIES AND EQUITY</b>			
Borrowings	14	8,604	16,907
Liabilities and prepayments	15	2,529	3,417
<b>Total current liabilities</b>		<b>11,133</b>	<b>20,324</b>
Borrowings	14	139,644	130,849
Other long-term liabilities	15	1,834	1,790
Deferred income tax liability	9	9,729	9,283
<b>Total non-current liabilities</b>		<b>151,207</b>	<b>141,922</b>
<b>TOTAL LIABILITIES</b>		<b>162,340</b>	<b>162,246</b>
Share capital	17	108,198	108,198
Share premium	17	84,721	84,721
Statutory reserve capital		2,749	2,749
Retained earnings	18	26,838	23,030
<b>TOTAL EQUITY</b>		<b>222,506</b>	<b>218,698</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>384,846</b>	<b>380,944</b>

The notes on pages 16 to 34 form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	1 quarter	
		2024	2023
<i>€ thousands</i>			
<b>Net profit</b>		<b>3,808</b>	<b>4,634</b>
Adjustments of net profit:			
Profit / loss from joint ventures using the equity method	2	50	9
Income on interest		-101	-6
Finance income and expense	8	2,235	1,550
Depreciation and impairment losses	5,7	16	17
Income tax expense	9	454	254
<b>Total adjustments with non-cash changes</b>		<b>2,654</b>	<b>1,824</b>
<b>Total cash flows from operations before changes in working capital</b>		<b>6,462</b>	<b>6,458</b>
Change in receivables and prepayments related to operating activities		655	10
Change in payables related to operating activities		-412	-59
<b>Total cash flows from operating activities</b>		<b>6,705</b>	<b>6,409</b>
Purchase of property, plant and equipment		-2	0
Purchase of investment property	13	-2,907	-1,029
Cash from the merger		0	11,621
Interest received		62	2
<b>Total cash flows from investing activities</b>		<b>-2,847</b>	<b>10,594</b>
Loans received	14	2,102	286
Loan repayments scheduled	14	-1,598	-1,861
Interest paid		-2,206	-1,588
Income tax on dividends paid		0	-5
<b>Total cash flows from financing activities</b>		<b>-1,702</b>	<b>-3,168</b>
<b>TOTAL CASH FLOW</b>		<b>2,156</b>	<b>13,835</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>14,712</b>	<b>11,331</b>
Change in cash and cash equivalents		2,156	13,835
<b>Cash and cash equivalents at the end of the period</b>	11	<b>16,868</b>	<b>25,166</b>

The notes on pages 16 to 34 form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Statutory reserve capital	Retained earnings	Total
<i>€ thousands</i>					
<b>Balance as at 31.12.2022</b>	<b>50,725</b>	<b>16,288</b>	<b>2,149</b>	<b>35,102</b>	<b>104,264</b>
Issue of shares	57,473	68,433	0	0	125,906
<b>Total transactions with owners</b>	<b>57,473</b>	<b>68,433</b>	<b>0</b>	<b>0</b>	<b>125,906</b>
Net profit for the financial period	0	0	0	4,634	4,634
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,634</b>	<b>4,634</b>
<b>Balance as at 31.03.2023</b>	<b>108,198</b>	<b>84,721</b>	<b>2,149</b>	<b>39,736</b>	<b>234,804</b>
<b>Balance as at 31.12.2023</b>	<b>108,198</b>	<b>84,721</b>	<b>2,749</b>	<b>23,030</b>	<b>218,698</b>
Net profit for the financial period	0	0	0	3,808	3,808
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,808</b>	<b>3,808</b>
<b>Balance as at 31.03.2024</b>	<b>108,198</b>	<b>84,721</b>	<b>2,749</b>	<b>26,838</b>	<b>222,506</b>

Additional information on share capital is provided in Note 17.

The notes on pages 16 to 34 form an integral part of these financial statements.

## 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 (Parent company) is a company registered in Estonia and operating in Estonia

EFTEN Real Estate Fund AS Group's structure as of 31.03.2023 is as follows (see also Note 2):

EFTEN REAL ESTATE FUND AS					
	OFFICE	LOGISTICS	RETAIL	CARE HOMES	OTHER
EESTI	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 Keskus, Viijandi</i>	EFTEN Valkla OÜ <i>Valkla Südamekodu</i>	EFTEN SPV11 OÜ (ühisettevõtte 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 Keskus, Tallinn</i>	EFTEN Ermi OÜ <i>Tartu Südamekodu (in construction)</i>	
		EFTEN Tännassilma OÜ <i>DSV logistics centre, Tallinn</i>	EFTEN SPV12 OÜ <i>Tammsaare tee Rautakesko, Tallinn</i>		
			EFTEN Laagri OÜ <i>Laagri Selver, Tallinn</i>		
			EFTEN Seljaku OÜ <i>Hortes gardening centre, Laagri</i>		
			EFTEN Tähesaju tee OÜ <i>Hortes gardening centre, Tallinn</i>		
			EFTEN Autokeskus OÜ <i>ABC Motors Autokeskus, Tallinn</i>		
LÄTI	EFTEN Terbata SIA <i>Terbata office building, Riia</i>	EFTEN Jurkalne SIA <i>Jurkalne Technology Park, Riia</i>	EFTEN Jelgava SIA <i>RAF Centrs, Jelgava</i>		EFTEN ABC SIA
	EFTEN Riga Airport SIA <i>airBaltic head office, Riia</i>	EFTEN Krustpils SIA <i>DSV logistics centre, Riia</i>			Auras Centrs SIA <i>Jelgava arendusprojekt (in development)</i>
		EFTEN Piepilsetas SIA <i>Piepilsetas logistics centre, Kekava</i>			
LEEDU	Verkių projektas UAB <i>Ulonu office building, Vilnius</i>	EFTEN Stasyļu 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 Rutkausko UAB <i>Rutkausko 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). These consolidated interim financial statements have been prepared in accordance with International Accounting Standard IAS 34: Interim Financial Reporting. The interim report has been prepared using the same accounting methods as in the annual report for the year ended 31.12.2023. The interim report should be read in conjunction with the Group's most recently published annual report for 2023, 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 first quarter of 2024 correctly and fairly reflects the financial results of the Group in accordance with the principle of continuity. These interim reports have not been audited or otherwise audited by auditors and include only the consolidated financial statements of the Group. The reporting currency is the

euro. The consolidated interim financial statements are presented in thousands of euros and all figures are rounded to the nearest thousand, unless otherwise stated.

## 2 Subsidiaries and joint ventures

As of 31.03.2024, EFTEN Real Estate Fund AS owns the following subsidiaries:

Company name	Country of domicile	Investment property	Equity, € thousands		Group's ownership, %	
			31.03.2024	31.12.2023	31.03.2024	31.12.2023
<b>Parent company</b>						
EFTEN Real Estate Fund AS	Estonia					
<b>Subsidiaries</b>						
Saules Miestas UAB	Lithuania	Saules Miestas shopping centre, Šiauliai	25,049	23,888	100	100
Verkiu Projektas UAB	Lithuania	Ulonu office building, Vilnius	4,447	4,147	100	100
EFTEN Stasyļu UAB	Lithuania	DSV logistics centre, Vilnius	5,071	4,960	100	100
EFTEN Tānassilma OÜ	Estonia	DSV logistics centre, Tallinn	8,438	8,164	100	100
EFTEN Krustpils SIA	Latvia	DSV logistics centre, Riga	3,137	3,060	100	100
EFTEN Laisves UAB	Lithuania	L3 office building, Vilnius	6,024	5,727	100	100
EFTEN Laagri OÜ	Estonia	Laagri Selver, Tallinn	4,272	4,204	100	100
EFTEN Seljaku OÜ	Estonia	Hortes gardening centre, Laagri	2,476	2,437	100	100
EFTEN Evolution UAB	Lithuania	Evolution office building, Vilnius	6,139	6,023	100	100
EFTEN Tāhesaju tee OÜ	Estonia	Hortes gardening centre, Tallinn	2,540	2,504	100	100
EFTEN Autokeskus OÜ	Estonia	ABC Motors Autokeskus, Tallinn	1,847	1,808	100	100
EFTEN Rīga Airport SIA	Latvia	airBaltic head office, Riga	4,993	4,929	100	100
EFTEN Piepilsetas SIA	Latvia	Piepilsetas logistics centre, Kekava	3,788	3,788	100	100
EFTEN Rutkauskos UAB	Lithuania	Rutkauskos office building, Vilnius	6,398	6,286	100	100
EFTEN Pīrita OÜ	Estonia	Pīrita Pansionaat, Tallinn	3,435	3,388	100	100
EFTEN Ramygalos UAB	Lithuania	Ramygalos logistics centre, Panevėžys	5,279	5,190	100	100
EFTEN Valkla OÜ	Estonia	Valkla Sūdamekodu, Valkla	1,692	1,659	100	100
EFTEN Ermi OÜ	Estonia	Tartu Sūdamekodu, Tartu (in construction)	186	219	100	100
EFTEN ABC SIA	Latvia	-	3	3	100	100
EFTEN SPV2 OÜ	Estonia	Lauteri 5, Tallinn	3,425	2,915	100	100
EFTEN SPV3 OÜ	Estonia	Uku Keskus, Viljandi	7,781	7,401	100	100
EFTEN SPV4 OÜ	Estonia	Rakvere Police and rescue communal building	4,277	3,707	100	100
EFTEN SPV5 OÜ	Estonia	Pärnu mnt 105, Tallinn	3,200	3,168	100	100
EFTEN SPV6 OÜ	Estonia	Pärnu mnt 102, Tallinn	6,434	5,590	100	100
EFTEN SPV7 OÜ	Estonia	Mustika Keskus, Tallinn	23,811	22,343	100	100
EFTEN SPV8 OÜ (subsidiary of EFTEN SPV7 OÜ)	Estonia	Mustika Keskus, Tallinn	10,594	8,867	100	100
EFTEN SPV12 OÜ	Estonia	Tammsaare tee Rautakesko, Tallinn; Kuuli 10, Tallinn	17,185	15,846	100	100
EFTEN SPV14 OÜ	Estonia	Võru Rautakesko	1,829	1,866	100	100
EFTEN SPV15 OÜ	Estonia	Premia Külmhoone, Tallinn	3,694	3,488	100	100
EFTEN SPV17 OÜ	Estonia	Betooni 1a, Tallinn, Betooni 6, Tallinn	11,007	10,558	100	100
EFTEN Jelgava SIA	Latvia	RAF Centrs, Jelgava	5,337	5,105	100	100
EFTEN Jurkalne SIA	Latvia	Jurkalne Technology Park, Riga	15,295	14,707	100	100
EFTEN Terbata SIA	Latvia	Terbata office building, Riga	4,493	4,613	100	100
Auras Centrs SIA	Latvia	Jelgava development project, Jelgava ((in development))	1,583	1,604	100	100
EFTEN Menulio UAB	Lithuania	Menulio 11, Vilnius	3,884	3,519	100	100
<b>Joint ventures</b>						
EFTEN SPV11 OÜ	Estonia	Hotell Palace, Tallinn	2,028	2 078	50	50

All subsidiaries and joint ventures are engaged in the acquisition and leasing of investment property. The 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 Palace hotel building in Tallinn. The main financial indicators of the joint venture are presented in the table below:

EFTEN SPV11 OÜ	31.03.2024	31.12.2023
<i>€ thousands</i>		
Cash and cash equivalents	2	55
Other current assets	33	34
<b>Total current assets</b>	<b>35</b>	<b>89</b>
Investment properties	9,047	9,040
Shares in joint ventures	47	133
<b>Total non-current assets</b>	<b>9,094</b>	<b>9,173</b>
<b>TOTAL ASSETS</b>	<b>9,129</b>	<b>9,262</b>
Current borrowings	5,049	5,077
Other current liabilities	24	29
<b>Total current liabilities</b>	<b>5,073</b>	<b>5,106</b>
<b>TOTAL LIABILITIES</b>	<b>5,073</b>	<b>5,106</b>
<b>NET ASSETS</b>	<b>4,056</b>	<b>4,156</b>

	I quarter	
	2024	2023
Revenue	17	66
<b>Net loss</b>	<b>-100</b>	<b>-18</b>

In the first quarter of 2024, there have been the following changes to the investment in joint ventures:

	I quarter	
	2024	2023
<b>Book value at the beginning of the period</b>	<b>2,078</b>	<b>2,577</b>
Loss from joint ventures	-50	-9
<b>Book value at the end of the period</b>	<b>2,028</b>	<b>2,568</b>

### 3 Segment reporting

#### SEGMENT RESULTS

I quarter	Office		Logistics		Retail		Care homes		National		Nonallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
€ thousands														
<b>Revenue (note 4), incl</b>	<b>1,891</b>	<b>1,951</b>	<b>2,405</b>	<b>2,366</b>	<b>3,267</b>	<b>3,110</b>	<b>189</b>	<b>156</b>	<b>209</b>	<b>205</b>	<b>0</b>	<b>0</b>	<b>7,961</b>	<b>7,788</b>
Estonia	496	524	1,030	990	1,902	1,863	189	156	209	205	0	0	3,826	3,738
Latvia	320	290	973	985	257	232	0	0	0	0	0	0	1,550	1,507
Lithuania	1,075	1,137	402	391	1,108	1,015	0	0	0	0	0	0	2,585	2,543
<b>Net rental income, incl.</b>	<b>1,751</b>	<b>1,835</b>	<b>2,221</b>	<b>2,296</b>	<b>3,010</b>	<b>2,840</b>	<b>188</b>	<b>154</b>	<b>173</b>	<b>172</b>	<b>0</b>	<b>0</b>	<b>7,343</b>	<b>7,297</b>
Estonia	429	443	1,005	966	1,797	1,757	188	154	173	172	0	0	3,592	3,492
Latvia	290	275	814	939	209	189	0	0	0	0	0	0	1,313	1,403
Lithuania	1,032	1,117	402	391	1,004	894	0	0	0	0	0	0	2,438	2,402
<b>Operating profit, incl.</b>	<b>1,578</b>	<b>1,649</b>	<b>2,006</b>	<b>2,088</b>	<b>2,655</b>	<b>2,512</b>	<b>147</b>	<b>122</b>	<b>168</b>	<b>170</b>	<b>-108</b>	<b>-100</b>	<b>6,446</b>	<b>6,441</b>
Estonia	380	410	925	894	1,590	1,590	147	122	168	170	-108	-100	3,102	3,086
Latvia	242	225	716	840	183	159	0	0	0	0	0	0	1,141	1,224
Lithuania	956	1,014	365	354	882	763	0	0	0	0	0	0	2,203	2,131
<b>EBITDA, incl.</b>	<b>1,579</b>	<b>1,650</b>	<b>2,006</b>	<b>2,088</b>	<b>2,670</b>	<b>2,528</b>	<b>147</b>	<b>122</b>	<b>168</b>	<b>170</b>	<b>-108</b>	<b>-100</b>	<b>6,462</b>	<b>6,458</b>
Estonia	381	410	925	894	1,596	1,595	147	122	168	170	-108	-100	3,109	3,091
Latvia	242	225	716	840	184	159	0	0	0	0	0	0	1,142	1,224
Lithuania	956	1,015	365	354	890	774	0	0	0	0	0	0	2,211	2,143
<b>Operating profit</b>													<b>6,446</b>	<b>6,441</b>
Loss from joint venture (note 2, 8)													-50	-9
Net financial expense													-2,134	-1,544
<b>Profit before income tax</b>													<b>4,262</b>	<b>4,888</b>
Income tax expense (note 9)													-454	-254
<b>NET PROFIT FOR THE REPORTING PERIOD</b>													<b>3,808</b>	<b>4,634</b>

#### SEGMENT ASSETS

As of 31 March	Office		Logistics		Retail		Care homes		National		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
€ thousands												
<b>Investment property</b>												
Estonia	25,208	30,102	50,102	50,360	88,454	89,692	13,178	9,370	7,220	7,360	184,162	186,884
Latvia	15,187	15,894	40,063	41,886	11,702	11,622	0	0	0	0	66,952	69,402
Lithuania	50,402	53,016	19,710	20,132	39,101	36,543	0	0	0	0	109,213	109,691
<b>Total investment property (note 14)</b>	<b>90,797</b>	<b>99,012</b>	<b>109,875</b>	<b>112,378</b>	<b>139,257</b>	<b>137,857</b>	<b>13,178</b>	<b>9,370</b>	<b>7,220</b>	<b>7,360</b>	<b>360,327</b>	<b>365,977</b>
Joint ventures (note 2)											2,028	2,568
Other non-current assets											343	334
Net debt (liabilities less cash)											-145,472	-136,023
Other current assets											5,280	1,948
<b>NET ASSETS</b>											<b>222,506</b>	<b>234,804</b>

In the first quarter of 2023 ja 2022, the business segments did not make any transactions with each other. The main income of the Group is derived from investment properties located in the same countries as the subsidiary that owns the investment property.

The Group's largest customers are Livonia Print SIA, Kesko Senukai Estonia AS and Prisma Peremarket AS, holding 5.6%, 5.7% ja 5.1% of the Group's consolidated rental income, respectively. The share of income of other tenants in the consolidated income is less than 5%.

#### 4 Revenue

Segments	I quarter	
	2024	2023
€ thousands		
Rental income from office premises (Note 13)	1,884	1,933
Rental income from national institutions (Note 13)	209	205
Rental income from retail premises (Note 13)	3,006	2,910
Rental income from logistics premises (Note 13)	2,356	2,295
Rental income from care home premises (Note 13)	182	156
Other sales revenue	324	289
<b>Total revenue by segments of activity (Note 3)</b>	<b>7,961</b>	<b>7,788</b>

Revenue by geographic areas	I quarter	
	2024	2023
€ thousands		
Estonia	3,827	3,738
Latvia	1,549	1,507
Lithuania	2,585	2,543
<b>Total revenue by geographical area (Note 3)</b>	<b>7,961</b>	<b>7,788</b>

#### 5 Cost of services sold

Cost of services sold	I kvartal	
	2024	2023
€ thousands		
Repair and maintenance of rental premises	-203	-132
Property insurance	-16	-15
Land tax and property tax	-51	-48
Other costs of administrative activities	-22	-61
Utility costs of vacant premises	-66	-39
Depreciation expenses	-5	-6
Improvement costs	-32	-64
Wage costs, including taxes (Note 19)	-5	-11
Proportional costs of VAT	-11	-12
Other selling expenses	0	-5
Allowance for doubtful accounts	-7	-1
<b>Total cost of services sold (Note 13)</b>	<b>-418</b>	<b>-394</b>

## 6 Marketing costs

Marketing costs	I quarter	
	2024	2023
€ thousands		
Commission expenses on rental premises	-57	-1
Advertising, advertising events <sup>1</sup>	-143	-95
<b>Total marketing costs</b>	<b>-200</b>	<b>-96</b>

<sup>1</sup>Expenditure 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 administrative expenses

General administrative expenses	I quarter	
	2024	2023
€ thousands		
Management services (Note 19)	-539	-536
Office expenses	-15	-25
Wages and salaries, incl. taxes (Note 19)	-116	-97
Consulting expenses, legal expenses, accounting service	-130	-83
Audit costs	-78	-64
Regulator costs	-36	-43
Other general administrative expenses	-14	-8
Depreciation costs	-11	-11
<b>Total general administrative expense</b>	<b>-939</b>	<b>-867</b>

## 8 Other financial income and expenses

Other financial income and expenses	I quarter	
	2024	2023
€ thousands		
Interest expenses, incl.	-2,235	-1,550
Interest expenses from loans	-2,235	-1,603
Interest expense from derivatives (-)/ cost reductions (+)	0	53
<b>Total other financial income and expenses (Note 3,16)</b>	<b>-2,235</b>	<b>-1,550</b>

## 9 Income tax

### Income tax expense

	I kvartal	
	2024	2023
€ thousands		
Lithuanian corporate deferred income tax expense	-446	-221
Lithuanian corporate income tax expense on profits	-8	-33
<b>Total income tax expense (Note 3)</b>	<b>-454</b>	<b>-254</b>

### Deferred income tax liability

	Deferred income tax liability related to investment property	Deferred income tax liability in respect of dividends	Total
€ thousands			
<b>Balance as at 31.12.2023</b>	<b>8,109</b>	<b>1,174</b>	<b>9,283</b>
Change in deferred income tax liability in the income statement I quarter of 2024	446	0	446
<b>Balance as at 31.03.2024</b>	<b>8,555</b>	<b>1,174</b>	<b>9,729</b>

## 10 Earnings per share

Earnings per share	I quarter	
	2024	2023
Net profit for the period, € thousands	3,808	4,634
Weighted average number of shares over the period, in pc	10,819,796	10,819,796
Earnings per share, euros	<b>0.35</b>	<b>0.43</b>

## 11 Cash and cash equivalents

	31.03.2024	31.12.2023
€ thousands		
Demand deposits	12,937	9,822
Overnight deposits <sup>1</sup>	3,928	4,890
Cash	3	0
<b>Cash and cash equivalents (Note 16)</b>	<b>16,868</b>	<b>14,712</b>

<sup>1</sup>Term deposits carry interest at a variable rate. As at 31.03.2024 the interest rate was 3.7% per annum.

## 12 Receivables and accrued income

	31.03.2024	31.12.2023
<i>€ thousands</i>		
Accounts receivables		
Trade receivables	1,050	1,637
Allowance for doubtful accounts	-127	-120
<b>Total trade receivables (note 16)</b>	<b>923</b>	<b>1,517</b>
Other short-term receivables	37	26
<b>Total other short-term receivables</b>	<b>37</b>	<b>26</b>
Interests	47	8
Advances and refunds of VAT	131	179
Other accrued income	603	630
<b>Total accrued income</b>	<b>781</b>	<b>817</b>
<b>Total receivables and accrued income (note 16)</b>	<b>1,741</b>	<b>2,360</b>

	31.03.2024	31.12.2023
<i>€ thousands</i>		
Receivables and prepayments related to property development projects	199	214
<b>Total long-term receivables</b>	<b>199</b>	<b>214</b>

Additional information on receivables and accrued income is provided in Note 16

## 13 Investment properties

As at 31.03.2024, the Group has made investments in the following investment properties

Name	Location	Net rental area (m <sup>2</sup> )	Year of construction	Date of acquisition	Acquisition cost	Market value as at 31.03.2024	Increase in value	Share of market value of the Fund's asset
<i>€ thousands</i>								
<b>Office</b>								
Lauteri 5	Tallinn, Estonia	3,825	1958	01.2023	5,910	5,129	-13%	1%
Pärnu mnt 105	Tallinn, Estonia	4,776	1998	01.2023	8,104	6,813	-16%	2%
Pärnu mnt 102	Tallinn, Estonia	8,989	2005	01.2023	16,448	13,266	-19%	3%
Terbata	Riga, Latvia	6,036	2005	01.2023	9,234	8,297	-10%	2%
Menulio 11	Vilnius, Lithuania	5,617	recon. 2011-2013	01.2023	8,128	7,490	-8%	2%
Ulonu	Vilnius, Lithuania	5,290	2012	12.2015	8,405	8,761	4%	2%
L3	Vilnius, Lithuania	6,150	2004	10.2016	8,879	10,400	17%	3%
Evolution	Vilnius, Lithuania	6,614	2009	05.2018	10,023	11,131	11%	3%
airBaltic	Riga, Latvia	6,217	recon. 2016	03.2020	7,112	6,890	-3%	2%
Rutkausko	Vilnius, Lithuania	6,812	2014	08.2020	11,819	12,620	7%	3%
<b>Office total</b>		<b>60,326</b>			<b>94,062</b>	<b>90,797</b>	<b>-3%</b>	<b>24%</b>
<b>Logistics</b>								
Premia Külmhoone	Tallinn, Estonia	7,258	2002/2007	01.2023	6,840	6,530	-5%	2%
Kuuli 10	Tallinn, Estonia	15,197	2006	01.2023	11,545	11,510	0%	3%
Betooni 1a	Tallinn, Estonia	10,678	2008	01.2023	9,190	9,140	-1%	2%
Betooni 6	Tallinn, Estonia	17,220	1998	01.2023	10,246	9,622	-6%	3%
Jurkalne Technology Park	Riga, Latvia	44,435	2002	01.2023	24,858	23,447	-6%	6%
DSV logistics centre	Vilnius, Leedu	11,751	2005	06.2016	8,525	9,120	7%	2%
DSV logistics centre	Tallinn, Estonia	16,014	2003	07.2016	12,366	13,300	8%	3%
DSV logistics centre	Riga, Latvia	12,149	2000	07.2016	8,869	8,324	-6%	2%
Piepilsetas logistics centre	Kekava, Latvia	13,389	2007	03.2020	8,838	8,292	-6%	2%
Ramygalos logistics centre	Panevėžys, Lithuania	20,126	2007	06.2021	10,024	10,590	6%	3%
<b>Logistics total</b>		<b>168,217</b>			<b>111,301</b>	<b>109,875</b>	<b>-1%</b>	<b>29%</b>

Name	Location	Net rental area (m <sup>2</sup> )	Year of construction	Date of acquisition	Acquisition cost	Market value as at 31.03.2024	Increase in value	Share of market value of the Fund's asset
<b>Retail</b>								
Võru Rautakesko	Võru, Estonia	3,120	2008	01.2023	2,890	2,670	-8%	1%
Uku Keskus	Viljandi, Estonia	8,940	2012/2018	01.2023	13,597	13,620	0%	4%
Mustika Keskus	Tallinn, Estonia	27,561	1998/2002	01.2023	37,031	36,831	-1%	10%
RAF Centrs	Jelgava, Latvia	6,225	2014/2017	01.2023	9,280	9,360	1%	2%
Tammsaare tee Rautakesko	Tallinn, Estonia	9,120	2007	01.2023	15,700	15,580	-1%	4%
Jelgava development project	Jelgava, Latvia		In development	01.2023	2,342	2,342	0%	1%
Saules Miestas shopping centre	Šiauliai, Lithuania	20,312	2007	08.2015	30,791	39,101	27%	10%
Laagri Selver	Tallinn, Estonia	3,059	2017	05.2017	6,292	7,713	23%	2%
Hortes gardening centre	Laagri, Estonia	3,470	2006	05.2017	3,138	3,550	13%	1%
Hortes gardening centre	Tallinn, Estonia	5,300	2019	05.2018	5,458	5,340	-2%	1%
ABC Motors Autokeskus	Tallinn, Estonia	2,149	2002	02.2019	3,482	3,150	-10%	1%
<b>Retail total</b>		<b>89,256</b>			<b>130,001</b>	<b>139,257</b>	<b>7%</b>	<b>36%</b>
<b>National</b>								
Rakvere Police and rescue communal building (national)	Rakvere, Estonia	5,775	2010	01.2023	7,360	7,220	-2%	2%
<b>Care homes</b>								
Pirita Pansionaat	Tallinn, Estonia	5,983	2020	12.2020	6,217	5,820	-6%	2%
Valkla Südamekodu	Valkla, Estonia	4,423	2023	04.2022	3,887	3,367	-13%	1%
Tartu Südamekodu	Tartu, Estonia		In construction	04.2022	3,991	3,991	0%	1%
<b>Care homes total</b>		<b>10,406</b>			<b>14,095</b>	<b>13,178</b>	<b>-7%</b>	<b>3%</b>
<b>Total</b>		<b>333,980</b>			<b>356,819</b>	<b>360,327</b>	<b>1%</b>	<b>94%</b>

In addition to the investment properties shown in the above table, the joint venture EFTEN SPV11 OÜ with a 50% shareholding of the Group, owns investment properties at Vabaduse väljak 3 / Pärnu mnt 14, Tallinn (hotel "Palace"). The fair value of the investment property as of 31.03.2024 is 9,047 thousand euros (31.12.2023: 9,040).

In the first quarter of 2024 and 2023 the following changes occurred in the Group's investment properties:

	Investment property under development	Completed investment property	Total investment property
<b>Balance as at 31.12.2022</b>	<b>2,634</b>	<b>166,241</b>	<b>168,875</b>
Acquisitions and developments	417	0	417
Assets obtained in the merger	2,342	193,950	196,292
Capitalized improvements	0	393	393
<b>Balance as at 31.03.2023</b>	<b>5,393</b>	<b>360,584</b>	<b>365,977</b>
<b>Balance as at 31.12.2023</b>	<b>5,016</b>	<b>352,900</b>	<b>357,916</b>
Acquisitions and developments	1,344	0	1,344
Capitalized improvements	0	1,067	1,067
<b>Balance as at 31.03.2024</b>	<b>6,360</b>	<b>353,967</b>	<b>360,327</b>

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 31 March, or per quarter	2024	2023
Rental income from investment properties (Note 4)	7,637	7,499
Costs directly related to the management of investment properties (Note 5)	-418	-394
Outstanding amounts from the acquisition of investment properties (Note 16) <sup>1</sup>	408	168
Book value of investment properties pledged as collateral for loan liabilities	357,985	363,312

<sup>1</sup> As of 31.03.2024, the Group had outstanding payments to suppliers from the acquisition of investment properties in the amount of 408 thousand euros for the construction of Tartu Südamekodu.

### 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, in June and December. The fair value of all real estate investments reflected in the group's reports as of 31.03.2024 has been obtained using the discounted cash flow method. The following assumptions have been used in finding the fair value:

Sector	Fair value	Valuation method	Estimated Rental income per year	Discount rate	Exit yield	Average rental price €/m2
<i>€ thousands</i>						
Office	90,797	Discounted cash flows	7,611	8.3%-9.7%	6.5%-8.25%	11.1
Logistics	109,875	Discounted cash flows	9,762	8.1%-10.7%	7.1%-8.5%	4.7
Retail	139,257	Discounted cash flows	11,768	8.1%-10.5%	6.8%-8.8%	12.0
National	7,220	Discounted cash flows	856	9.5%	8.5%	11.3
Care homes	13,178	Discounted cash flows	907	9.0%-9.5%	7.5%-8.5%	8.6
<b>Total</b>	<b>360,327</b>		<b>30,904</b>			

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.

### 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 31.03.2024 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
<i>€ thousands</i>							
Office	90,797	9,920	-9,930	-1,800	1,840	-4,030	4,630
Logistics	109,875	12,650	-11,820	-2,230	2,300	-4,400	5,880
Retail	139,257	14,990	-14,950	-2,580	2,670	-5,460	6,250
National	7,220	900	-900	-140	140	-270	290
Care homes	13,178	980	-960	-150	180	-380	440
<b>Total</b>	<b>360,327</b>	<b>39,440</b>	<b>-38,560</b>	<b>-6,900</b>	<b>7,130</b>	<b>-14,540</b>	<b>17,490</b>

Level three inputs have been used to determine the fair value of all the Group's investment properties (Note 16).

## 14 Borrowings

As at 31.03.2024, the Group has the following borrowings:

Lender	Country of lender	Loan amount as per agreement	Loan balance as at 31.03.24	Contract term	Interest rate as at 31.03.24	Loan collateral	Value of collateral	Loan balance's share of the fund's net asset value
SEB	Estonia	4,800	3,227	30.04.27	5.70%	Mortgage - Premia Külmhoone	6,530	1.5%
Luminor	Estonia	2,633	1,324	25.12.26	6.30%	Mortgage - Võru Rautakesko	2,670	0.6%
SEB	Estonia	2,514	1,929	13.06.26	5.75%	Mortgage - Lauteri 5	5,129	0.9%
SEB	Estonia	8,429	5,206	25.01.27	5.75%	Mortgage - Uku Keskus	13,620	2.3%
Swedbank	Estonia	3,711	3,544	25.10.25	5.64%	Mortgage - Rakvere Police and rescue communal building	7,220	1.6%
Swedbank	Estonia	4,153	3,040	30.08.28	5.61%	Mortgage - Pärnu mnt 105	6,813	1.4%
Swedbank	Estonia	8,508	7,113	30.08.26	5.56%	Mortgage - Pärnu mnt 102	13,266	3.2%
SEB	Estonia	20,000	15,150	31.08.27	6.05%	Mortgage - Mustika Keskus	36,831	6.8%
Swedbank	Estonia	15,622	12,232	31.05.28	5.44%	Mortgage - Tammsaare tee Rautakesko; Kuuli 10	27,090	5.5%
SEB	Estonia	10,300	8,516	26.06.27	5.85%	Mortgage - Betooni 1a; Betooni 6	18,762	3.8%
Swedbank	Lithuania	4,078	3,229	07.12.25	6.33%	Mortgage - Menulio 11	7,490	1.5%
SEB	Latvia	4,561	3,374	16.04.27	5.73%	Mortgage - RAF Centrs	9,360	1.5%
Swedbank	Latvia	5,850	3,581	31.07.27	5.84%	Mortgage - Terbata office building	8,297	1.6%
SEB	Latvia	13,060	10,235	08.08.29	6.00%	Mortgage - Jurkalne Technology Park	23,447	4.6%
Swedbank	Lithuania	14,135	11,578	13.08.28	6.22%	Mortgage - Saules Miestas shopping centre	39,101	5.2%
SEB	Lithuania	5,500	3,833	28.06.26	5.77%	Mortgage - DSV logistics centre	9,120	1.7%
SEB	Latvia	5,123	3,677	29.06.26	5.78%	Mortgage - DSV logistics centre	8,324	1.7%
SEB	Estonia	7,950	5,559	29.06.26	5.78%	Mortgage - DSV logistics centre	13,300	2.5%
SEB	Lithuania	5,620	3,947	27.10.26	5.82%	Mortgage - L3 office building	10,400	1.8%
SEB	Lithuania	5,200	3,479	21.12.25	6.17%	Mortgage - Ulonu office building	8,761	1.6%
SEB	Lithuania	5,850	4,446	30.05.28	5.86%	Mortgage - Evolution office building	11,131	2.0%
Swedbank	Estonia	3,833	3,670	29.06.27	5.26%	Mortgage - Laagri Selver	7,713	1.6%
SEB	Estonia	1,860	1,240	05.07.27	5.88%	Mortgage - Hortes gardening centre Laagri	3,550	0.6%
Swedbank	Estonia	3,290	2,763	11.01.27	5.82%	Mortgage - Hortes gardening centre Tähesaju	5,340	1.2%
LHV	Estonia	1,800	1,488	25.02.29	6.91%	Mortgage - ABC Motors Autokeskus	3,150	0.7%
Swedbank	Latvia	4,000	2,475	05.02.26	6.12%	Mortgage - Piepilsetas logistics centre	8,292	1.1%
Luminor	Latvia	3,905	2,240	04.02.25	6.65%	Mortgage - airBaltic main building	6,890	1.0%
Swedbank	Estonia	3,100	2,759	28.11.25	5.81%	Mortgage - Pirita Pansionaat, EFTEN Real Estate Fund AS's guarantee	5,820	1.2%
Swedbank	Estonia	2,250	1,619	25.09.27	5.79%	Mortgage - Valkla Südamekodu, EFTEN Real Estate Fund AS's guarantee	3,367	0.7%
Swedbank	Estonia	3,100	513	21.12.28	5.79%	Mortgage - Tartu Südamekodu; EFTEN Real Estate Fund AS guarantee	3,991	0.2%
Šiaulių bankas	Lithuania	6,000	5,342	13.06.26	6.43%	Mortgage - Ramygalos logistics centre	10,590	2.4%
SEB	Lithuania	7,300	6,083	12.08.25	6.10%	Mortgage - Rutkauskos office building	12,620	2.7%
<b>Total</b>		<b>198,035</b>	<b>148,411</b>				<b>357,985</b>	<b>66.7%</b>

In addition to the above, EFTEN Real Estate Fund AS guarantees the loan of the joint venture EFTEN SPV11 OÜ with a 50% stake of the group jointly with another joint venture. The loan has been granted on the security of a investment property located at Vabaduse väljak 3 / Pärnu mnt 14, Tallinn (hotel "Palace") and the balance of the loan as of 31.03.2024 is 5,051 thousand euros (Note 2).

Current borrowings	31.03.2024	31.12.2023
€ thousands		
Repayments of non-current bank loans in the next period <sup>1</sup>	8,662	16,966
Discounted contract fees for bank loans	-58	-59
<b>Total current borrowings</b>	<b>8,604</b>	<b>16,907</b>

<sup>1</sup> Repayments of long-term bank loans in the next period as of 31.03.2024 include the balance of one subsidiary's loan obligation in the amount of 2,240 thousand euros. The LTV of the loan agreement expiring in February 2025 is 33% and the investment properties have a stable and strong rental cash flow, therefore, according to the Group's management, there will be no obstacles to the extension of the loan agreement, and the Group's working capital is sufficient to cover short-term liabilities.

Repayments of long-term bank loans in the following period as of 31.12.2023 included the balance of the loan obligation of two subsidiaries in the amount of 10,825 thousand euros. Both loan agreements have been extended.

<b>Non-current borrowings</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
<i>€ thousands</i>		
Total non-current borrowings	148,248	147,756
incl. current portion of borrowings	8,604	16,907
incl. non-current portion of borrowings, incl.	139,644	130,849
Bank loans	139,749	130,942
Discounted contract fees on borrowings	-105	-93

Borrowings are divided as follows according to repayment date:

<b>Repayments of borrowings by maturity</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
<i>€ thousands</i>		
Up to 1 year	8,662	16,966
2-5 years	139,749	130,942
<b>Total repayments of borrowings</b>	<b>148,411</b>	<b>147,908</b>

<b>Cash flows of borrowings</b>	<b>2024</b>	<b>2023</b>
<i>€ thousands</i>		
<b>Balance at the beginning of the period</b>	<b>147,756</b>	<b>67,975</b>
Bank loans received from merger	0	82,403
Bank loans received	2,102	4,080
Annuity payments on bank loans	-1,598	-6,720
Change of discounted contract fees	-12	18
<b>Balance at the end of the period</b>	<b>148,248</b>	<b>147,756</b>

Additional information on borrowings is also provided in Note 16.

## 15 Payables and prepayments

### Current liabilities and prepayments

	31.03.2024	31.12.2023
<i>€ thousands</i>		
Payables to suppliers from fixed asset transactions (note 13)	408	904
Other payables to suppliers	509	827
<b>Total payables to suppliers</b>	<b>917</b>	<b>1,731</b>
Other payables	87	91
<b>Total other payables</b>	<b>87</b>	<b>91</b>
VAT	473	476
Income tax on dividends	16	14
Personal income tax	5	6
Social tax	10	13
Land tax, property tax	29	84
Other tax liabilities	9	10
<b>Total tax liabilities</b>	<b>542</b>	<b>603</b>
Payables to employees	45	44
Interest liabilities	304	264
Tenants' security deposits	459	363
Other accrued liabilities	165	320
<b>Total accrued liabilities</b>	<b>973</b>	<b>991</b>
<b>Prepayments</b>		
Other prepaid income	10	1
<b>Total prepayments</b>	<b>10</b>	<b>1</b>
<b>Total liabilities and prepayments</b>	<b>2,529</b>	<b>3,417</b>

### Non-current liabilities

	31.03.2024	31.12.2023
<i>€ thousands</i>		
Tenants' security deposits	1,834	1,790
<b>Total other non-current liabilities</b>	<b>1,834</b>	<b>1,790</b>

For additional information on liabilities, please see Note 16

## 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. For additional information on the Group's finance costs, please see Note 8.

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	31.03.2024	31.12.2023
<i>€ thousands</i>			
<b>Financial assets – loans and receivables</b>			
Cash and cash equivalents	11	16,868	14,712
Current deposits <sup>1</sup>		3,400	3,400
Trade receivables	12	923	1,517
<b>Total financial assets</b>		<b>21,191</b>	<b>19,629</b>
<b>Financial liabilities measured at amortised cost</b>			
Borrowings	14	148,248	147,756
Trade payables	15	917	1,731
Tenant security deposits	15	2,293	2,153
Interest liabilities	15	304	264
Accrued expenses	15	210	364
<b>Total financial liabilities measured at amortised cost</b>		<b>151,972</b>	<b>152,268</b>
<b>Total financial liabilities</b>		<b>151,972</b>	<b>152,268</b>

<sup>1</sup> Current deposits are concluded with a maturity of 4 to 6 months and bear interest of 2.3% - 4.5% per year.

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 31.03.2024, 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 5.9% as of 31.03.2024 (31.12.2023: the same).

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 31.03.2024.

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	-8,733	
<b>Effect of EURIBOR change:</b>		
EURIBOR 2,0%	2,772	-31.7%
EURIBOR 3,0%	1,295	-14.8%
EURIBOR 4,0%	-181	2.1%
EURIBOR 5,0%	-1,658	19.0%

### 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 of 31.03.2024, the share of the Group's interest-bearing debt liabilities in rental income generating investment properties was 41% (31.12.2023: 42%) and the average debt coverage ratio (DSCR) for the last 12 months was 1.7 (2023: 1.8).

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 31.03.2024	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 14)	648	1,625	6,390	139,748	0	148,411
Interest payments	835	2,195	5,703	17,276	0	26,009
Interest liabilities	304	0	0	0	0	304
Trade payables (Note 15)	917	0	0	0	0	917
Tenant security deposits (Note 15)	16	155	288	1,320	514	2,293
Accrued expenses (Note 15)	210	0	0	0	0	210
<b>Total financial liabilities</b>	<b>2,930</b>	<b>3,975</b>	<b>12,381</b>	<b>158,344</b>	<b>514</b>	<b>178,144</b>

### Statement of working capital

	31.03.2024	31.12.2023
<i>€ thousands</i>		
Cash and cash equivalents (Note 11)	16,868	14,712
Current deposits	3,400	3,400
Receivables and accrued income (Note 12)	1,741	2,360
Prepaid expenses	139	106
<b>Total current assets</b>	<b>22,148</b>	<b>20,578</b>
Current portion of non-current liabilities (Note 14)	-8,604	-16,907
Current liabilities and prepayments (Note 15)	-2,529	-3,417
<b>Total current liabilities</b>	<b>-11,133</b>	<b>-20,324</b>
<b>Total working capital</b>	<b>11,015</b>	<b>254</b>

## 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 behavior of customers daily, 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:

	31.03.2024	31.12.2023
Not due	621	1,303
<b>Past due, incl.</b>	<b>429</b>	<b>333</b>
Up to 30 days	209	193
30-60 days	56	70
More than 60 days	164	70
Allowance for doubtful accounts	-127	-119
<b>Total trade receivables (Note 12)</b>	<b>923</b>	<b>1,517</b>

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

	31.03.2024	31.12.2023
<i>€ thousands</i>		
Cash and cash equivalents (Note 11)	16,868	14,712
Short-term deposits	3,400	3,400
Trade receivables (Note 12)	923	1,517
<b>Total maximum credit risk</b>	<b>21,191</b>	<b>19,629</b>

## 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 yield 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 real estate 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 quarter of 2024, the group has earned a free cash flow (EBITDA minus loan payments and interest costs) of 2,629 thousand euros (2023 first quarter: 3,047 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 capitalization report is available in Note 13 of the report.

	31.03.2024	31.12.2023
<i>€ thousands</i>		
Current liabilities guaranteed with mortgage (Note 14)	8,662	16,966
Unsecured current liabilities	2,471	3,358
<b>Total current liabilities</b>	<b>11,133</b>	<b>20,324</b>
Non-current liabilities guaranteed with mortgage (Note 14)	139,749	130,942
Unsecured non-current liabilities	11,458	10,980
<b>Total non-current liabilities</b>	<b>151,207</b>	<b>141,922</b>
Share capital and share premium (Note 17)	192,919	192,919
Reserves	2,749	2,749
Retained earnings (Note 18)	26,838	23,030
<b>Total shareholder's equity</b>	<b>222,506</b>	<b>218,698</b>
<b>Total liabilities and equity</b>	<b>384,846</b>	<b>380,944</b>

### Statement of net debt

	31.03.2024	31.12.2023
<i>€ thousands</i>		
Cash	16,868	14,712
Short term deposits	3,400	3,400
<b>Total liquid assets</b>	<b>20,268</b>	<b>18,112</b>
The current portion of non-current borrowings (Note 14)	8,662	16,966
<b>Net current liabilities</b>	<b>-11,606</b>	<b>-1,146</b>
Non-current borrowings (Note 14)	139,749	130,942
<b>Total non-current liabilities</b>	<b>139,749</b>	<b>130,942</b>
<b>Total net debt</b>	<b>128,143</b>	<b>129,796</b>

### 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 31.03.2024 and 31.12.2023 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 13). All the Group's loan liabilities and derivative securities entered into to hedge interest rate risk belong to the Level 2 group.

## 17 Share capital and statutory reserve capital

The registered share capital of EFTEN Real Estate Fund AS as of 31.03.2024 is 108,198 thousand euros (31.12.2023: same). As of 31.03.2024, EFTEN Real Estate Fund AS has allocated 2,749 thousand euros from undistributed profit as reserve capital (31.12.2023: 2,749 thousand euros).

List of shareholders of EFTEN Real Estate Fund AS with more than 10% ownership:

Company	As at 31.03.2024	
	Number of shares	Ownership, %
LHV Pensonifondid	1,657,901	15.32%
REF Aktsiad OÜ	1,151,700	10.64%
Altiuse KVI OÜ	1,092,845	10.10%

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

Company	As at 31.03.2024	
	Number of shares	Ownership, %
REF Aktsiad OÜ, a company under the significant control of Supervisory Board member Olav Miil	1,151,700	10.64%
Altiuse KVI OÜ, a company under the significant control of Supervisory Board member Arti Arakas	1,092,845	10.10%
EFTEN Capital AS, fund manager	292,688	2.71%
HTB Investeeringud OÜ, a company under the significant control of Supervisory Board member Siive Penu	198,032	1.83%
Tõnu Uustalu, member of the Management Board	64,974	0.60%
Olav Miil, member of the Supervisory Board	52,649	0.49%
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	20,606	0.19%
Meeli Leis, a close relative of Tõnu Uustalu, member of the Management Board	2,457	0.02%
Siive Penu, member of the Supervisory Board	1,350	0.01%
Aile Arakas, a close relative of Arti Arakas, member of the Supervisory Board	513	0.005%
<b>Total</b>	<b>2,879,814</b>	<b>26.62%</b>

## 18 Contingent liabilities

	31.03.2024	31.12.2023
€ thousands		
Retained earnings	26,838	23,030
Potential income tax liability	5,368	4,606
<b>Dividends can be paid out</b>	<b>21,470</b>	<b>18,424</b>

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 31.03.2024 and 31.12.2023.

## 19 Transactions with related parties

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

- EFTEN Real Estate Fund AS board members and companies owned by 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;
- EFTEN Capital AS (Fund Manager).

In the first quarter of 2024, the Group purchased management services from EFTEN Capital AS in the amount of 539 thousand euros (2023: 536 thousand euros), (see Note 7).

EFTEN Real Estate Fund AS did not purchase any other goods or services from other related parties or sell them to related parties during the first quarter of 2024 or 2023.

As of 31.03.2024, the group had a total of 13 employees, who were paid a total of EUR 121 thousand (2023: EUR 108 thousand) in the 1st quarter of 2024, together with related taxes (see Note 5 and 7). No fees were calculated or paid to the members of the group's management board or council in the first quarter of 2024 or 2023. The members of the board of the group work in the company EFTEN Capital AS, which provides management services to the group, and the expenses related to the activities of the board members are part of the management service.

**Management Board Declaration for the Consolidated Interim Report of 1st quarter of 2024**

We hereby confirm that the Consolidated Interim Report for the 1st quarter of 2024 of EFTEN Real Estate Fund AS gives true and fair view of the Group's assets, liabilities, financial position and includes the description of the main risks and developments of business activities and results of the companies included in a consolidation as a whole.

/signed digitally/

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Viljar Arakas

Member of the Management Board

/ signed digitally/

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Tõnu Uustalu

Member of the Management Board