

Consolidated Interim Report – 12 months and 4th quarter ended 31 December 2024

EfTEN Real Estate Fund AS

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Table of contents

MANAGEMENT REPORT	3
INTERIM FINANCIAL STATEMENTS OF THE CONSOLIDATION GROUP	14
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	14
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	15
CONSOLIDATED STATEMENT OF CASH FLOWS	16
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	17
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS	18
1 <i>Accounting policies and measurement bases used in the preparation of the consolidated interim financial statements</i>	18
2 <i>Subsidiaries and joint ventures</i>	19
3 <i>Segment reporting</i>	21
4 <i>Revenue</i>	22
5 <i>Cost of services sold</i>	23
6 <i>Marketing costs</i>	23
7 <i>General and administrative expenses</i>	23
8 <i>Profit/loss from joint ventures</i>	24
9 <i>Other financial income and expenses</i>	24
10 <i>Income tax</i>	24
11 <i>Earnings per share</i>	25
12 <i>Cash and cash equivalents</i>	25
13 <i>Receivables and accrued income</i>	25
14 <i>Investment properties</i>	26
15 <i>Borrowings</i>	28
16 <i>Liabilities and prepayments</i>	30
17 <i>Financial instruments, management of financial risks</i>	30
18 <i>Share capital</i>	34
19 <i>Contingent liabilities</i>	35
20 <i>Transactions with related parties</i>	36
21 <i>Provisions</i>	36
<i>Declaration of the board for the consolidated interim report for the fourth quarter and 12 months of 2024</i>	37

MANAGEMENT REPORT

Fund manager's comment

Despite the challenging economic environment, EFTEN Real Estate Fund AS managed to increase both total rental income and portfolio EBITDA in 2024. The fund's portfolio was expanded by two new logistics properties in the fourth quarter and we are also planning to expand in the nursing home segment. EFTEN Real Estate Fund AS is primarily a dividend share. The fund has set a goal of distributing 1.1 euros of dividends per share for 2024. In the spring of 2025, the fund management plans to increase the financial leverage of investment properties that have fallen significantly below the principles set out in the fund's financing policy. While the usual leverage ratio of real estate funds in Europe is on average 50% of the market value of assets, EFTEN Real Estate Fund AS's portfolio-wide LTV (Loan-to-value) was 40% at the end of 2024.

For the first time since spring 2023, the weighted average interest rate on the fund's bank loans has fallen below 5% by the end of the year. Due to the expected further decline in EURIBOR, the interest rate on Fund's loans will continue to decrease in 2025.

The priority for 2025 is vacancy management. As of the end of the year, the portfolio's total vacancy rate was 2.6%, but in the office segment it stood at 11.3%. This elevated vacancy in the office sector is primarily attributable to the ongoing renovation of the Menulio 11 office building in Vilnius, which alone accounts for 47% of the office segment's total vacancy. In line with market expectations, the Menulio 11 office building fit-out will be changed to include smaller offices which are expected to be handed over to tenants in the first half of this year.

In November and December 2024, the fund carried out a secondary public offering of shares, raising a total of €11.8 million in capital at a price of €19 per share.

Financial overview

EFTEN Real Estate Fund AS' consolidated sales revenue for the fourth quarter of 2024 was 8.314 million euros, an increase of 211 thousand euros (2.6%) compared to the fourth quarter of 2023. EFTEN Real Estate Fund AS' consolidated sales revenue for the first 12 months of 2024 was 32.238 million euros, an increase of 421 thousand euros (1%) compared to the previous year. The Group's net rental income for the first 12 months of 2024 totalled 29.977 million euros, i.e. 369 thousand euros more than in 2023. The Group's net profit for the same period was 13.564 million euros (2023: 1.0 million euros).

	IV quarter		12 months	
	2024	2023	2024	2023
<i>€ million</i>				
Rental revenue, other fees from investment properties	8.314	8.103	32.238	31.817
Expenses related to investment properties, incl. marketing costs	-0.540	-0.696	-2.261	-2.209
Net rental income	7.774	7.407	29.977	29.608
<i>Net rental income margin</i>	94%	91%	93%	93%
Interest income and expense	-1.990	-2.190	-8.418	-7.786
Net rental revenue less finance costs	5.784	5.217	21.559	21.822
Management fees	-0.543	-0.541	-2.159	-2.148
Other revenue and expenses	-0.443	-0.439	-1.461	-1.377
Profit before changes in the value of investment properties, joint venture profits and losses and income tax expense	4.798	4.237	17.939	18.297

The consolidated net rental income margin was 93% in 2024 (2023: same), thus costs directly related to property management (including land tax, insurance, maintenance and improvement costs) and marketing costs accounted for 7% (2023: same) of sales revenue.

The Group's assets as of 31.12.2024 were 398.763 million euros (31.12.2023: 380.944 million euros), including the fair value of investment properties accounting for 94% of the assets (31.12.2023: the same).

	31.12.24	31.12.2023
<i>€ million</i>		
Investment properties	373.815	357.916
Ownership in joint venture	1.960	2.078
Other non-current assets	0.288	0.372
Current assets, excluding cash and cash equivalents and deposits	2.193	2.466
Net debt (cash and deposits minus short-term and long-term bank loans)	-129.045	-129.796
Net asset value (NAV) ¹	233.073	218.698
EPRA net asset value (EPRA NRV)	242.779	226.807
Net asset value (NAV) per share, in euros ¹	20.37	20.21
EPRA net asset value (EPRA NRV) per share, in euros	21.22	20.96

¹ EFTEN Real Estate Fund AS NAV is equal to the EPRA NDV value calculated according to EPRA's recommended guidelines.

Investment properties by segment

Segment	31.12.24	31.12.2023	31.12.2022	31.12.2021	31.12.2020
<i>€ million</i>					
Logistics	124.297	109.860	51.300	50.590	39.047
Retail	136.140	138.542	56.820	55.270	51.520
Office building	90.560	90.460	51.801	49.831	47.751
Care homes	15.618	11.834	8.954	6.270	5.917
National	7.200	7.220	0.000	0.000	0.000
Total investment properties	373.815	357.916	168.875	161.961	144.235

Key performance and liquidity ratios

12 months	31.12.2024	31.12.2023	31.12.2022
ROE, % (net profit of the period / average equity of the period) * 100	6.0	0.6	11.3
ROA, % (net profit of the period / average assets of the period) * 100	3.5	0.4	6.4
ROIC, % (net profit of the period / average invested capital of the period) * 100	6.8	0.8	17.0
Revenue, <i>€ thousands</i>	32,238	31,817	14,299
Rent income, <i>€ thousands</i>	31,076	30,606	13,489
EBITDA (operating profit minus change in fair value of investment properties minus gain on sale of fixed assets), <i>€ thousands</i>	26,454	26,152	11,819
EBITDA margin (EBITDA / revenue), %	82%	82%	83%
EBIT (operating profit), <i>€ thousands</i>	25,319	12,142	14,891
EPRA profit, <i>€ thousands</i>	16,416	16,700	9,354
Net dividend paid, <i>€</i>	1.00	1.15	0.80
Net dividend per net profit (net dividend / net profit)	80%	1247%	36%
Liquidity ratio (current assets / current liabilities)	0.8	1.0	0.5
DSCR (EBITDA / (interest expenses + scheduled loan payments))	1.7	1.8	2.2

Investment portfolio

As of the end of 2024, the Group has 36 (31.12.2023: 35) commercial real estate investments, the fair value of which at the balance sheet date is 373.815 million euros (31.12.2023: 357.916 million euros) and the acquisition cost is 370.561 million euros (31.12.2023: 354.408 million euros). In addition to the investment properties owned by the Fund's subsidiaries, the Group's 50% joint venture owns the Palace Hotel in Tallinn, the fair value of which as of 31.12.2024 was 8.630 million euros (31.12.2023: 9.0 million euros).

Main indicators of the investment portfolio

Investment property, as of 31.12.2024	Location	Group's ownership	Acquisition on cost, € thousands ²	Fair value, € thousands	Net leasable area	Projected annual net rental income, € thousands	Actual net rental income per 12 months	Direct return ³	Net primary production ⁴	Occupancy, %	Average length of rental agreements	Number of tenants
Premia Külmoone	Tallinn	100	6,840	6,550	7,258	568	550	8.3%	8.7%	100.0	2.5	1
Kuuli 10	Tallinn	100	11,564	11,590	15,197	897	860	7.8%	7.7%	100.0	7.4	1
Betooni 1a	Tallinn	100	9,198	9,140	10,678	719	692	7.8%	7.9%	100.0	2.3	1
Betooni 6	Tallinn	100	10,249	9,820	17,220	884	896	8.6%	9.0%	97.0	1.8	21
Jurkalne Technology Park	Riga	100	25,180	24,160	44,579	2,250	2,211	8.9%	9.3%	97.1	7.8	63
DSV logistics centre	Vilnius	100	8,566	9,410	11,751	763	748	8.9%	8.1%	100.0	1.8	1
DSV logistics centre	Tallinn	100	12,368	13,340	16,014	1,088	1,084	8.8%	8.2%	100.0	1.8	1
DSV logistics centre	Riga	100	9,060	8,430	12,149	776	760	8.6%	9.2%	100.0	4.9	1
Piepilsetas logistics centre	Kekava	100	8,848	8,300	13,392	745	686	8.4%	9.0%	100.0	2.7	10
Ramygalos logistics centre	Panevėžys	100	10,024	10,840	20,126	869	859	8.7%	8.0%	100.0	12.3	1
Härgmäe	Tallinn	100	8,829	8,790	9,838	678	672	7.7%	7.7%	100.0	9.8	1
Paemurru	Harku vald	100	3,927	3,927				<i>In construction</i>				
Logistics total			124,653	124,297	178,202	10,237	10,018	8.2%	8.2%	99.0	5.4	102
Võru Rautakesko	Võru	100	2,890	2,760	3,120	273	264	9.4%	9.9%	100.0	3.2	1
Uku Center	Viljandi	100	13,620	13,670	8,940	1,185	1,211	8.7%	8.7%	100.0	4.9	46
Mustika Center	Tallinn	100	37,145	38,340	27,614	3,359	3,273	9.0%	8.8%	99.5	3.1	67
RAF Centrs	Jelgava	100	9,288	9,993	6,225	1,068	904	11.5%	10.7%	100.0	3.7	40
Tammsaare tee Rautakesko	Tallinn	100	15,700	15,860	9,120	1,338	1,285	8.5%	8.4%	100.0	7.2	1
Jelgava development project	Jelgava	100	2,342	1,657				<i>In construction</i>				
Saules Miestas Shopping centre	Šiauliai	100	31,902	39,180	20,347	3,528	3,988	11.1%	9.0%	98.4	4.2	120
Laagri Selver	Tallinn	100	6,303	8,110	3,059	577	558	9.2%	7.1%	100.0	5.3	13
Hortes gardening centre	Laagri	100	3,138	3,470	3,470	223	275	7.1%	6.4%	100.0	7.4	1
ABC Motors Autokeskus	Tallinn	100	3,482	3,100	2,149	309	297	8.9%	10.0%	100.0	4.1	1
Retail total			125,810	136,140	84,044	11,860	12,055	9.4%	8.7%	99.5	4.3	290
Lauteri 5	Tallinn	100	5,976	5,060	3,825	403	303	6.7%	8.0%	75.8	2.1	16
Pärnu mnt 105	Tallinn	100	8,346	6,460	4,712	621	549	7.4%	9.6%	95.4	1.0	33
Pärnu mnt 102	Tallinn	100	16,750	12,000	8,933	982	995	5.9%	8.2%	91.3	0.8	35
Terbata	Riga	100	9,255	8,330	6,036	653	626	7.1%	7.8%	100.0	1.9	14
Menulio 11	Vilnius	100	8,332	7,490	5,617	499	345	6.0%	6.7%	43.7	1.4	13
Ulonu	Vilnius	100	8,440	8,700	5,290	794	845	9.4%	9.1%	100.0	2.1	13
L3	Vilnius	100	8,880	10,610	6,150	836	878	9.4%	7.9%	87.6	2.9	30
Evolution	Vilnius	100	10,423	11,360	6,614	851	831	8.2%	7.5%	85.5	2.7	27
airBaltic	Riga	100	7,777	7,750	6,217	629	597	8.1%	8.1%	100.0	4.0	1
Rutkauskos	Vilnius	100	11,819	12,800	6,812	926	1,009	7.8%	7.2%	100.0	5.7	4
Office total	Office		95,998	90,560	60,206	7,194	6,978	7.5%	7.9%	88.7	2.5	186
Pirita Pansionaat	Tallinn	100	6,217	5,830	5,983	470	428	7.6%	8.1%	100.0	5.9	1
Valkla Sūdamekodu	Valkla	100	4,647	4,148	4,423	306	298	6.6%	7.4%	100.0	7.3	1
Tartu Sūdamekodu	Tartu	100	5,868	5,640	4,118	357	356	-	-	100.0	9.6	1
Care homes total			16,732	15,618	14,524	1,133	1,082	6.8%	7.3%	100.0	5.6	3
Rakvere Police and rescue building (national)	Rakvere	100	7,368	7,200	5,775	836	680	11.3%	11.6%	100.0	0.8	1
Hotell Palace (hotels) ¹	Tallinn	50	11,180	8,630	4,874	526	479	4.7%	6.1%	100.0	5.7	1
Total investment portfolio			381,741	382,445	347,625	31,786	31,292	8.327%	8.3%	97.4	4.1	583

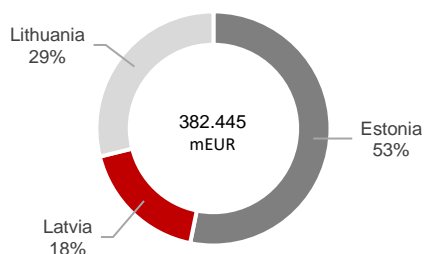
¹ Hotel Palace belongs to the group's joint venture EFTEN SPV11 OÜ. The group has a 50% stake in the joint venture.

² The acquisition cost includes the costs associated with the initial acquisition of the investment property, plus the capital costs incurred later.

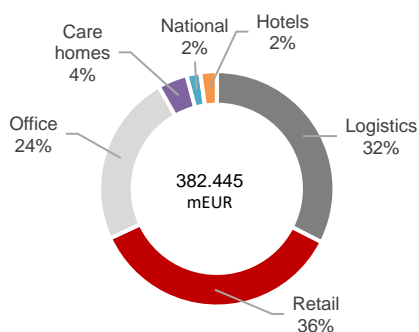
³ To find the direct return, the net operating income (NOI) is divided by the sum of the investment property's acquisition cost and subsequent capital expenditures.

⁴ To find the primary net income, the net operating income (NOI) is divided by the market value of the investment property.

Real estate portfolio by country



Real estate portfolio by sectors



Investments in 2024

The Group made investments in both new properties and the existing portfolio in 2024 totaling 21.6 million euros, including the acquisition of a logistics center in Tallinn, Härgmäe 8, by the Group's subsidiary EFTEN Härgmäe OÜ in the autumn of 2024, paying a total of 8.8 million euros for the property, and the acquisition of a logistics center under development in Tallinn, Paemurru tee 3, by the Group's subsidiary EFTEN Paemurru OÜ in the autumn of 2024, paying a total of 1.2 million euros for the property. In addition, the Group paid a total of 2.76 million euros for the development of the Paemurru logistics center in 2024.

In 2024, the group completed the first phase of development at the Ermi nursing home in Tartu, where a total of 3.19 million euros were invested in the reporting year. In addition, construction on the C-building of the Valkla nursing home began, with investments reaching 788 thousand euros in 2024.

Major investments in existing buildings were made in 2024 in the Saules Miestas shopping center, where the public areas were renovated for 1.8 million euros, and in the AirBaltic office building in Riga, where 665 thousand euros were invested in the building's insulation work. Of the remaining investments, 1.6 million euros was spent on the reconstruction and modernization of rental spaces in various office buildings.

Sales in 2024

In September 2024, the Group sold the Tāhesaju Hortes property for 4.675 million euros. Despite the payment difficulties of the tenant of the Tāhesaju property, the Group earned nearly 300 thousand euros in net cash flow from the investment since its completion in 2018. The Group invested the funds received from the sale of the Tāhesaju property in the acquisition of the Härgmäe logistics center.

Rental income

In 2024, the group earned a total of 31.076 million euros in rental income, which is 2% more than in 2023. Rental income increased the most in shopping centers. Rental income in the office segment decreased mainly due to the expiration of the lease agreement with the anchor tenant of the Menulio 11 office building in Vilnius and the related vacancy. In 2024, renovation works of the vacant rental premises in the Menulio 11 office building began, which are planned to be completed during 2025.

Like-for-like rental income by segments

€ thousands	Fair value as of 31.12.2024	Rental income 2024	Rental income 2023	Change	Change, %
Office	90,560	7,477	7,679	-202	-3%
Logistics	111,580	9,547	9,334	213	2%
Retail	134,483	12,050	11,696	354	3%
National	7,200	838	819	19	2%
Care homes	5,830	435	425	10	2%
Total like-for-like assets and rental income	349,653	30,347	29,953	394	1%
Other assets and rental income	24,162	729	653	76	
Total investment portfolio and rental income	373,815	31,076	30,606	470	2%

€ thousands	IV quarter		Rental income 2023	Change	Change, %
	Fair value as of 31.12.2024	Rental income 2024			
Office	90,560	1,873	1,876	-3	0%
Logistics	111,580	2,396	2,344	52	2%
Retail	134,483	3,200	3,127	73	2%
National	7,200	210	205	5	2%
Care homes	5,830	110	106	4	4%
Total like-for-like assets and rental income	349,653	7,789	7,658	131	2%
Other assets and rental income	24,162	244	174	70	
Total investment portfolio and rental income	373,815	8,033	7,832	201	3%

Like-for-like rental income by countries

€ thousands	IV quarter		Rental income 2023	Change	Change, %
	Fair value as of 31.12.2024	Rental income 2024			
Estonia	172,300	14,585	14,200	385	3%
Latvia	66,963	6,232	6,069	163	3%
Lithuania	110,390	9,530	9,684	-154	-2%
Total like-for-like assets and rental income	349,653	30,347	29,953	394	1%
Other assets and rental income	24,162	729	653	76	
Total investment portfolio and rental income	373,815	31,076	30,606	470	2%

€ thousands	IV quarter		Rental income 2023	Change	Change, %
	Fair value as of 31.12.2024	Rental income 2024			
Estonia	172,300	3,692	3,559	133	4%
Latvia	66,963	1,552	1,542	10	1%
Lithuania	110,390	2,545	2,557	-12	0%
Total like-for-like assets and rental income	349,653	7,789	7,658	131	2%
Other assets and rental income	24,162	244	174	70	
Total investment portfolio and rental income	373,815	8,033	7,832	201	3%

The Group's investment property vacancy rate per portfolio was 2.6% as of 31 December 2024 (unchanged from 31 December 2023). The highest vacancy rate was in the office segment (11.3%), where filling vacant rental properties has taken longer than previously expected.

EFTEN Real Estate Fund AS largest tenants as of 31.12.2024

Tenant	Share of total rental income
Kesko Senukai Estonia AS	5.6%
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%
DHL Logistics Estonia OÜ	2.5%
DSV Latvia SIA	2.5%
DSV Lithuania, UAB	2.4%
Atea, UAB	2.3%
ELP Logistics OÜ	2.2%
Air Baltic Corporation AS	2.1%
Premia Tallinna Külmuhoone AS	1.8%
Rimi Lietuva, UAB	1.8%
Südamekodud AS	1.5%
Checkout Technology LTD Eesti Filiaal	1.4%
Selver AS	1.2%
Others	50.4%

EPRA performance indicators

EPRA performance indicators

As of the balance sheet date or for the year	31.12.2024	31.12.2023
EPRA profit, € thousands	16,416	16,700
EPRA profit per share, in euros	1.52	1.54
EPRA NRV (net reinstatement value), € thousands	242,779	226,807
EPRA NRV per share, in euros	21.22	20.96
EPRA NDV (net disposal value), € thousands	233,073	218,698
EPRA NDV per share, in euros	20.37	20.21
EPRA NIY (primary net income)	7.5%	7.6%
EPRA Topped-up NIY (adjusted primary net income)	7.5%	7.7%
EPRA LTV	35.4%	37.2%
EPRA cost ratio, including direct vacancy costs	15%	15%
EPRA cost ratio, excluding direct costs related to vacancy	14%	14%
EPRA vacancy ratio	3.0%	2.5%

EPRA indicator calculations

EPRA net asset value indicators

As of 31.12.2024

€ thousands	EPRA NRV	EPRA NTA	EPRA NDV
Net asset value calculated in accordance with IFRS	233,073	233,073	233,073
Adjustments:			
Deferred income tax liability related to the change in the fair value of investment	9,706	9,706	-
Net asset value of EPRA	242,779	242,779	233,073
Number of fully diluted shares	11,440,340	11,440,340	11,440,340
EPRA Net asset value per unit, in euros	21.22	21.22	20.37

As of 31.12.2023

€ thousands	EPRA NRV	EPRA NTA	EPRA NDV
Net asset value calculated in accordance with IFRS	218,698	218,698	218,698
Adjustments:			
Deferred income tax liability related to the change in the fair value of investment	8,109	8,109	-
Net asset value of EPRA	226,807	226,807	218,698
Number of fully diluted shares	10,819,796	10,819,796	10,819,796
EPRA Net asset value per unit, in euros	20.96	20.96	20.21

EPRA Net Initial Yield and EPRA Topped-up Net Initial Yield

€ thousands	2024	2023
Investment property	373,815	357,916
Minus developments	-6,372	-5,016
Finished investment property	367,443	352,900
Annualized rental income from leases in force at the reporting date	31,156	30,051
Costs related to investment property not covered by tenants	-3,165	-2,883
Annualized net rental income	27,991	27,168
Nominal impact of the end of rent exemptions or other rental incentives	23	277
Adjusted annualized net rental income	28,014	27,445
EPRA initial net yield (NIY)	7.5%	7.6%
EPRA adjusted initial net yield (Topped-up NIY)	7.5%	7.7%

EPRA profit

€ thousands	2024	2023
Net profit (IFRS)	13,564	1,000
Adjustments:		
Change in fair value of investment property	1,038	13,941
Effect of change in fair value of investment property on profit/loss from joint ventures	217	561
Deferred income tax expense related to EPRA adjustments	1,597	1,198
EPRA profit	16,416	16,700
Weighted average number of shares during the period	10,833,397	10,819,796
EPRA Net asset value per unit, in euros	1.52	1.54

EPRA vacancy rate

€ thousands	2024	2023
Estimated rental income from vacant premises	957	766
Estimated rental income for the entire real estate portfolio	32,113	30,817
EPRA vacancy rate	3.0%	2.5%

EPRA cost ratios

€ thousands	2024	2023
Cost of sales	-1,569	-1,626
Other sales revenue paid by tenants to cover expenses	1,162	1,211
Marketing costs	-692	-583
Operating costs	-3,666	-3,546
Total costs, including direct costs related to the vacancy	-4,765	-4,544
Direct vacancy costs	-371	-180
Total costs excluding direct costs related to the vacancy	-4,394	-4,364
Rental income (gross)	31,076	30,606
EPRA cost ratio, including direct vacancy costs	15%	15%
EPRA cost ratio, excluding direct costs related to vacancy	14%	14%

EPRA LTV

€ thousands	2024	2023
Total bank loans	149,552	147,908
Net liabilities	3,245	3,417
Minus cash and cash equivalents	18,415	14,712
Minus short-term deposits	2,092	3,400
Total net debt	132,290	133,213
Completed investment properties	367,443	352,900
Investment properties and land under development	6,372	5,016
Total asset value	373,815	357,916
EPRA LTV	35.4%	37.2%

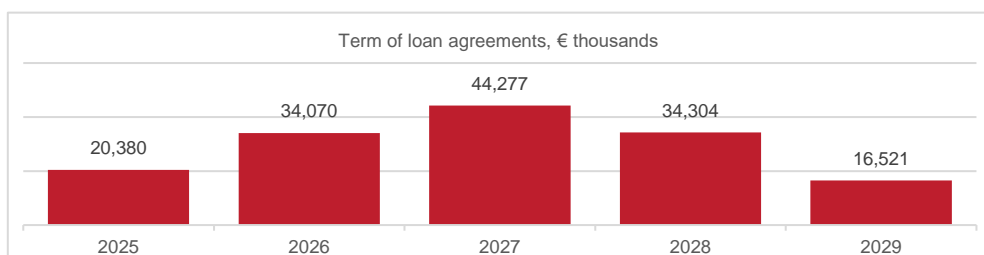
Financing

In the fourth quarter of 2024, two new subsidiaries of the fund, EFTEN Härgmäe OÜ and EFTEN Paemurru OÜ, signed loan agreements for the acquisition and development of real estate. In 2024, the fund's subsidiaries EFTEN Autokeskus OÜ and EFTEN Jurkalne SIA extended the loan agreements concluded with the bank. The loan agreements of six subsidiaries of the group will expire within the next 12 months, the balance of which as of 31.12.2024 was 20,380 thousand euros. The LTV of the expiring loan agreements is 27% - 48% and the real estate investments have a stable rental cash flow, therefore, according to the group's management, there will be no obstacles to extending the loan agreements.

The weighted average interest rate of the Group's loan agreements as of 31.12.2024 was 4.89% (31.12.2023: 5.91%) and the LTV (Loan to Value) was 40% (31.12.2023: 42%). All loan agreements of the Fund's subsidiaries were linked to a floating interest rate in 2024.

The Fund's interest coverage ratio (ICR) for loans was 3.0 in 2024. Due to the increase in EURIBOR in the first half of 2024 and the increase in liabilities, the interest coverage ratio remained 10% lower compared to 2023.

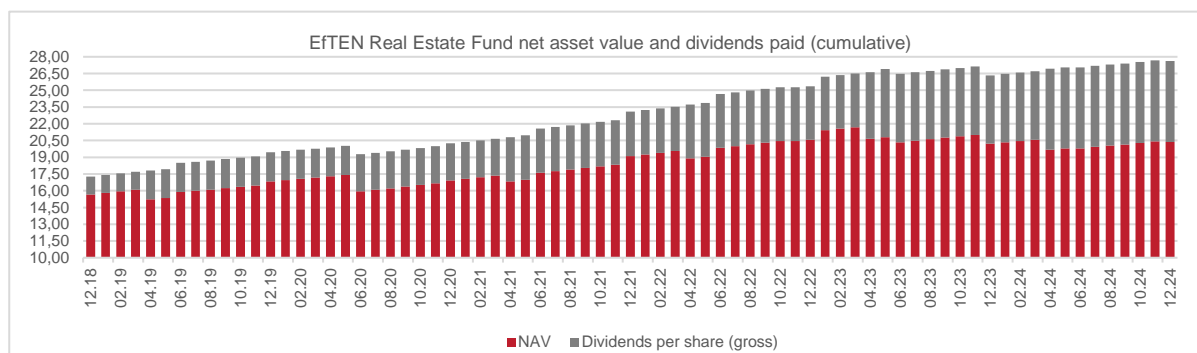
ICR (Interest coverage ratio)	2024	2023
EBITDA	26,454	26,152
Interest expenses	-8,696	-7,970
ICR	3.0	3.3

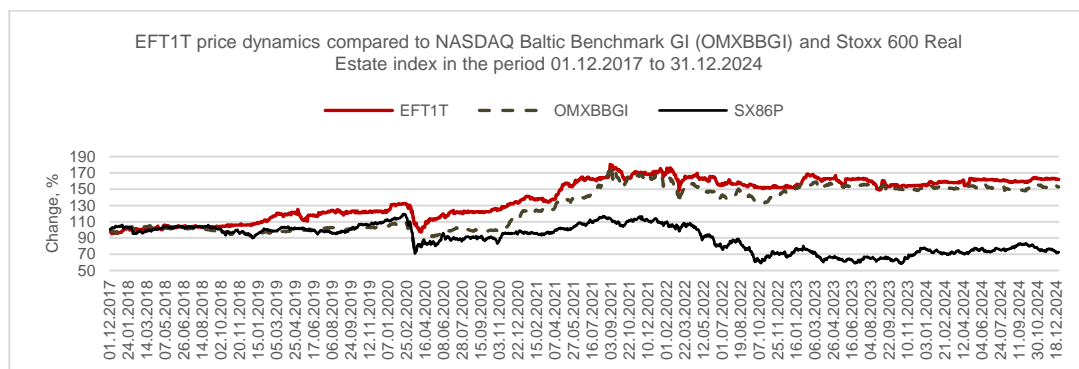


Information on shares

In the last quarter of 2024, the fund carried out a share issue, during which 620,544 new shares were subscribed for at a price of 19 euros, of which the nominal value was 10 euros and the share premium was 9 euros. A total of 11.79 million euros was raised during the issue, including an increase in the fund's share capital by 6.205 million euros and a share premium of 5.585 million euros. There were 0.159 million euros in expenses directly related to the issue. As of 31.12.2024, the fund had 11,440,340 shares.

The net asset value (NAV) of EFTEN Real Estate Fund AS shares as of 31.12.2024 was 20.37 euros (31.12.2023: 20.21 euros). The net asset value of EFTEN Real Estate Fund AS shares increased by 0.8% in 2024. The fund distributed dividends in the total amount of 10.82 million euros in April 2024. Without the distribution the net asset value of EFTEN Real Estate AS shares would have increased by 4.9% in 2024.





During 2024, the group has earned free cash flow of 11.109 million euros (2023: 11.314 million euros), of which 8.887 million euros (77.68 eurocents per share) could be considered gross dividends according to the fund's dividend policy. The fund's management plans to refinance bank loans in the spring of 2025, which LTV (Loan-to-Value) has fallen significantly lower compared to the principles of fund's financing policy and which operating cash flow exceeds loan and interest payments by more than two times. According to the management's estimate, the refinancing would allow to increase the distributed dividend up to 1.1 euros per share (net).

Calculation of potential dividends according to the fund's dividend policy

	12 months	
	2024	2023
€ thousands		
Operating profit	25,319	12,142
Adjustment for valuation gains on investment property	1,038	13,941
Adjustment with depreciation and impairment of fixed assets	56	69
Adjustment with profit on sale of fixed assets	41	0
EBITDA	26,454	26,152
Interest expense	-8,696	-7,970
Repayments of bank loans	-6,617	-6,720
Income tax expense on profits (Lithuania)	-32	-148
Free cash flow	11,109	11,314
80% of free cash flow	8,887	9,051
Adjustments for gross dividends	150	1,050
Income tax from dividends	-1,320	-1,174
Potential net dividend according to dividend policy	7,717	8,927
Potential additional cash-flow from refinancing ¹	6,300	2,166
Income tax from additional dividends	-1,310	-273
Potential net dividend, including additional cash-flow from refinancing	12,707	10,820
Number of shares at the end of reporting period	11,440,340	10,819,796
Potential net dividend per share, euros	1.11	1.00

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

EFT1T share statistics	2024	2023
Opening price	18.90	19.75
Closing price	18.95	18.90
Minimum share price	18.25	17.90
Maximum share price	19.90	22.10
Volume of traded shares, thousands	161.782	376.047
Volume, EUR millions	3.07	7.33
Market capitalization as of 31.12, EUR millions	216.79	204.49
Profit per share, EUR	1.25	0.09
Net accounting value of the share	20.37	20.21
EPRA net value of the share	21.22	20.96
P/B (closing price / equity per share)	0.93	0.94
P/B EPRA (closing price / EPRA equity per share)	0.89	0.90

Shareholder statistics

	31.12.2024	31.12.2023
Number of shareholders	7,058	6,794
Number of represented countries	25	13
Share of Estonian residents in share capital	96.33%	96.35%
Share of legal entities in share capital	79.27%	86.13%
Share of private individuals in share capital	20.73%	13.87%

28.09% of the shares as of 31.12.2023 belonged to the members of the Fund's Supervisory and Management Board and their related persons.

Shareholders by geographical areas

Share	31.12.2024	31.12.2023
Estonia	96.33%	96.35%
Lithuania	2.03%	2.05%
Switzerland	1.30%	1.35%
United States	0.17%	0.19%
Latvia	0.13%	0.04%
Other	0.04%	0.02%

The largest shareholders as of 31.12.2024

	Number of shares	Ownership
Hoiukonto OÜ	1,287,296	11.3%
REF Aktsiad OÜ	1,258,144	11.0%
LHV Pensionifond L	1,210,475	10.6%
Altiuse KVI OÜ	1,092,845	9.6%
Vello Kunman	632,148	5.5%
Ivard OÜ	472,658	4.1%
EFTEN Capital AS	292,688	2.6%
EFTEN United Property Fund	218,759	1.9%
LHV Pensionifond XL	212,779	1.9%
HTB Investeeringute OÜ	198,032	1.7%
LHV Pensionifond M	187,978	1.6%
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

	Notes	IV quarter		12 months	
		2024	2023	2024	2023
<i>€ thousands</i>					
Revenue	3,4	8,314	8,103	32,238	31,817
Cost of services sold	5	-337	-506	-1,569	-1,626
Gross profit		7,977	7,597	30,669	30,191
Marketing costs	6	-203	-190	-692	-583
General and administrative expenses	7	-987	-978	-3,666	-3,546
Profit / loss from valuation of investment properties	14	831	-7,759	-1,038	-13,941
Other operating income and expense		1	-2	46	21
Operating profit/loss	3	7,619	-1,332	25,319	12,142
Profit / loss from joint ventures	2,8	53	-474	-118	-499
Interest income		62	87	278	184
Other finance income and expense	9	-2,052	-2,277	-8,696	-7,970
Profit before income tax		5,682	-3,996	16,783	3,857
Income tax expense	10	-2,222	-1,884	-3,219	-2,857
Net profit for the reporting period	3	3,460	-5,880	13,564	1,000
Net comprehensive profit for the reporting period		3,460	-5,880	13,564	1,000
Earnings per share	11				
- basic		0.32	-0.54	1.25	0.09
- diluted		0.32	-0.54	1.25	0.09

The notes on pages 18-36 are integral parts of the interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31.12.2024	31.12.2023
<i>€ thousands</i>			
ASSETS			
Cash and cash equivalents	12	18,415	14,712
Short-term deposits	17	2,092	3,400
Receivables and accrued income	13	2,055	2,360
Prepaid expenses		138	106
Total current assets		22,700	20,578
Long-term receivables		154	214
Shares in joint ventures	2	1,960	2,078
Investment property	14	373,815	357,916
Property, plant and equipment		134	158
Total non-current assets		376,063	360,366
TOTAL ASSETS		398,763	380,944
LIABILITIES AND EQUITY			
Borrowings	15	25,625	16,907
Liabilities and prepayments	16	3,245	3,417
Total current liabilities		28,870	20,324
Borrowings	15	123,795	130,849
Other long-term liabilities	16	1,928	1,790
Deferred income tax liability	10	11,097	9,283
Total non-current liabilities		136,820	141,922
Total liabilities		165,690	162,246
Share capital	18	114,403	108,198
Share premium	18	90,306	84,721
Statutory reserve capital		2,799	2,749
Retained earnings	19	25,565	23,030
TOTAL EQUITY		233,073	218,698
TOTAL LIABILITIES AND EQUITY		398,763	380,944

The notes on pages 18-36 are integral parts of the interim financial report

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	IV quarter		12 months	
		2024	2023	2024	2023
<i>€ thousands</i>					
Net profit		3,460	-5,880	13,564	1,000
Adjustments of net profit:					
Profit/loss from joint ventures using the equity method	2	-53	474	118	499
Income on interest		-62	-87	-278	-184
Finance income and expense	9	2,052	2,277	8,696	7,970
Profit/loss on valuation of investment property	14	-831	7,759	1,038	13,941
Profit/loss on sale of investment property	14	0	0	42	0
Depreciation and impairment of fixed assets	5,7	13	16	56	69
Depreciation and impairment losses		-1	0	-1	0
Income tax expense	10	2,222	1,884	3,219	2,857
Total adjustments with non-cash changes		3,340	12,323	12,890	25,152
Cash flow from operations before changes in working capital		6,800	6,443	26,454	26,152
Change in receivables and payables related to operating activities		-340	-570	344	-463
Change in inventories		0	1	0	1
Change in business-related liabilities		405	477	-73	86
Net cash flow generated from operating activities		6,865	6,351	26,725	25,776
Acquisition of property, plant and equipment		-19	-27	-33	-46
Acquisition of investment property	14	-12,248	-2,056	-21,448	-6,055
Sale of investment properties	14	0	0	4,633	0
Cash from the merger		0	0	0	11,621
Change in short-term deposits		50	-520	1,308	-3,400
Interest received		43	101	258	177
Net cash flow generated from investing activities		-12,174	-2,502	-15,282	2,297
Loans received	15	8,441	559	14,260	4,080
Loan repayments upon refinancing and contract termination	15	-3,300	0	-5,998	0
Loan repayments scheduled	15	-1,624	-1,619	-6,617	-6,720
Interest paid		-2,060	-2,243	-8,822	-7,800
Issuance of shares	18	11,630	0	11,630	0
Dividends paid		0	-1	-10,820	-12,472
Income tax on dividends paid		0	0	-1,373	-1,780
Net cash flow generated from financing activities		13,087	-3,304	-7,740	-24,692
NET CASH FLOW		7,778	545	3,703	3,381
Cash and cash equivalents at the beginning of period		10,637	14,167	14,712	11,331
Change in cash and cash equivalents		7,778	545	3,703	3,381
Change in cash and cash equivalents	12	18,415	14,712	18,415	14,712

The notes on pages 18-36 are integral parts of the interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Statutory reserve capital	Retained earnings	Total
<i>€ thousands</i>					
Balance 31.12.2022	50,725	16,288	2,149	35,102	104,264
Issuance of shares	57,473	68,433	0	0	125,906
Dividends declared	0	0	0	-12,472	-12,472
Provision for reserve capital	0	0	600	-600	0
Total transactions with owners	57,473	68,433	600	-13,072	113,434
Net profit for the financial period	0	0	0	1,000	1,000
Total comprehensive income for the financial period	0	0	0	1,000	1,000
Balance 31.12.2023	108,198	84,721	2,749	23,030	218,698
Issuance of shares	6,205	5,585	0	-159	11,631
Dividends declared (note 16)	0	0	0	-10,820	-10,820
Provision for reserve capital	0	0	50	-50	0
Total transactions with owners	6,205	5,585	50	-11,029	811
Net profit for the financial period	0	0	0	13,564	13,564
Total comprehensive income for the financial period	0	0	0	13,564	13,564
Balance 31.12.2024	114,403	90,306	2,799	25,565	233,073

Additional information on share capital is provided in Note 18.

The notes on pages 18-36 are integral parts of the interim financial report.

NOTES TO THE CONSOLIDATED INTERIM 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 and operating in Estonia.

The structure of the EFTEN Real Estate Fund AS group as of 31.12.2024 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 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 Center, Viljandi</i>	EFTEN Valkla OÜ <i>Valkla Südamekodu</i>	EFTEN SPV11 OÜ (ühisettevõte 50%) <i>Hotell 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 Center, Tallinn</i>	EFTEN Ermi OÜ <i>Tartu Südamekodu</i>	
		EFTEN Tānassilma OÜ <i>DSV logistics centre, Tallinn</i>	EFTEN SPV12 OÜ <i>Tammsaare tee Rautakesko, Tallinn</i>		
		EFTEN Hārgmäe OÜ <i>Hārgmäe tn 8, Tallinn</i>	EFTEN Laagri OÜ <i>Laagri Selver, Tallinn</i>		
		EFTEN Paemurru OÜ <i>Paemurru tee 3, Harku vald (under construction)</i>	EFTEN Seljaku OÜ <i>Hortes gardening centre, Laagri</i>		
			EFTEN Autokeskus OÜ <i>ABC Motors Autokeskus, Tallinn</i>		
			EFTEN Tähesaju tee OÜ		
LATVIA	EFTEN Terbata SIA <i>Terbata office building, Riga</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 main building, Riga</i>	EFTEN Krustpils SIA <i>DSV logistics centre, Riga</i>			Auras Centrs SIA <i>Jelgava development project (under 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 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 the 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, 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 fourth quarter and 12 months of 2024 correctly and fairly reflects the financial performance of the group in accordance with the going concern principle. This interim report has not been audited or otherwise verified by auditors and contains only consolidated reports of the Group. The reporting currency is the euro. The interim consolidated 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 September 2024, the group established two new subsidiaries - EFTEN Härgmäe OÜ and EFTEN Paemurru OÜ. EFTEN Härgmäe OÜ was established to acquire an investment property at Härgmäe tn.8, Tallinn and 1,907 thousand euros have been contributed to the company's equity. EFTEN Paemurru OÜ was established to acquire an investment property at Paemurru tee 3, Harku vald, Harju County and 4,333 thousand euros have been contributed to the company's equity.

As of 31.12.2024, EFTEN Real Estate Fund AS owned the following subsidiaries and joint ventures:

Company name	Country of domicile	Investment property	Equity, € thousands		Group's ownership, %	
			31.12.2024	31.12.2023	31.12.2024	31.12.2023
Parent company						
EFTEN Real Estate Fund AS	Estonia					
Subsidiaries						
Saules Miestas UAB	Lithuania	Saules Miestas shopping centre, Šiauliai	24,079	23,888	100	100
Verkiu Projektas UAB	Lithuania	Ulonu office building, Vilnius	4,364	4,147	100	100
EFTEN Stasyļu UAB	Lithuania	DSV logistics centre, Vilnius	5,252	4,960	100	100
EFTEN Tānassilma OÜ	Estonia	DSV logistics centre, Tallinn	8,514	8,164	100	100
EFTEN Krustpils SIA	Latvia	DSV logistics centre, Riga	3,077	3,060	100	100
EFTEN Laisves UAB	Lithuania	L3 office building, Vilnius	6,076	5,727	100	100
EFTEN Laagri OÜ	Estonia	Laagri Selver, Tallinn	4,723	4,204	100	100
EFTEN Seljaku OÜ	Estonia	Hortese gardening centre, Laagri	2,482	2,437	100	100
EFTEN Evolution UAB	Lithuania	Evolution office building, Vilnius	5,728	6,023	100	100
EFTEN Tāhesaju tee OÜ	Estonia	(Tāhesaju Hortese gardening centre – sold in September 2024)	63	2,504	100	100
EFTEN Autokeskus OÜ	Estonia	ABC Motors Autokeskus, Tallinn	1,828	1,808	100	100
EFTEN Riga Airport SIA	Latvia	airBaltic main building, Riga	5,238	4,929	100	100
EFTEN Piepilsetas SIA	Latvia	Piepilsetas logistics centre, Kekava	3,811	3,788	100	100
EFTEN Rutkauskos UAB	Lithuania	Rutkauskos office building, Vilnius	6,667	6,286	100	100
EFTEN Pirita OÜ	Estonia	Pirita Pansionaat, Tallinn	3,560	3,388	100	100
EFTEN Ramygalos UAB	Lithuania	Ramygalos logistics centre, Panevežys	5,573	5,190	100	100
EFTEN Valkla OÜ	Estonia	Valkla Sūdamekodu, Valkla	1,822	1,659	100	100
EFTEN Ermi OÜ	Estonia	Tartu Sūdamekodu, Tartu	-183	219	100	100
EFTEN ABC SIA	Latvia	-	3	3	100	100
EFTEN SPV2 OÜ	Estonia	Lauteri 5, Tallinn	3,295	2,915	100	100
EFTEN SPV3 OÜ	Estonia	Uku Keskus, Viljandi	7,948	7,401	100	100
EFTEN SPV4 OÜ	Estonia	Rakvere Police and rescue building	4,127	3,707	100	100
EFTEN SPV5 OÜ	Estonia	Pärnu mnt 105, Tallinn	2,843	3,168	100	100
EFTEN SPV6 OÜ	Estonia	Pärnu mnt 102, Tallinn	5,305	5,590	100	100
EFTEN SPV7 OÜ	Estonia	Mustika Center, Tallinn	25,144	22,343	100	100
EFTEN SPV8 OÜ (EFTEN SPV7 OÜ subsidiary)	Estonia	Mustika Center, Tallinn	10,596	8,867	100	100
EFTEN SPV12 OÜ	Estonia	Tammsaare tee Rautakesko, Tallinn; Kuuli 10, Tallinn	17,553	15,846	100	100
EFTEN SPV14 OÜ	Estonia	Võru Rautakesko	1,619	1,866	100	100
EFTEN SPV15 OÜ	Estonia	Premia Külmoone, Tallinn	3,690	3,488	100	100
EFTEN SPV17 OÜ	Estonia	Betooni 1a, Tallinn, Betooni 6, Tallinn	11,494	10,558	100	100
EFTEN Jelgava SIA	Latvia	RAF Centrs, Jelgava	5,844	5,105	100	100
EFTEN Jurkalne SIA	Latvia	Jurkalne Technology Park, Riga	14,814	14,707	100	100
EFTEN Terbata SIA	Latvia	Terbata office building, Riga	4,757	4,613	100	100
Auras Centrs SIA	Latvia	Jelgava development project, Jelgava (under development)	822	1,604	100	100
EFTEN Menulio UAB	Lithuania	Menulio 11, Vilnius	3,661	3,519	100	100
EFTEN Härgmäe OÜ	Estonia	Härgmäe tn 8, Tallinn	4,383	0	100	0
EFTEN Paemurru OÜ	Estonia	Paemurru tee 3, Harku vald (under development)	1,886	0	100	0
Joint ventures						
EFTEN SPV11 OÜ	Estonia	Hotell Palace, Tallinn	1,960	2,078	50	50

All subsidiaries and the joint venture are engaged in the acquisition and leasing of investment properties. None of the subsidiaries' shares are listed on the stock exchange.

EFTEN Real Estate Fund AS owns 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	31.12.2024	31.12.2023
€ thousands		
Cash and cash equivalents	49	55
Other current assets	48	34
Total current assets	97	89
Investment property	8,630	9,040
Shares in joint ventures	190	133
Total non-current assets	8,820	9,173
TOTAL ASSETS	8,917	9,262
Current borrowings	4,970	5,077
Other current liabilities	26	29
Total current liabilities	4,996	5,106
TOTAL LIABILITIES	4,996	5,106
NET ASSETS	3,921	4,156

	2024	2023
Revenue	498	437
<i>incl. sales revenue 4th quarter</i>	88	0
Loss	-235	-998

The following changes have occurred in the investment in the joint venture in 2024:

	31.12.2024	31.12.2023
Carrying amount at the beginning of the reporting period	2,078	2,577
Profit/loss from joint venture (note 8)	-118	-499
Carrying amount at the end of the reporting period	1,960	2,078

3 Segment reporting

SEGMENT RESULTS

12 months	Office		Logistics		Retail		Care homes		National		Non allocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<i>€ thousands</i>														
Revenue (note 4), incl.	7,503	7,742	9,979	9,658	13,119	12,921	799	677	838	819	0	0	32,238	31,817
Estonia	2,041	2,005	4,319	4,044	7,638	7,591	799	677	838	819	0	0	15,635	15,136
Latvia	1,336	1,238	4,053	4,050	1,084	1,047	0	0	0	0	0	0	6,473	6,335
Lithuania	4,126	4,499	1,607	1,564	4,397	4,283	0	0	0	0	0	0	10,130	10,346
Net rental income, incl.	6,958	7,260	9,476	9,153	12,082	11,845	792	672	679	685	-10	-7	29,977	29,608
Estonia	1,826	1,725	4,213	3,934	7,189	7,205	792	672	679	685	0	0	14,699	14,221
Latvia	1,224	1,130	3,656	3,655	904	844	0	0	0	0	-10	0	5,774	5,629
Lithuania	3,908	4,405	1,607	1,564	3,989	3,796	0	0	0	0	0	-7	9,504	9,758
Operating profit, incl.	3,982	-2,508	9,694	4,086	11,629	10,587	452	-184	638	535	-1,076	-374	25,319	12,142
Estonia	-642	-3,682	4,194	2,316	7,754	5,174	452	-184	638	535	-328	-374	12,068	3,785
Latvia	1,234	-45	3,548	809	1,419	821	0	0	0	0	-748	0	5,453	1,585
Lithuania	3,390	1,219	1,952	961	2,456	4,592	0	0	0	0	0	0	7,798	6,772
EBITDA, incl.	6,163	6,466	8,624	8,290	10,740	10,552	650	543	666	675	-389	-374	26,454	26,152
Estonia	1,660	1,574	3,929	3,644	6,434	6,520	650	543	666	675	-327	-374	13,012	12,582
Latvia	1,026	924	3,243	3,245	794	741	0	0	0	0	-62	0	5,001	4,910
Lithuania	3,477	3,968	1,452	1,401	3,512	3,291	0	0	0	0	0	0	8,441	8,660
Operating profit													25,319	12,142
Profit/loss from joint venture (note 2, 8)													-118	-499
Net financial expense													-8,418	-7,786
Profit before income tax													16,783	3,857
Income tax expense (Note 10)													-3,219	-2,857
NET PROFIT FOR THE REPORTING PERIOD													13,564	1,000

SEGMENT RESULTS for the fourth quarter

IV quarter	Office		Logistics		Retail		Care homes		National		Non allocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<i>€ thousands</i>														
Revenue, incl.	1,870	1,871	2,607	2,411	3,414	3,429	213	187	210	205	0	0	8,314	8,103
Estonia	530	483	1,188	1,024	1,874	1,924	213	187	210	205	0	0	4,015	3,823
Latvia	329	321	1,018	996	271	275	0	0	0	0	0	0	1,618	1,592
Lithuania	1,011	1,067	401	391	1,269	1,230	0	0	0	0	0	0	2,681	2,688
Net rental income, incl.	1,752	1,748	2,503	2,172	3,148	3,142	211	186	170	166	-10	-7	7,774	7,407
Estonia	475	404	1,157	995	1,777	1,816	211	186	170	166	0	0	3,790	3,567
Latvia	291	301	944	786	238	224	0	0	0	0	-10	0	1,463	1,311
Lithuania	986	1,043	402	391	1,133	1,102	0	0	0	0	0	-7	2,521	2,529
Operating profit, incl.	573	-4,604	2,576	99	5,097	3,437	-32	-24	198	-107	-793	-133	7,619	-1,332
Estonia	-791	-3,132	1,074	620	3,553	928	-32	-24	198	-107	-45	-133	3,957	-1,848
Latvia	184	-407	894	-554	812	223	0	0	0	0	-748	0	1,142	-738
Lithuania	1,180	-1,065	608	33	732	2,286	0	0	0	0	0	0	2,520	1,254
EBITDA, incl.	1,514	1,524	2,257	1,910	2,793	2,831	176	148	166	163	-106	-133	6,800	6,443
Estonia	436	362	1,068	895	1,598	1,662	176	148	166	163	-44	-133	3,400	3,097
Latvia	231	245	831	674	197	223	0	0	0	0	-62	0	1,197	1,142
Lithuania	847	917	358	341	998	946	0	0	0	0	0	0	2,203	2,204
Operating profit													7,619	-1,332
Profit/loss from joint venture (note 2, 8)													53	-474
Net financial expense													-1,990	-2,190
Profit before income tax													5,682	-3,996
Income tax expense													-2,222	-1,884
NET PROFIT FOR THE 4TH QUARTER													3,460	-5,880

SEGMENT ASSETS

As of December 31	Office		Logistics		Retail		Care homes		National		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<i>€ thousands</i>												
Investment property												
Estonia	23,520	25,070	63,157	50,100	85,310	88,420	15,618	11,834	7,200	7,220	194,805	182,644
Latvia	16,080	15,080	40,890	40,050	11,650	11,702	0	0	0	0	68,620	66,832
Lithuania	50,960	50,310	20,250	19,710	39,180	38,420	0	0	0	0	110,390	108,440
Total investment property (Note 14)	90,560	90,460	124,297	109,860	136,140	138,542	15,618	11,834	7,200	7,220	373,815	357,916
Joint ventures (note 2)											1,960	2,078
Other non-current assets											288	372
Net debt (liabilities minus cash)											-147,275	-147,534
Other current assets											4,285	5,866
NET ASSETS											233,073	218,698

There were no inter-segment transactions in 2024 and 2023. The Group's main income is derived from investment properties located in the same countries as the subsidiary holding the investment property.

The Group's largest customers are Livonia Print SIA, Kesko Senukai Estonia AS and Prisma Peremarket AS, accounting for 5.3%, 5.6% and 5.0% of the Group's consolidated rental income, respectively. The remaining tenants' share of consolidated income is less than 5%.

4 Revenue

Segments	2024	2023
<i>€ thousands</i>		
Rental income from office premises (Note 14)	7,477	7,679
Rental income from national institutions (Note 14)	838	819
Rental income from retail premises (Note 14)	12,292	12,111
Rental income from logistics premises (Note 14)	9,687	9,334
Rental income from care home premises (Note 14)	782	663
Other sales revenue	1,162	1,211
Total revenue by segments of activity (Note 3)	32,238	31,817

Revenue by geographic areas	2024	2023
<i>€ thousands</i>		
Estonia	15,635	15,136
Latvia	6,473	6,335
Lithuania	10,130	10,346
Total revenue by geographical area (Note 3)	32,238	31,817

5 Cost of services sold

Cost of services sold	2024	2023
€ thousands		
Repair and maintenance of rental premises	-719	-792
Property insurance	-63	-61
Land tax and real estate tax	-208	-198
Other costs of administrative activities	-104	-96
Utility costs of vacant premises	-254	-133
Depreciation expenses	-18	-20
Improvement costs	-98	-137
Wage costs, including taxes (Note 20)	-4	-31
Proportional costs of VAT	-20	-44
Other selling expenses	-1	0
Allowance for doubtful accounts	-80	-114
Total cost of services sold (Note 14)	-1,569	-1,626

6 Marketing costs

Marketing costs	2024	2023
€ thousands		
Commission expenses on rental premises	-117	-47
Advertising, advertising events ¹	-575	-536
Total marketing costs	-692	-583

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	2024	2023
€ thousands		
Management services (Note 20)	-2,159	-2,148
Office expenses	-75	-78
Wages and salaries, incl. Taxes (Note 20)	-478	-438
Consulting expenses, legal expenses, accounting service, evaluation service	-561	-507
Audit costs	-143	-126
Regulator costs	-148	-157
Other general administrative expenses	-64	-43
Depreciation costs	-38	-49
Total administrative expense	-3,666	-3,546

8 Profit/loss from joint ventures

Profit/loss from joint ventures	2024	2023
€ thousands		
Profit/loss from joint ventures using the equity method (Note 2)	-118	-499
Total profit/loss from joint ventures	-118	-499

9 Other financial income and expenses

Other financial income and expenses	2024	2023
€ thousands		
Interest expenses, incl.	-8,696	-7,970
Interest expenses from loans	-8,696	-7,970
Total other financial income and expenses (Note 3,17)	-8,696	-7,970

10 Income tax

Income tax expense

	2024	2023
€ thousands		
Deferred income tax expense on dividends	-1,320	-1,111
Income tax expense from added dividends	-270	-400
Lithuanian corporate deferred income tax expense	-1,597	-1,198
Lithuanian corporate income tax expense on profits	-32	-148
Total income tax expense (Note 3)	-3,219	-2,857

Deferred income tax liability

	Deferred income tax liability related to real estate investments	Deferred income tax liability in respect of dividends	Total
€ thousands			
Balance 31.12.2023	8,109	1,174	9,283
Change in deferred income tax liability in the income statement in 2024	1,597	1,320	2,917
Income tax expense from added dividends	0	270	270
Income tax paid on dividends	0	-1,373	-1,373
Balance 31.12.2024	9,706	1,391	11,097

11 Earnings per share

Earnings per share	IV quarter		12 months	
	2024	2023	2024	2023
Net profit for the period, € thousands	3,460	-5,880	13,564	1,000
Dividend per share, euros	0.00	0.00	1.00	1.15
Weighted average number of shares, pcs.	10,874,349	10,819,796	10,833,397	10,819,796
Earnings per share, euros	0.32	-0.54	1.25	0.09

12 Cash and cash equivalents

	31.12.2024	31.12.2023
€ thousands		
Demand deposit	7,476	9,822
Overnight deposits	10,369	4,890
Deposits with a maturity of less than 3 months	570	0
Cash and cash equivalents (Note 17)	18,415	14,712

Overnight deposits bear interest at a variable rate, as of 31.12.2024 the interest rate was 1.412% and 2.52% per annum. Term deposits bear interest at 2.5% and 3.5% per annum.

13 Receivables and accrued income

Short-term receivables

	31.12.2024	31.12.2023
€ thousands		
Trade receivables		
Trade receivables	1,309	1,637
Allowance for doubtful accounts	-136	-120
Total trade receivables (note 17)	1,173	1,517
Other short-term receivables		
Other short-term receivables	32	26
Total other short-term receivables	32	26
Accrued income		
Interests	28	8
Advances and refunds of VAT	325	179
Other accrued income	497	630
Total accrued income	850	817
Total receivables and accrued income 17)	2,055	2,360

Long-term receivables

	31.12.2024	31.12.2023
€ thousands		
Receivables and prepayments related to real estate development projects	154	214
Total long-term receivables	154	214

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

14 Investment properties

As of 31.12.2024, 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	Fair value 31.12.2024	Increase in value	Share of the market value of the fund's assets
<i>€ thousands</i>								
Office								
Lauteri 5	Tallinn, Estonia	3,825	1958	01.2023	5,976	5,060	-15%	1%
Pärnu mnt 105	Tallinn, Estonia	4,712	1998	01.2023	8,346	6,460	-23%	2%
Pärnu mnt 102	Tallinn, Estonia	8,933	2005	01.2023	16,750	12,000	-28%	3%
Terbata	Riga, Latvia	6,036	2005	01.2023	9,255	8,330	-10%	2%
Menulio 11	Vilnius, Lithuania	5,617	renov. 2011-2013	01.2023	8,332	7,490	-10%	2%
Ulonu	Vilnius, Lithuania	5,290	2012	12.2015	8,440	8,700	3%	2%
L3	Vilnius, Lithuania	6,150	2004	10.2016	8,880	10,610	19%	3%
Evolution	Vilnius, Lithuania	6,614	2009	05.2018	10,423	11,360	9%	3%
airBaltic	Riga, Latvia	6,217	renov. 2016	03.2020	7,777	7,750	0%	2%
Rutkausko	Vilnius, Lithuania	6,812	2014	08.2020	11,819	12,800	8%	3%
Office total		60,206			95,998	90,560	-6%	23%
Logistics								
Premia Külmhoone	Tallinn, Estonia	7,258	2002/2007	01.2023	6,840	6,550	-4%	2%
Kuuli 10	Tallinn, Estonia	15,197	2006	01.2023	11,564	11,590	0%	3%
Betooni 1a	Tallinn, Estonia	10,678	2008	01.2023	9,198	9,140	-1%	2%
Betooni 6	Tallinn, Estonia	17,220	1998	01.2023	10,249	9,820	-4%	2%
Jurkalne Technology Park	Riga, Latvia	44,579	2002	01.2023	25,180	24,160	-4%	6%
DSV logistics centre	Vilnius, Lithuania	11,751	2005	06.2016	8,566	9,410	10%	2%
DSV logistics centre	Tallinn, Estonia	16,014	2003	07.2016	12,368	13,340	8%	3%
DSV logistics centre	Riga, Latvia	12,149	2000	07.2016	9,060	8,430	-7%	2%
Piepilsetas logistics centre	Kekava, Latvia	13,392	2007	03.2020	8,848	8,300	-6%	2%
Ramygalos logistics centre	Panevėžys, Lithuania	20,126	2007	06.2021	10,024	10,840	8%	3%
Härgmäe logistics centre	Tallinn, Estonia	9,838	2024	09.2024	8,829	8,790	0%	2%
Paemurru logistics centre	Tallinn, Estonia		under construction	09.2024	3,927	3,927	0%	1%
Logistics total		178,202			124,653	124,297	0%	31%
Retail								
Võru Rautakesko	Võru, Estonia	3,120	2008	01.2023	2,890	2,760	-4%	1%
Uku Keskus	Viljandi, Estonia	8,940	2012/2018	01.2023	13,620	13,670	0%	3%
Mustika Keskus	Tallinn, Estonia	27,614	1998/2002	01.2023	37,145	38,340	3%	10%
RAF Centrs	Jelgava, Latvia	6,225	2014/2017	01.2023	9,288	9,993	8%	3%
Tammsaare tee Rautakesko	Tallinn, Estonia	9,120	2007	01.2023	15,700	15,860	1%	4%
Jelgava development project	Jelgava, Latvia		under development	01.2023	2,342	1,657	-29%	0%
Saules Miestas Shopping centre	Šiauliai, Lithuania	20,347	2007	08.2015	31,902	39,180	23%	10%
Laagri Selver	Tallinn, Estonia	3,059	2017	05.2017	6,303	8,110	29%	2%
Hortes gardening centre	Laagri, Estonia	3,470	2006	05.2017	3,138	3,470	11%	1%
ABC Motors Autokeskus	Tallinn, Estonia	2,149	2002	02.2019	3,482	3,100	-11%	1%
Retail total		84,044			125,810	136,140	8%	34%
National								
Rakvere Police and rescue building (National)	Rakvere, Estonia	5,775	2010	01.2023	7,368	7,200	-2%	2%
Care homes								
Pirita Pansionaat	Tallinn, Estonia	5,983	2020	12.2020	6,217	5,830	-6%	1%
Valkla Sūdamekodu	Valkla, Estonia	4,423	2023	04.2022	4,647	4,148	-11%	1%
Tartu Sūdamekodu	Tartu, Estonia	4,118	2024	04.2022	5,868	5,640	-4%	1%
Care homes total		14,524			16,732	15,618	-7%	4%
Total		342,751			370,561	373,815	1%	94%

During the reporting period, the Group acquired an investment property at Härgmäe tn. 8, Tallinn for a price of 8,800 thousand euros and an investment property at Paemurru tee 3, Harku parish for a price of 1,154 thousand euros.

During the reporting period, the Group sold an investment property at Tähesaju tee 5, Tallinn to an unrelated party for a price of 4,675 thousand euros. The transaction costs totalled 42 thousand euros.

In addition to the investment properties listed in the table above, the Group's 50% joint venture EFTEN SPV11 OÜ owns an investment property at Vabaduse väljak 3 /Pärnu mnt 14, Tallinn (hotel "Palace"). The fair value of the investment property as of 31.12.2024 was 8,630 thousand euros (Note 2).

The following changes have occurred in the Group's investment properties in 2024 and 2023:

	Investment property under development	Completed investment property	Total investment property
Balance as of 31.12.2022	2,634	166,241	168,875
Acquisitions and developments	3,607	0	3,607
Assets acquired from the merger	2,342	193,950	196,292
Capitalized improvements	0	3,083	3,083
Reclassifications	-3,567	3,567	0
Profit/loss from the change in fair value	0	-13,941	-13,941
Balance as of 31.12.2023	5,016	352,900	357,916
Acquisitions and developments	7,909	8,829	16,738
Capitalized improvements	0	4,874	4,874
Reclassifications	-5,868	5,868	0
Sales	0	-4,675	-4,675
Profit/loss from the change in fair value	-685	-353	-1,038
Balance as of 31.12.2024	6,372	367,443	373,815

Additional information regarding investment properties is provided in Note 3.

The Group's income statement and balance sheet reflect, among other things, the following income and expenses and balances related to investment properties:

As of December 31, or for the year	2024	2023
Rental income from investment properties (note 4)	31,076	30,606
Costs directly related to the management of investment properties (note 5)	-1,569	-1,626
Outstanding amounts from the acquisition of investment properties (note 16)	1,065	904
Book value of investment properties pledged as collateral for loan liabilities	372,158	355,574

Assumptions and basis for determining the fair value of investment properties

The Group's investment properties are valued by an independent valuer twice a year – as of 30 June and 31 December. The fair value of all investment properties recognised in the Group's financial statements as of 31.12.2024 has been obtained using the discounted cash flow method. The following assumptions have been used in determining the fair value:

Sector	Fair value	Valuation method	Estimated rental income per year	Discount rate	Exit yield	Average rental price €/m ²
<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 return 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 sheet as of 31.12.2024 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	90,560	10,070	-10,110	-1,830	1,850	-4,090	4,660
Logistics	124,297	13,250	-13,230	-2,420	2,520	-5,200	5,930
Retail	136,140	14,897	-14,953	-2,593	2,597	-5,503	6,207
National	7,200	930	-930	-140	140	-270	300
Care homes	15,618	960	-980	-300	270	-410	430
TOTAL	373,815	40,107	-40,203	-7,283	7,377	-15,473	17,527

15 Borrowings

As of 31.12.2024, the Group has the following loan obligations:

Lender	Country of lender	Loan amount as per agreement	Loan balance as of 31.12.24	Contract term	Loan agreement interest rate as of 31.12.24	Loan collateral	Collateral value	Share of the fund's net asset value
SEB	Estonia	4,800	3,135	30.04.27	4.76%	Mortgage - Premia Kõlmhoone	6,550	1.3%
Luminor	Estonia	2,633	1,257	25.12.26	5.25%	Mortgage - Võru Rautakesko	2,760	0.5%
SEB	Estonia	2,714	1,929	13.06.26	4.81%	Mortgage - Lauteri 5	5,060	0.8%
SEB	Estonia	8,429	5,007	25.01.27	4.81%	Mortgage - Uku Keskus	13,670	2.1%
Swedbank	Estonia	3,711	3,460	25.10.25	4.66%	Mortgage - Rakvere Police and rescue building	7,200	1.5%
Swedbank	Estonia	4,153	2,946	30.08.28	4.62%	Mortgage - Pärnu mnt 105	6,460	1.3%
Swedbank	Estonia	8,508	6,949	30.08.26	4.57%	Mortgage - Pärnu mnt 102	12,000	3.0%
SEB	Estonia	20,000	14,882	31.08.27	5.00%	Mortgage - Mustika Keskus	38,340	6.4%
Swedbank	Estonia	15,622	11,852	31.05.28	4.46%	Mortgage - Tammsaare tee Rautakesko; Kuuli 10	27,450	5.1%
SEB	Estonia	10,300	8,200	26.06.27	5.04%	Mortgage - Betooni 1a; Betooni 6	18,960	3.5%
Swedbank	Lithuania	4,078	3,028	07.12.25	5.27%	Mortgage - Menulio 11	7,490	1.3%
SEB	Latvia	4,561	3,264	16.04.27	4.64%	Mortgage - RAF Centrs	9,993	1.4%
Swedbank	Latvia	5,850	3,466	31.07.27	4.86%	Mortgage - Terbata office building	8,330	1.5%
SEB	Latvia	13,060	9,925	08.08.29	4.95%	Mortgage - Jurkalne Technology Park	24,160	4.3%
Swedbank	Lithuania	17,116	12,419	13.08.28	5.31%	Mortgage - Saules Miestas Shopping centre	39,180	5.3%
SEB	Lithuania	5,500	3,690	28.06.26	4.77%	Mortgage - DSV logistics centre	9,410	1.6%
SEB	Latvia	5,123	3,553	29.06.26	4.69%	Mortgage - DSV logistics centre	8,430	1.5%
SEB	Estonia	7,950	5,351	29.06.26	4.58%	Mortgage - DSV logistics centre	13,340	2.3%
SEB	Lithuania	5,620	3,789	27.10.26	4.82%	Mortgage - L3 office building	10,610	1.6%
SEB	Lithuania	5,200	3,335	21.12.25	5.17%	Mortgage - Ulonu office building	8,700	1.4%
SEB	Lithuania	5,850	4,337	30.05.28	4.86%	Mortgage - Evolution office building	11,360	1.9%
Swedbank	Estonia	3,833	3,584	29.06.27	4.26%	Mortgage - Laagri Selver	8,110	1.5%
SEB	Estonia	1,860	1,170	05.07.27	5.68%	Mortgage - Hortes gardening centre Laagri	3,470	0.5%
LHV	Estonia	1,800	1,488	25.02.29	6.41%	Mortgage - ABC Motors Autokeskus	3,100	0.6%
Swedbank	Latvia	4,000	2,398	05.02.26	5.30%	Mortgage - Piepilsetas logistics centre	8,300	1.0%
Luminor	Latvia	3,905	2,110	04.02.25	5.81%	Mortgage - airBaltic main building	7,750	0.9%
Swedbank	Estonia	3,100	2,666	28.11.25	4.81%	Mortgage - Piriita Pansionaat, parent company guarantee	5,830	1.1%
Swedbank	Estonia	2,250	1,570	25.09.27	4.81%	Mortgage - Valkla Súdamekodu	4,148	0.7%
Swedbank	Estonia	3,100	2,750	21.12.28	4.81%	Mortgage - Tartu Súdamekodu; EFTEN Real Estate Fund AS guarantee	5,640	1.2%
Šiaulių bankas	Lithuania	6,000	5,154	13.06.26	5.34%	Mortgage - Ramygala logistics centre	10,840	2.2%
SEB	Lithuania	7,300	5,781	12.08.25	5.10%	Mortgage - Rutkauskos office building	12,800	2.5%
Swedbank	Estonia	4,500	4,466	27.09.29	4.86%	Mortgage - Härgmäe logistics centre	8,790	1.9%
SEB	Estonia	3,000	641	27.10.29	4.64%	Mortgage - Paemurru logistics centre; EFTEN Real Estate Fund AS guarantee	3,927	0.3%
Total		205,426	149,552				372,158	64.2%

Short-term borrowings	31.12.2024	31.12.2023
<i>€ thousands</i>		
Repayments of non-current bank loans in the next period	25,679	16,966
Discounted contract fees for bank loans	-54	-59
Total short-term borrowings	25,625	16,907

Long-term borrowings	31.12.2024	31.12.2023
<i>€ thousands</i>		
Total long-term borrowings	149,420	147,756
incl. current portion of borrowings	25,625	16,907
incl. non-current portion of borrowings, incl	123,795	130,849
Bank loans	123,873	130,942
Discounted contract fees on borrowings	-78	-93

Repayments of borrowings by maturity	31.12.2024	31.12.2023
<i>€ thousands</i>		
Up to 1 year	25,679	16,966
2-5 years	123,873	130,942
Total repayments of borrowings	149,552	147,908

Cash flows of borrowings	2024	2023
<i>€ thousands</i>		
Balance at the beginning of the period	147,756	67,975
Bank loans received from merger	0	82,403
Bank loans received	14,260	4,080
Annuity payments on bank loans	-6,617	-6,720
Bank loan repayments	-5,998	0
Change of discounted contract fees	19	18
Balance at the end of the period	149,420	147,756

Additional information on borrowings is also provided in Note 17.

16 Liabilities and prepayments

Current liabilities and prepayments

	31.12.2024	31.12.2023
<i>€ thousands</i>		
Payables to suppliers from fixed asset transactions (note 14)	1,065	904
Other payables to suppliers	621	827
Total payables to suppliers	1,686	1,731
Other payables		
Other payables	74	91
Total other payables	74	91
Tax liabilities		
VAT	551	476
Corporate income tax	1	14
Individual income tax	7	6
Social tax	13	13
Land tax, real estate tax	88	84
Other tax liabilities	9	10
Total tax liabilities	669	603
Accrued expenses		
Payables to employees	36	44
Interest liabilities	118	264
Tenants' security deposits	452	363
Other accrued liabilities	208	320
Total accrued liabilities	814	991
Prepayments		
Other prepaid income	2	1
Total prepayments	2	1
Total liabilities and prepayments	3,245	3,417

Non-current liabilities

	31.12.2024	31.12.2023
<i>€ thousands</i>		
Tenants' security deposits	1,928	1,790
Total other non-current liabilities	1,928	1,790

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	31.12.2024	31.12.2023
<i>€ thousands</i>			
Financial assets – loans and receivables			
Cash and cash equivalents	12	18,415	14,712
Short-term deposits ¹		2,092	3,400
Trade receivables	13	1,173	1,517
Total financial assets		21,680	19,629
Financial liabilities measured at amortised cost			
Borrowings	15	149,420	147,756
Trade payables	16	1,686	1,731
Tenant security deposits	16	2,380	2,153
Interest liabilities	16	118	264
Accrued expenses	16	244	364
Total financial liabilities measured at amortised cost		153,848	152,268
Total financial liabilities		153,848	152,268

¹Short-term deposits are concluded with a term of 3 to 6 months and bear interest of 2.8% - 3.7% per annum (as of 31.12.2023: short-term deposits are concluded with a term of 4 to 6 months and bear interest of 2.3% - 4.5% per annum).

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, taking into account 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 31.12.2024, all of the Group's loan agreements are concluded on a floating interest basis (margin between 1.40% and 3.0% plus 1-month, 3-month and 6-month EURIBOR). All agreements in the Group's loan portfolio have a 0% floor to protect against negative EURIBOR, i.e. in the event of a negative EURIBOR, the loan margin on these loan obligations will not decrease.

The weighted average interest rate of the Group's loans as of 31.12.2024 was 4.89% (31.12.2023: 5.91%).

The change in EURIBOR has a significant impact on the Group's net profit and cash flows. The table below shows the impact of the change in interest rates on the Group's profit before tax and cash flows by EURIBOR level, taking into account the outstanding loans as of 31.12.2024.

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	-7,047	
Effect of EURIBOR change:		
EURIBOR 2.0%	1,295	-18.4%
EURIBOR 2.5%	576	-8.2%
EURIBOR 4.0%	-1,580	22.4%
EURIBOR 4.5%	-2,299	32.6%

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 so that no more than 65% of the acquisition cost of the investment is involved in external capital when making real estate investments and the Group's debt coverage ratio is greater than 1.2. As of 31.12.2024, the Group's interest-bearing debt obligations as a percentage of rental income-producing investment properties were 40% (31.12.2023: 42%) and the average debt service coverage ratio (DSCR) for the last 12 months was 1.7 (31.12.2023: 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 of 31.12.2024	Less than 1 month	2-4 months	5 to 12 months	2 to 5 years	over 5 years	Total
<i>€ thousands</i>						
Interest-bearing liabilities	542	3,679	21,458	123,873	0	149,552
Interest payments	633	1,806	4,608	10,611	0	17,658
Interest liabilities	118	0	0	0	0	118
Trade payables (note 16)	1,686	0	0	0	0	1,686
Tenant security deposits (note 16)	20	167	265	1,424	504	2,380
Accrued expenses (note 16)	244	0	0	0	0	244
Total financial liabilities	3,243	5,652	26,331	135,908	504	171,638

Statement of working capital

	31.12.2024	31.12.2023
<i>€ thousands</i>		
Cash and cash equivalents (note 12)	18,415	14,712
Short-term deposits	2,092	3,400
Receivables and accrued income (note 13)	2,055	2,360
Prepaid expenses	138	106
Total current assets	22,700	20,578
Short-term portion of long-term liabilities (Note 15)	-25,625	-16,907
Short-term debts and prepayments (note 16)	-3,245	-3,417
Total current liabilities	-28,870	-20,324
Total working capital	-6,170	254

The Group's working capital as of 31.12.2024 is negative in the amount of -6,170 thousand euros due to the Group's six loan agreements maturing within the next 12 months in the total amount of 20,380 thousand euros. The expiring loan agreements are secured by investment properties with strong rental cash flow, therefore, according to the management's assessment, there will be no obstacles to extending these 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 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:

	31.12.2024	31.12.2023
Not due	1,005	1,303
Past due, incl	304	333
Up to 30 days	125	193
30-60 days	38	70
More than 60 days	141	70
Allowance for doubtful accounts	-136	-119
Total trade receivables (Note 13)	1,173	1,517

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

	31.12.2024	31.12.2023
<i>€ thousands</i>		
Cash and cash equivalents (note 12)	18,415	14,712
Short-term deposits	2,092	3,400
Trade receivables (note 13)	1,173	1,517
Total maximum credit risk	21,680	19,629

Kapitalijuhtimine

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 real estate projects. The required amount of equity is calculated for each investment individually, considering 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 2024, the group has earned free cash flow (EBITDA minus loan payments and interest expenses) of 11,109 thousand euros (2023: 11,314 thousand euros). All loans were serviced as usual and no payment holidays were taken by the fund's subsidiaries.

Statement of capitalization

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

	31.12.2024	31.12.2023
<i>€ thousands</i>		
Short term liabilities guaranteed with mortgage (Note 15)	25,679	16,966
Unsecured current liabilities	3,191	3,358
Total current liabilities	28,870	20,324
Long term liabilities guaranteed with mortgage (Note 15)	123,873	130,942
Unsecured non-current liabilities	12,947	10,980
Total non-current liabilities	136,820	141,922
Share capital and share premium (Note 18)	204,709	192,919
Reserves	2,799	2,749
Retained earnings (Note 19)	25,565	23,030
Total shareholder's equity	233,073	218,698
Total liabilities and equity	398,763	380,944

Statement of net debt

	31.12.2024	31.12.2023
<i>€ thousands</i>		
Cash	18,415	14,712
Short term deposits	2,092	3,400
Total liquid assets	20,507	18,112
The current portion of non-current borrowings (Note 15)	25,679	16,966
Net current liabilities	5,172	-1,146
Non-current borrowings (non-current portion) (Note 15)	123,873	130,942
Total non-current liabilities	123,873	130,942
Total net debt	129,045	129,796

Fair value

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

Level 1 – quoted prices in active markets;

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

Level 3 – unobservable inputs at the market.

As of 31.12.2024 or 31.12.2023, the Group does not have any assets with fair value that would be included in the Level 1 group for the purpose of determining the value. All of the Group's investment properties are recorded at fair value and are included in the Level 3 group according to the valuation method (see Note 14). All of the Group's loan liabilities are included in the Level 2 group.

18 Share capital

The registered share capital of EFTEN Real Estate Fund AS as of 31.12.2024 is 114,403 thousand euros (31.12.2023: 108,198 thousand euros). The share capital consisted of 11,440,340 shares (31.12.2023: 10,819,796 shares) with a nominal value of 10 euros (31.12.2023: the same). As of 31.12.2024, EFTEN Real Estate Fund AS has allocated 2,799 thousand euros (31.12.2023: 2,749 thousand euros) from retained earnings to reserve capital.

In the last quarter of 2024, the fund issued 620,544 new shares at an issue price of 19 euros, of which the nominal value was 10 euros and the share premium was 9 euros. As a result of the issue, the fund's share capital increased by 6,205 thousand euros and the share premium by 5,585 thousand euros (a total of

11,790 thousand euros). The total expenses directly related to the issue were 159 thousand euros. The increase in share capital was registered in the Commercial Register on 23.12.2024.

By the decision of the general meeting of EFTEN Real Estate Fund AS held on 02.04.2024, the fund distributed net dividends in the total amount of 10,820 thousand euros (1 euro per share) and allocated 50 thousand euros from retained earnings to reserve capital.

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

Company	As of 31.12.2024	
	Number of shares	Ownership, %
Hoiukonto OÜ	1,287,296	11.25%
REF Aktsiad OÜ	1,258,144	11.00%
LHV Pensionifond	1,210,475	10.58%
Altiuse KVI OÜ	1,092,845	9.55%

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

Company	As of 31.12.2024	
	Number of shares	Ownership, %
REF Aktsiad OÜ, a company under significant control of the member of the Supervisory Board Olav Miil	1,258,144	11.00%
Altiuse KVI OÜ, a company under significant control of Council member Arti Arakas	1,092,845	9.55%
EFTEN Capital AS, fund management company	292,688	2.56%
EFTEN United Property Fund, a fund managed by fund manager EFTEN Capital AS	218,759	1.91%
HTB Investeeringud OÜ, a company under significant control of Siive Penu, a member of the Supervisory Board	198,032	1.73%
Member of the Board Tõnu Uustalu	70,500	0.62%
Member of the Supervisory Board Olav Miil	52,649	0.46%
Member of the Board Viljar Arakas	2,000	0.02%
Miemma Holding OÜ, a company owned by board member Viljar Arakas	22,606	0.20%
Meeli Leis, a close family member of board member Tõnu Uustalu	2,707	0.02%
Member of the Supervisory Board Siive Penu	1,500	0.01%
Aile Arakas, a relative of Council member Arti Arakas	515	0.005%
Martin Arakas, a close family member of Council member Arti Arakas	853	0.007%
Lisandra Nirgi, a close family member of Council member Arti Arakas	140	0.001%
Laura Ly Oja, a close family member of the board member	19	0.000%
Member of the Council Sander Rebane	2	0.000%
Sannu Investeeringud OÜ, owned by council member Sander Rebane	167	0.001%
Total	3,214,126	28.09%

19 Contingent liabilities

	31.12.2024	31.12.2023
<i>€ thousands</i>		
Retained earnings	25,565	23,030
Potential income tax liability	5,624	4,606
Dividends can be paid out	19,941	18,424

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 31.12.2024 and 31.12.2023.

20 *Transactions with related parties*

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

- Management Board members and companies owned by the Management Board members of EFTEN Real Estate Fund AS;
- Supervisory Board members and companies owned by the Supervisory Board members of EFTEN Real Estate Fund AS;
- Employees and companies owned by the employees of EFTEN Real Estate Fund AS;
- EFTEN Capital AS (the fund management company).

During the year of 2024, the Group purchased management services from EFTEN Capital AS in the amount of EUR 2,159 thousand (2023: 2,148 thousand euros), see Note 7. EFTEN Real Estate Fund AS did not purchase or sell other goods or services from other related parties during the 2024 or 2023.

As of December 31, 2024, the Group had a total of 13 employees, who were paid a total of EUR 482 thousand euros (2023: 469 thousand euros), see Note 5,7. No fees were calculated or paid to the members of the Group's Management Board or Supervisory Board during the 2024 nor 2023. The members of the Group's Management Board work for EFTEN Capital AS, a company providing management services to the Group, and expenses related to the activities of a member of the Management Board are included in the management services.

21 *Provisions*

Pending cases

EFTEN SPV2 OÜ lawsuit against AS Tallinna Vesi

The Group's subsidiary EFTEN SPV2 OÜ filed a claim against AS Tallinna Vesi on 31.10.2020, based on the fact that AS Tallinna Vesi had provided water services to EFTEN SPV2 OÜ at excessively high prices (+15%) from 2011 to 2019, without obtaining the approval of the Competition Authority, which has significantly violated the requirements of §14 et seq. of the ÜVVKS. AS Tallinna Vesi does not recognize the claim. The Harju County Court dismissed the claim by its decision of 10.04.2024. The County Court qualified the legal relationship between the parties as a claim for unjust enrichment, which is incorrect. EFTEN SPV2 OÜ takes this position due to the fact that in a similar court dispute that took place in parallel (judgment of 25.06.2024 in civil case no. 2-22-10417), the Supreme Court explained that this is not a claim for unjust enrichment, but a contractual claim. EFTEN SPV2 OÜ has also contested the decision of the Harju County Court and the appeal has been accepted for processing by the Tallinn Circuit Court. The Circuit Court will resolve the appeal in written proceedings, where the parties have presented their positions. The decision can be expected in April of this year. EFTEN SPV2 OÜ continues to be of the opinion that AS Tallinna Vesi, which operates in a monopoly position, has illegally and unreasonably charged high water service prices during the period 2011–2019, and AS Tallinna Vesi is obliged to compensate for the damage caused by this. The amount of EFTEN SPV2 OÜ's claim is 91 thousand euros. The Group has not recognized the aforementioned claim separately due to its uncertainty.

Declaration of the board for the consolidated interim report for the fourth quarter and 12 months of 2024

We hereby confirm that the consolidated interim report of EFTEN Real Estate Fund AS for the 12 months of 2024 has been prepared to the best of our 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 subsidiaries and joint venture 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 subsidiaries and joint venture 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