



EFTEN



Qualitas



Merger of EFTEN Real Estate Fund III AS and EFTEN Kinnisvarafond AS

Tallinn, September 2022

This summary has been prepared by the management company EfTEN Capital AS, and its sole purpose is to provide a brief overview of the merger plan between EfTEN Kinnisvarafond AS and EfTEN Real Estate Fund III AS in the form of a presentation. It is not comprehensive and does not contain all information about the merger. All forward-looking statements involve risks and uncertainties, which may cause actual future results to differ from those projected.

The performance in past periods does not guarantee the performance of the merged fund in the following periods after the merger.

In no case should the summary be treated as an offer, invitation or in any other way a recommendation to invest in the funds or to make transactions with securities of the funds.

1+1>2

Merger is in the interest of both funds' shareholders

- ④ Similar investment strategies
- ④ Similar business results
- ④ Similar levels of financial leverage
- ④ Same valuation principles
- ④ Relatively similar volume of assets and equity
- ④ Improved geographical and sectoral asset diversification
- ④ Improved diversification of tenants – only 1 overlapping major tenant (Rimi)
- ④ Larger market capitalization results in improved visibility, incl. among foreign investors



1+1>2

Change is necessary for progress

Merging two funds will make us braver, stronger and larger. The merged fund will be in **Top 10 largest companies** listed on Nasdaq Baltic stock exchange. Increased size will create additional stability and improved visibility.



Effect of merger

In thousands of Euros



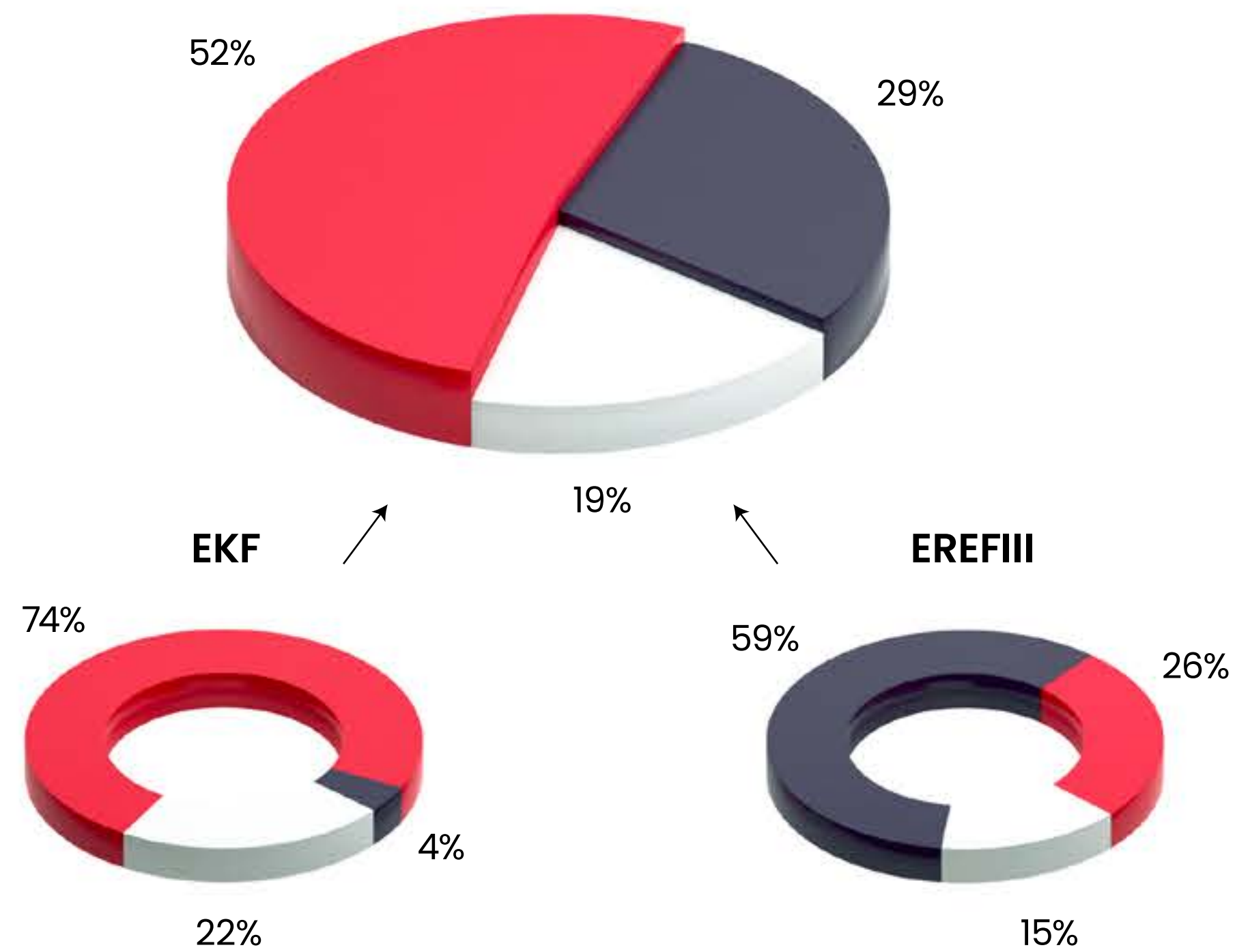
Creating the largest Baltic real estate investment fund

Data as of 31.07.2022

	EFTEN Kinnisvarafond AS	Proportion of merged portfolio	EFTEN Real Estate Fund III AS	Proportion of merged portfolio	Total merged portfolio
Real estate investments	201 504	54%	168 643	46%	370 148
NOI	15 988	53%	13 224	47%	28 213
Yield	7,4%		7,8%		7,6%
Rental space total, m2	188 833	56%	146 510	44%	335 343
Free cashflow	8 460	57%	6 300	43%	14 761
Equity	122 049	55%	101 478	45%	223 528

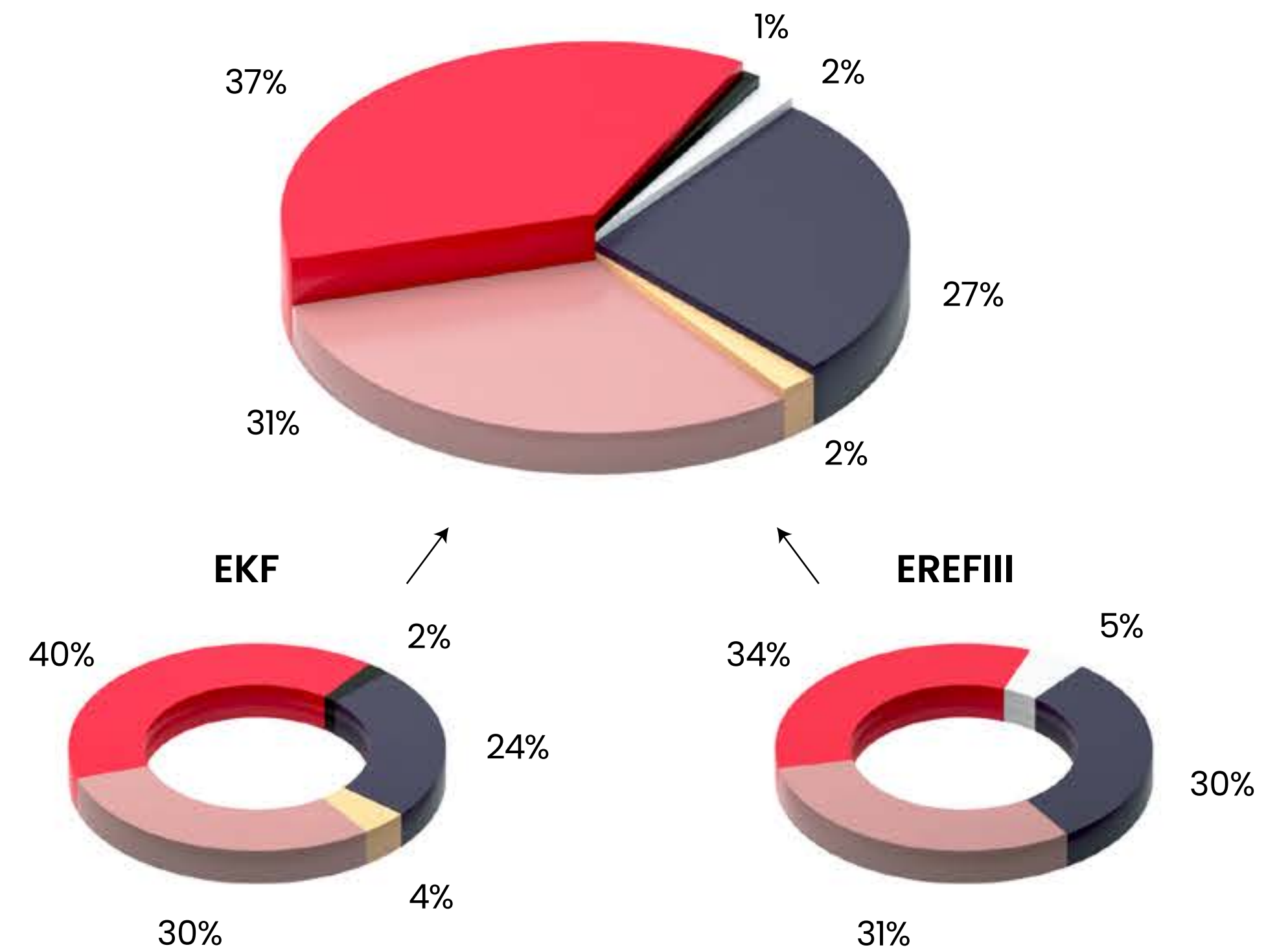
Real estate portfolio

Merged fund by country



● Estonia ○ Latvia ● Lithuania

Merged fund by sector



● Retail ● Hotel ○ Elderly Care ● Office ● State ● Logistics

Largest tenants

EFTEN Kinnisvarafond AS – 295 tenants

Tenant	Proportion of total rental income
Kesko Senukai Estonia AS	10,5%
LIVONIA PRINT SIA	9,6%
Prisma Peremarket AS	9,2%
Logistika Pluss OÜ	5,4%
Riigi Kinnisvara Aktsiaselts	4,7%
DHL Logistics Estonia OÜ	4,7%
Premia Tallinna Külkhoone AS	3,4%
Vilniaus apskrities vyriausiasis policijos kom. 4	2,7%
Kinnisvaravalduse AS (Rimi Eesti)	2,1%
Checkout Technology LTD Eesti Filiaal	2,1%
New Yorker Latvija SIA	1,9%
Majorel Estonia OÜ	1,7%
Bauhof Group AS	1,6%
Plesko Real Estate SIA (Rimi Läti)	1,6%
Qvalitas Arstikeskus AS	1,3%
Est-Trans Kaubaveod AS	1,2%
Onninen AS	0,9%
Olympic Entertainment Group AS	0,8%
Jahelogistika OÜ	0,8%
ZAB EVERSHEDS SUTHERLAND BITĀNS SIA	0,8%
Other	32,8%
Total	100%

Top 20 tenants 67,2%

EFTEN Real Estate Fund III AS – 221 tenants

Tenant	Proportion of total rental income
DSV Estonia AS	7,8%
Adax UAB	6,0%
Hortes AS	5,7%
DSV Latvia SIA	5,5%
DSV Lithuania, UAB	5,4%
Atea, UAB	4,6%
AIR BALTIC CORPORATION AS	4,0%
Rimi Lietuva, UAB	3,8%
Pirita Sūdamekodu OÜ	3,3%
Selver AS	2,6%
Valstybinė energetikos reguliavimo taryba	2,3%
ABC Motors AS	2,2%
FRISTADS PRODUCTION SIA	2,1%
Insoft, UAB	1,6%
FORANS SIA	1,2%
THREE L TECHNOLOGIES SIA	1,2%
Valkla Sūdamekodu OÜ	1,1%
Omnisend, UAB	1,1%
JOULE PRODUCTION SIA	1,0%
SPORTLAND LT, UAB	1,0%
Other	36,4%
Total	100%

Top 20 tenants 63,6%



**EFTEN
REAL
ESTATE
FUND III**

Merger Process

Valuation of Assets

Assets of all EFTEN funds have for years been valued by Colliers International.

In the context of the merger it is of utmost importance that the assets of both funds are valued according to the same principles and methodology. It is the ratio of both funds' assets that is crucial for the merger process. The absolute value of both funds' assets nor the potential upward or downward valuation by other appraisers would have no meaningful impact on the merger.



Equity replacement ratio

EfTEN Real Estate Fund III AS equity capital will be increased on account of all the assets of EfTEN Kinnisvarafond AS (non-monetary contribution), valued at EPRA NAV.

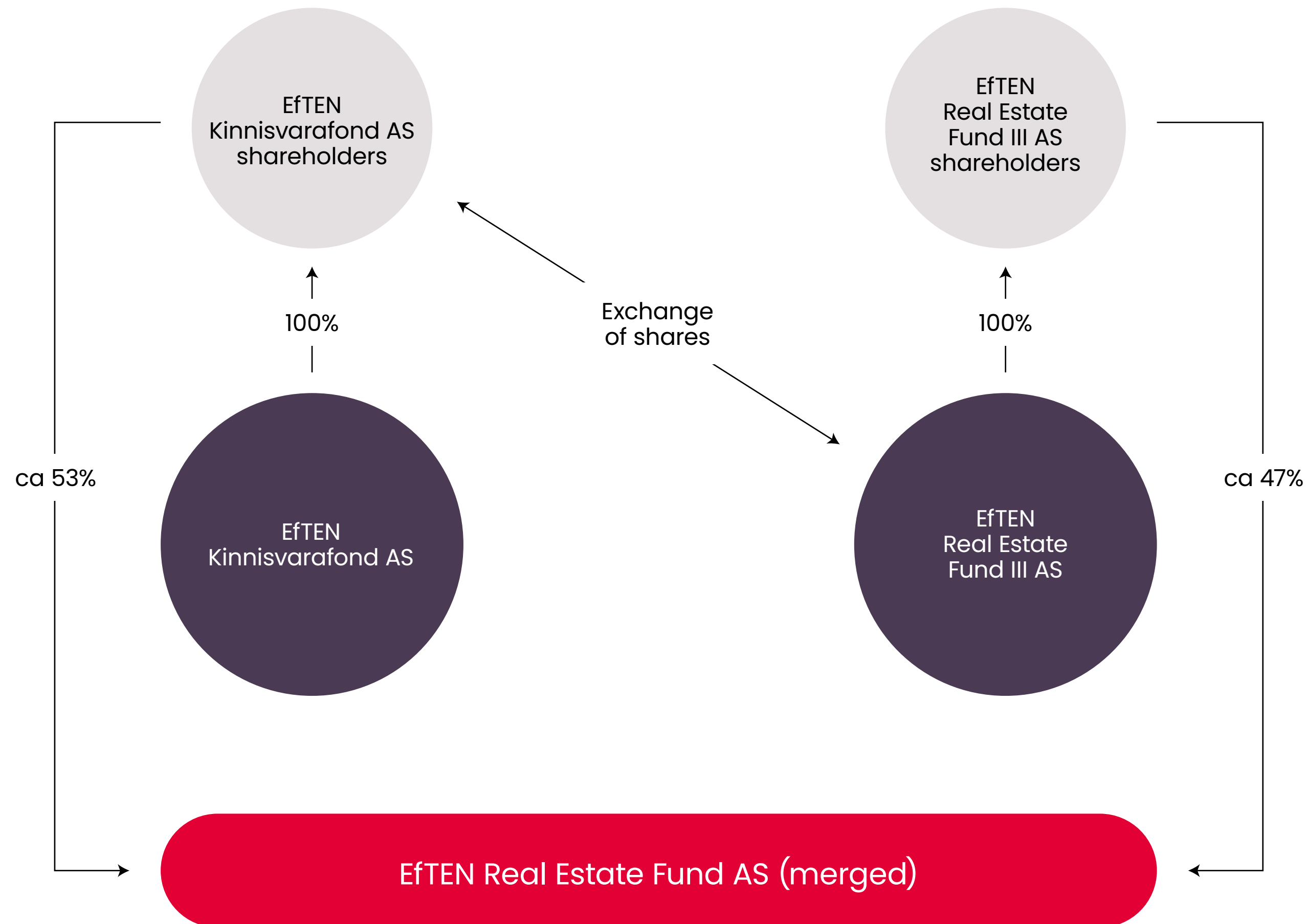
Shares of EfTEN Kinnisvarafond AS (acquired fund) will be replaced by EfTEN Real Estate Fund III AS (acquiring fund) shares according to the following replacement ratio:

$$\text{Merger Replacement Ratio} = \frac{\text{EPRA NAV per share of EfTEN Kinnisvarafond AS}}{\text{EPRA NAV per share of EfTEN Real Estate Fund III AS}}$$

EfTEN Kinnisvarafond AS shareholders will receive for each share the number of EfTEN Real Estate Fund III AS shares that is determined by the replacement ratio.



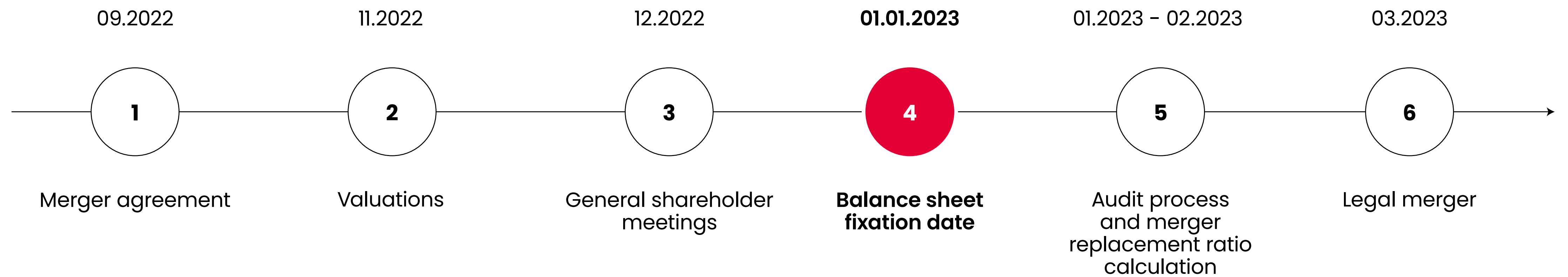
Merger Structure



Name of the fund **EFTEN Real Estate Fund III AS** will change to **EFTEN Real Estate Fund AS**



Merger Schedule



Merged Real Estate Portfolio

Logistics



**EFTEN
REAL
ESTATE
FUND III**

EREFIII



DSV
Vilnius



DSV
Tallinn



DSV
Riga



Piepilsetas
Riga



Ramygalos
Panevezys

EKF



Premia cold storage
Tallinn



Kuuli 10
Tallinn



Betooni 1A
Tallinn



Betooni 6
Tallinn



Jurkalne logistics park
Riga

Merged Real Estate Portfolio

Office



EREFIII



DSV
Vilnius



L3
Vilnius



Evolution
Vilnius



AirBaltic
Riga



Rutkausko
Vilnius

EKF



Lauteri 5
Tallinn



Pärnu mnt 102
Tallinn



Pärnu mnt 105
Tallinn



Terbata
Riga



Menulio 11
Vilnius

Merged Real Estate Portfolio

Retail



**EFTEN
REAL
ESTATE
FUND III**

EREFIII



Saules Miestas
Šiauliai



Laagri Selver
Tallinn



Hortes Laagri
Tallinn



Hortes Tähesaju
Tallinn



ABC Motors Car Centre
Tallinn

EKF



K-Rauta
Võru



UKU Keskus
Viljandi



Mustika Keskus
Tallinn



RAF Centrs
Jelgava



Tammsaare tee K-Rauta
Tallinn

Merged Real Estate Portfolio

Elderly care, state, hotels

EREFIII



Pirita elderly care
Tallinn

Development



Südamekodu
elderly care
Valkla

Development



Südamekodu
elderly care
Tartu

EKF



Police and Rescue
communal building
Rakvere



Hotel Palace
(50% ownership)
Tallinn