

Interim report for the 3rd quarter and nine months ended 30 September 2022

Beginning of financial year: 01.01.2022

End of financial year: 30.09.2022

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Fond type: contractual fund

Fund manager: EfTEN Capital AS

Commercial register number: 11505542



**EFTEN
UNITED
PROPERTY
FUND**

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Management report

In the 3rd quarter of 2022, EFTEN United Property Fund made the first payment to investors – the dividends received from EFTEN Kinnisvarafond and EFTEN Kinnisvarafond II (almost 212 thousand euros, or 8.5 cents per share) were fully paid by the Fund to the investors.

In terms of Fund's investments, the biggest developments in the 3rd quarter took place in the development of the Uus-Järveküla residential area. At the beginning of September, the municipality of Rae issued a building permit for the construction of the roads and routes of the first stage of the development and at the end of the quarter, construction activities corresponding to the building permit began. In addition, 10 new terraced houses were put up for sale. Out of the 52 units that have been on sale so far, 50 have been booked by customers. During the quarter, EFTEN United Property Fund made one investment – they increased their stake in the trust fund EFTEN Residential Fund in the amount of 366 thousand euros. The investment will be used to complete the development of rental houses in Kaunas and to continue the development of rental houses in Vilnius. Upon completion of these investments, EFTEN United Property Fund's investments will be spread among 29 different properties on a *'look-through'* basis. This makes EFTEN United Property Fund the real estate fund with the most diversified portfolio in the Baltics.

EFTEN United Property Fund shares were listed on the fund list of the Nasdaq Tallinn Stock Exchange in May 2022. This was preceded by a limited public offering of Fund's shares (up to 460,000 shares) within two weeks, which was more than doubled by investors. EFTEN Capital AS used the right to increase the offer, issuing 660,000 shares and raising funds in the amount of 7 million euros. As of 30.09.2022, the Fund had more than 6,300 investors, growing by almost 1,900 investors in 9 months. Since the creation of EFTEN United Property Fund, the Fund has attracted 25.5 million euros from investors, of which almost 10 million euros was raised in 2022.

The yield of EFTEN United Property Fund (the net value of the shares including the pay-out to investors) was 4.6% in 9 months of 2022 and 10.3% since the creation of the Fund in June 2021. As a result of regular revaluation of assets, the value of the Fund's investment increased the most in 2022 in the trust fund EFTEN Real Estate Fund 5 (the Fund owns the Danske Bank office building in Vilnius) and in the subsidiary EFTEN M7 UAB (owner of the Menulio 7 office building). The independent appraiser from Colliers International Advisors OÜ sees a more optimistic business cash flow forecast for these investments than previously predicted. In the case of the Danske Bank building, it is related to the new long-term lease agreements concluded in recent months with a higher price level than before. However, in the case of the Menulio 7 office building, it is mainly due to the faster than expected inflation rate in Lithuania (in September inflation increased by 24.1% compared to 12 months ago), as most of the building's lease agreements are indexed to the growth of consumer prices in Lithuania.

As far as the Fund management is aware, there are no tenants mainly related to business activities in Russia or Ukraine on the rental premises of real estate objects belonging to the EFTEN United Property Fund. Therefore, the direct or so-called first round realization of the risk associated with the war in Ukraine has essentially no effect on the Fund's financial results.

As of the end of the third quarter of 2022, the Fund has uninvested capital in the amount of 9.2 million euros. In terms of investments, the Fund has concluded two binding agreements as of the end of the half year: (i) to invest an additional 7.3 million euros in the trust Fund EFTEN Real Estate Fund 5 and (ii) to invest an additional 745 thousand euros in the Trust Fund EFTEN Residential Fund. The Fund manager predicts that the strong growth cycle of the past ten years has passed in commercial real estate in the Baltics. Interest rates have gone up, no new foreign investors are coming to the region, and energy prices have raised renters' utility costs to unprecedented heights. The so-called risk-free rate of return, widely

used by investors, has increased from approximately 1% to 4% in the Baltics over the past year (measured by the government's 10-year bond interest rate). In such an environment, the Fund management company does not rush to invest free Funds and waits for the arrival of more favourable purchase opportunities. Therefore, the Fund management company considers it likely that a large share of uninvested Funds will remain during the last months of 2022, and there are no plans to attract additional capital to the Fund before making new investments.

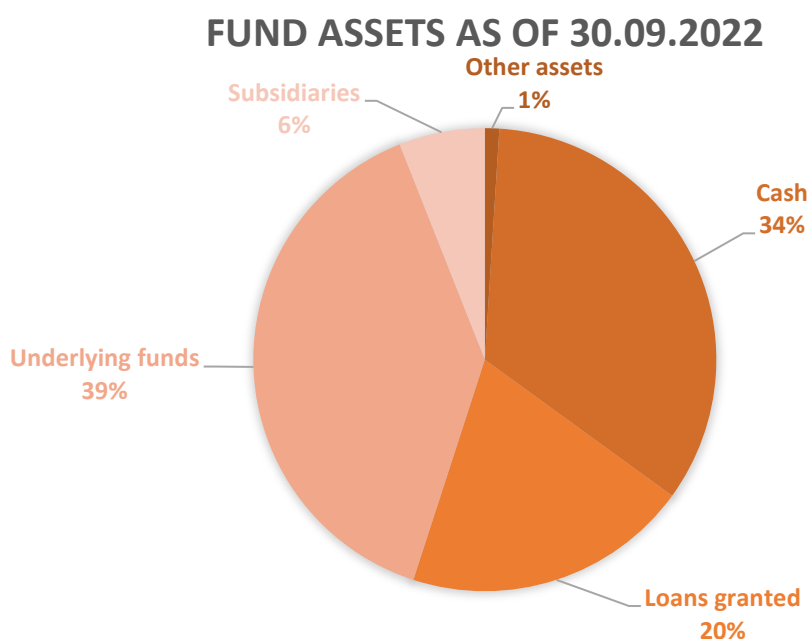
EFTEN United Property Fund's investments have mitigated the risk of rising interest rates primarily with a conservative lending policy, and rental contracts for real estate investments are linked to rising consumer prices as much as possible. The ratio of bank loans used for the acquisition of underlying assets belonging to the Fund to collateral assets did not exceed the 50% level as of the end of the third quarter.

Financial review

In the 3rd quarter of 2022, EFTEN United Property Fund (hereinafter the Fund) earned a net profit of 308 thousand euros (2021 3rd quarter: 39 thousand euros), including 23 thousand euros of profit was obtained from the increase in the value of the subsidiary (2021 3rd quarter: 2 thousand euros loss) and 258 thousand euros from the increase in the value of the underlying funds (2021 III quarter: 20 thousand euros profit).

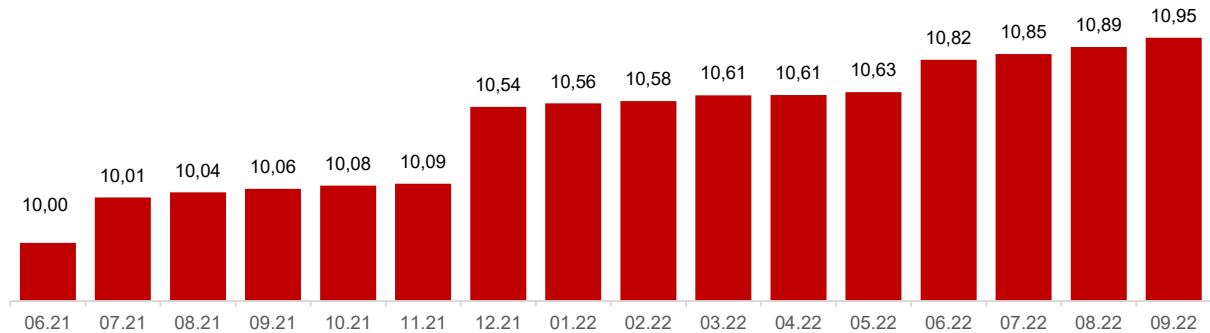
In the 9 months of 2022, the Fund earned a total net profit of 1,155 thousand euros (2021 9 months: 39 thousand euros), including 726 thousand euros of profit from the underlying Funds (2021 9 months: 20 thousand euros) and 182 thousand euros from the subsidiary (2021 9 months: loss 2 thousand euros). The Fund's expenses were a total of 186 thousand euros in 9 months (2021 9 months: 6 thousand euros), including 53 thousand euros in the III quarter (2021 III quarter: 6 thousand euros).

EFTEN United Property Fund's assets amount to 27,190 thousand euros (31.12.2021: 16,383 thousand euros), of which 65% as of the end of September are investments (31.12.2021: 64%) made.

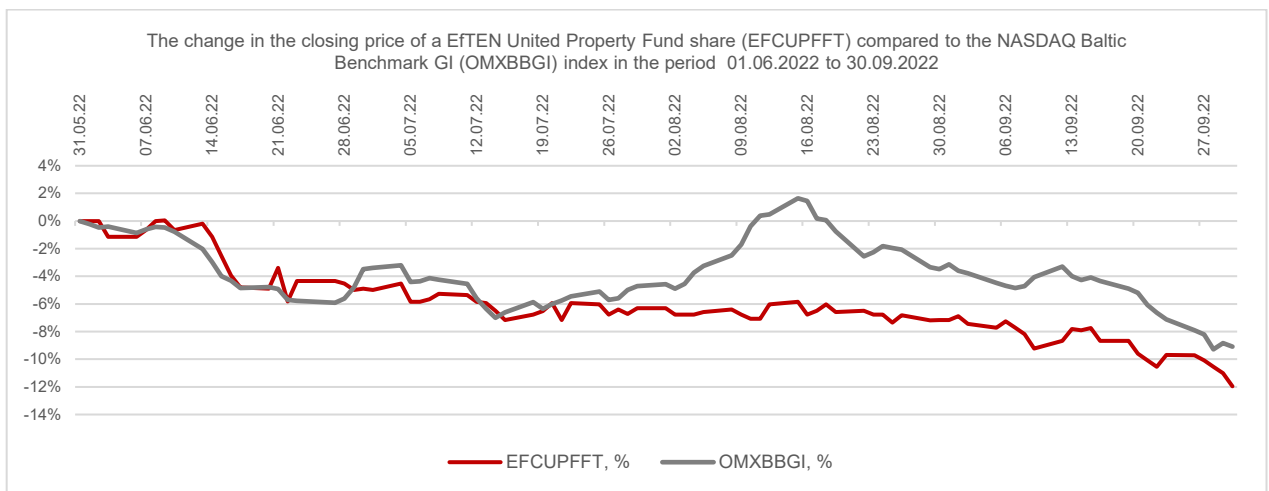


The value of the share of EFTEN United Property Fund as of 30.09.2022 was 10.95 euros. Since the creation of the Fund, the net value of the share has increased by 9.5%. Since its creation, the Fund has raised a total of 25,466 thousand euros worth of capital.

Dynamics of the net value of the share June 2021- September 2022



Due to the general decline of the stock markets, the value of the Fund's shares on the stock exchange has fallen by 12.0%. The main index of the Baltic market, the Baltic Benchmark GI, has fallen by 9.1% during the same period. In August 2022, EFTEN Capital submitted a request to the Financial Supervision Authority to change the conditions of the Fund. Upon approval, the most important change will be the opportunity to initiate a buyback program of the Fund's shares if, according to the Fund management company, the market price of the Fund's shares trades clearly below the value of the Fund's real assets. As of the preparation of the interim report, the Financial Supervision Authority has not yet approved the changes to the conditions of the Fund.



The main financial indicators of the Fund are presented in the table below:

Key financial indicators of the Fund	9 months 2022	9 months 2021
<i>€ thousand</i>		
Cash received on the subscription of shares in the Fund	9,864	9,009
Net assets value of the fund	27,186	9,048
Fund's asset value per share, EUR	10,95	10,06
Growth in the Fund's net asset value enduring the period	3,8%	0,6%
Result of the Fund	1,155	39
Investments in subsidiaries	1,533	0
Investments in underlying funds	10,757	1,046
Loans given	5,376	2,500

Kristjan Tamla

EFTEN Capital AS

Head of Retail Division

Signatures of the EFTEN United Property Fund's Fund manager's management to 2022 III quarter and 9 months report

The management of Fund manager EFTEN Capital AS has prepared the Report of EFTEN United Property Fund for the III quarter of 2022 and 9 months, covering the period from 01.01.2022 to 30.09.2022, consisting of the Management Report, Financial Statements and the Fund's Investment Report.

Viljar Arakas

Member of the Management Board

Maie Talts

Member of the Management Board

Tallinn, 31 October 2022

Financial Statements

Statement of the comprehensive income

	Notes	III quarter		9 months	
		2022	2021	2022	2021
<i>€ thousand</i>					
Income					
Interest income	7	80	27	220	27
Dividend income	7	0	0	212	0
Net profit / loss from assets recognised in fair value through profit or loss	4,7	281	18	909	18
Investments in subsidiaries		23	-2	182	-2
Underlying assets		258	20	726	20
Total income		361	45	1,341	45
Costs					
Operating expenses					
Management fee	8	-25	-3	-68	-3
Costs of administering the Fund		-22	-2	-88	-2
Other operating expenses		-6	-1	-31	-1
Total operating expenses		-53	-6	-186	-6
Operating profit		308	39	1,155	39
INCREASE IN THE NET ASSET VALUE OF THE FUND ATTRIBUTABLE TO THE SHAREHOLDERS		308	39	1,155	39
Ordinary and diluted profit / loss per share (EUR)	6	0.12	0.10	0.56	0.10

Notes on pages 12-23 are an integral part of these financial statements.

Statement of financial position

	Notes	30.09.2022	31.12.2021
<i>€ thousand</i>			
ASSETS			
Current assets			
Cash and cash equivalents	3	9,227	2,743
Other receivables and accrued income	3	297	3,216
Total current assets		9,524	5,959
Non- current assets			
Financial assets at fair value through profit or loss	3,7	12,290	7,924
Investments in subsidiaries		1,533	628
Real estate Funds		10,757	7,296
Loans granted	3,7	5,376	2,500
Total non-current assets		17,666	10,424
TOTAL ASSETS		27,190	16,383
Liabilities			
Current liabilities	3	4	4
Total liabilities, excluding net asset value of the Fund attributable to shareholders		4	4
NET ASSET VALUE OF THE FUND			
Net asset value of the Fund attributable to shareholders	5	27,186	16,379
Total liabilities and net asset value of the Fund attributable to shareholders		27,190	16,383

Notes on pages 12-23 are an integral part of these interim financial statements.

Statement of changes in the net asset value of the Fund attributable to shareholders

	Notes	9 months	
		2022	2021
<i>€ thousand</i>			
Net asset value of the Fund as the beginning of the period		16,379	0
Issuance of the shares		9,864	9,009
Profit distributions to shareholders		-212	0
Total transactions with shareholders	5	9,652	9,009
Increase in net asset value attributable to shareholders		1,155	39
Total net asset value of the Fund attributable to shareholders as at 30.09	5	27,186	9,048
Number of shares outstanding at the end of the reporting period, pcs		2,483,860	899,306
Net asset value per share at the end of the reporting period	5	10.95	10.06

Notes on pages 12-23 are an integral part of these interim financial statements

Statement of cash flows

(Direct method)

	Notes	III quarter		9 months	
		2022	2021	2022	2021
<i>€ thousand</i>					
Cash flows from operating activities					
Acquisition of subsidiaries		0	-2	-723	-2
Sale of associates		0	0	921	0
Acquisition of shares in real estate Funds		-366	-1,026	-3,654	-1,026
Loans granted	8	0	-2,500	-2,876	-2,500
Dividends received		0	0	212	0
Operating expense paid		-74	-4	-186	-4
Total cash flows from operating activities		-440	-3,532	-6,306	-3,532
Proceeds from issuance of shares		0	5,179	13,002	7,897
Dividends paid		-212	0	-212	0
Total cash flows from financing activities		-212	5,179	12,790	7,897
Total cash flows		-652	1,647	6,484	4,365
Cash and cash equivalents at the beginning of the period		9,879	0	2,743	0
Change in cash and cash equivalents		-652	1,647	6,484	4,365
Cash and cash equivalents at the end of the period	3	9,227	1,647	9,227	4,365

Notes on pages 12-23 are an integral part of these interim financial statements.

Notes to the financial statements

Note 1 General information

EFTEN United Property Fund (hereinafter the Fund) was formed on April 26, 2021 and commenced operations on June 22, 2021. The Fund is a contractual public closed-end investment fund. The purpose of the Fund is to offer fund's shareholders the opportunity to take part in the development of the real estate market and real estate-related infrastructure and technology companies in the Baltic countries through a various real estate related sub-sectors (including real estate-related infrastructure companies) and real estate related financial instruments in three Baltic countries, considering capital layers with different risk levels.

EFTEN United Property Fund is managed by EFTEN Capital AS, A. Lauteri 5, Tallinn.

The financial statements reflect the Fund's business activities during its first period of operation from 01.01.2022 to 30.09.2022.

The financial statements are presented in thousands of Euros, unless otherwise stated.

These financial statements have been approved by the Management Company on 31.10.2022

Note 2 Summary of significant accounting policies

2.1 Basis for the report

The interim financial statements of EFTEN United Property Fund have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS EU). This consolidated interim report has been prepared in accordance with International Accounting Standard IAS 34: Interim Reporting. In preparing the interim report, the same accounting methods have been used as in the annual report for the financial year ended 31.12.2021. The interim report should be read in conjunction with the Fund's latest published 2021 financial year report, prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of the management board, the interim report of EFTEN United Property Fund for the 3rd quarter and 9 months of 2022 correctly and fairly reflects the financial performance of the Fund in accordance with the principle of continuity. This interim report has not been audited or otherwise checked by auditors and contains only Fund reports. The reporting currency is the euro. The interim accounting report is prepared in thousands of euros and all figures are rounded to the nearest thousand, unless otherwise indicated.

Note 3 Financial risk management

The Fund's investment policy

The Fund invests its assets to real estate and shares, bonds and loan agreements (direct investment) related to real estate and investment funds related to real estate (underlying funds). In addition, the Fund's cash may be placed in credit institution's deposits and derivatives.

The Fund invests in the form of equity, equity participations and debt capital (debt securities), as well as through special purpose vehicles (SPVs) created for investment purposes and unquoted instruments.

For investments in underlying funds, the Fund gives preference to investment Funds managed by EFTEN Capital. The Fund diversifies its investments across the three Baltic States (Estonia, Latvia and Lithuania) and across different sectors (commercial, residential and mixed-use real estate, infrastructure, etc.) and real estate-related sub-sectors (offices, logistics, retail, etc.).

The Fund invests in the form of loan capital (bonds, loans) with the aim of spreading the risk level of investments between different capital layers. Generally, the Fund holds such investments until maturity, i.e., the Fund's goal is not to actively trade in the secondary market with investments made in the form of loan capital. The share of investments made in the form of loan capital reaches a maximum of 30% of the net value of the Fund's assets when they are acquired.

The Fund invests in the form of debt capital (bonds, loans) with the aim of spreading the level of risk of investments between different layers of capital. As a rule, the Fund holds such investments to maturity, i.e., the Fund does not aim to trade actively on the secondary market in the form of debt. The proportion of investments made in the form of debt capital shall not exceed 30% of the net asset value of the Fund when acquired.

The Fund may use leverage through borrowings or debt securities issued. At the time of leverage, it may amount to a maximum of 65% of the current value of the Direct Investment. Leverage is generally used at the level of SPVs. The Fund may grant loans to SPVs or provide guarantees or other security to ensure the performance of the SPVs' obligations

The Fund's assets will be invested in derivatives only for the purpose of hedging the leverage and currency exposures associated with real estate investments.

The proportion of the net asset value of the Fund's assets attributable to a single investment (other than debt securities) may not exceed 20% at the time of acquisition and 30% at any other time.

The proportion of the net asset value of the Fund represented by an investment in the form of debt capital (debt securities issued, loans granted) made by a single person may not exceed 10% of the net asset value of the Fund at the time of acquisition and the proportion of the net asset value of the Fund represented by an investment in the form of debt capital made by a group may not exceed 15% of the net asset value of the Fund.

The Fund shall place Funds in deposits with credit institutions to secure its day-to-day operations and future real estate investments. Depending on the nature of the real estate investments, the proportion of deposits from credit institutions may fluctuate significantly in the short term.

The investment restrictions and risk diversification requirements laid down in the Terms and Conditions shall not apply during the first two years of the Fund's operation.

As at 30.09.2022 and 31.12.2021, the Fund has the following financial assets and liabilities:

	Notes	30.09.2022	31.12.2021
<i>€ thousand</i>			
Financial assets – loans and receivables at amortised cost			
Cash and cash equivalents		9,227	2,743
Loans given	7	5,376	2,500
Interest claims	7	297	77
Other receivables and accrued income		0	3,139
Total financial assets – loans and receivables at amortised cost		14,900	8,459
Financial assets at fair value through profit or loss			
Investments in subsidiaries	4	1,533	628
Investments in underlying Funds	4	10,757	7,296
Total financial assets at fair value through profit or loss	7	12,290	7,924
TOTAL FINANCIAL ASSETS		27,190	16,383
Financial liabilities at amortised cost			
Other short-term liabilities		4	4
Total financial liabilities at amortised cost		4	4
TOTAL FINANCIAL LIABILITIES		4	4

The fair value of financial assets and financial liabilities carried at amortised cost in the table above does not differ materially from their fair value.

The Fund's investment policy mainly exposes it to the following risks:

1. Market risk
2. Concentration risk
3. Liquidity risk
4. Credit risk
5. Capital risk

3.1 Market risk

Refinancing risk and interest rate risk

The Fund invests in the Baltic real estate market, which is why the Management Company assesses the risk associated with fluctuations in real estate prices in this region as higher than usual. Cyclicity is characteristic of the real estate sector, the biggest influencing factor of which is generally changes in the country's macroeconomic environment. All the Baltic States (Estonia, Latvia and Lithuania) are small open economies (exports of goods and services represent a very significant part of the economy) whose development is largely dependent on changes in the macroeconomic environment of the same main trading partners. The cyclical fluctuations of small open economies can be much larger in amplitude than the global average. In sum, this means that the Baltic countries may have higher than average house price volatility and that house price movements in the three countries may be highly correlated, i.e., house prices in Estonia, Latvia and Lithuania are more likely than average to move in the same direction. For example, according to Eurostat data (https://ec.europa.eu/eurostat/databrowser/view/PRC_HPI_A_custom_920794/default/table?lang=en) residential property prices in the Baltic countries fell by around 40% in the global economic crisis of 2008-2010, while the average fall in residential property prices in the European Union over the same period was around 5%. The materialisation of market risk (a simultaneous fall in Baltic real estate prices) could have a material adverse impact on the financial performance and return of the Fund.

Currency risk

The Fund does not consider currency risk to be a significant risk as all transactions are carried out in the functional currency, which is the euro, and the presentation currency is also the euro.

Refinancing risk and interest rate risk

In addition to equity, the Fund or the companies belonging to the Fund often use debt capital (mainly bank loans) to make real estate investments. Loan capital agreements are generally for a fixed term, which means that the Funds raised in the form of loan capital must be refinanced at certain intervals (e.g., 5 years). The financial market in the Baltic States is banking-centric in nature. This means that banks are the main credit intermediaries, and the raising of debt or other forms of loan capital is limited. Dependence on a single financier may mean that the terms of the contract are less favourable to the Fund when refinancing Funds raised in the form of debt, e.g., the cost of debt (interest rate) increases significantly and/or the volume of debt financing decreases.

Interest rate risk is the risk of changes in the future cash flows of financial instruments due to changes in market interest rates. Changes in market interest rates mainly affect the long-term floating rate debt obligations of the Fund and of the companies owned by the Fund.

According to the Fund's risk management policy, the Fund manager monitors the risk of interest rate changes and interest sensitivity daily.

The realisation of refinancing and interest rate risk could have a material adverse effect on the Fund's financial performance and return.

3.2 Concertation risk

During the first years of the Fund's operation, some investments and/or cash flows from, for example, a tenant may constitute a large part of the Fund's portfolio and/or cash flows. As a result, unexpected negative developments with such an investment or tenant may have a material adverse effect on the Fund's financial performance and return in the first years of operation.

3.3 Liquidity risk

Liquidity risk is the risk that the Fund may not have sufficient financial resources to meet its obligations in full when due or may only be able to meet its obligations under significantly less favourable conditions.

Investment acquisition and disposal risk

The Fund generally invests in assets that are not traded on a regulated market with low liquidity. In addition, the Baltic real estate market is characterised by a relatively small number of professional and highly leveraged investors. As a result, if the Fund wishes to liquidate its investments, it may not be able to find a buyer at the desired time and price. The realisation of liquidity risk may have a negative impact on the Fund's financial results and may reduce profits or lead to losses. During the first years of operation, the Management Company will focus primarily on building up the Fund's portfolio of investments, and it is therefore unlikely that liquidity risk will materialise during the Fund's first years of operation. The Fund will also have the capacity to enter short-term borrowing arrangements to cover liquidity risk during the acquisition and disposal of investments. The Fund has not entered into any such loan agreements during the reporting period.

Risk of COVID-19 spill over effects

Since the early spring of 2020, the world's economies, including those of the Baltic States, and the real estate sector have been affected by the most widespread outbreak of the COVID-19 virus in decades. The national restrictions imposed to stop the spread of the virus have had an impact on the Baltic real estate market, particularly in the retail and hotel-oriented real estate segment. The lower-than-expected rental income resulting from the restrictions could have a negative impact on the financial performance and return of the Fund.

The table below illustrates the Fund's expected asset liquidity in the event of a liquidity risk materialisation.

As at 30.09.2022	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
<i>€ thousand</i>					
Total assets	9,227	0	10,757	7,206	27,190

As at 31.12.2021	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
<i>€ thousand</i>					
Total assets	5,882	0	7,296	3,205	16,383

As of 30.09.2022, the Fund's liabilities totalled 4 thousand euros (31.12.2021: the same).

According to the Fund's risk management policy, the Fund manager monitors the liquidity risk on a daily basis.

3.4 Credit risk

Credit risk is the potential loss that could result from the inability of a counterparty to a financial instrument to meet its obligations.

Transaction counterparty risk

Resulting from the inability of the counterparty to a transaction involving the Fund's assets to meet its obligations under the transaction. The Fund is exposed to this type of risk through:

- 1) direct investments in the form of debt (e.g., failure of the counterparty to make interest or principal payments).
- 2) claims against tenants of real estate owned by the Fund (or the SPV) (e.g., the counterparty's failure to make rental payments).
- 3) Fund assets held on deposit with credit institutions (e.g., insolvency of a credit institution). Often, these types of risks are linked to changes in the macroeconomic environment in the Baltic States - in the context of a general economic downturn, the counterparty's financial position deteriorates, and they are unable to cover their obligations to the Fund. At the same time, such risks may be 'counterparty specific' - individual companies become insolvent even in favourable macroeconomic conditions. In the early years of a Fund's operation, due to the lower diversification of the Fund's investments, the counterparty risks may be higher than would be expected for this type of Fund, and the realisation of the risk may have a material adverse effect on the Fund's financial results and performance. The activity of the Management Company to prevent the loss of counterparty cash flows and to minimise such risk consists in the consistent monitoring and management of the (payment) behaviour of clients, counterparties, which allows the implementation of the necessary measures in an operational manner.

The maximum credit risk of the Fund is shown in the table below:

	30.09.2022	31.12.2021
<i>€ thousand</i>		
Cash and cash equivalents	9,227	2,743
Loans given (note 7)	5,376	2,500
Other receivables	297	3,216
Total maximum Credit risk	14,900	8,459

The bank account included in the Fund's cash and cash equivalents is held with a bank rated Aa3 (Moody's long-term).

Loans granted as at 30.09.2022 include loans granted to subsidiaries for a total amount of EUR 5,376 thousand (31.12.2021: 2,500 thousand euros). One loan in the amount of 2,876 matures on 28.07.2027 and bears an interest rate of 4% per annum. Second loan in the amount of 2,500 thousand euros matures on 18.08.2025 and bears an interest rate of 8% per annum until 18.12.2024. From 19.12.2024 onwards, the loan bears an interest rate of 15% per annum.

Other receivables as at 31.12.2021 included the amount due for the Fund shares issued in December 2021, which was credited to the Fund account on 04.01.2022.

The Fund measures credit risk and expected credit loss using probability of default, default exposure and loss given default. In determining the expected credit loss, management considers both historical information and forward-looking information. Applying the requirements of IFRS 9, the expected credit loss is immaterial for the Fund and therefore no expected credit loss has been recognised in the financial statements.

In accordance with the Fund's risk management policy, the Fund Manager monitors credit risk daily.

3.5 Capital risk

Risk of slow and/or underinvestment of proceeds from the issue

The Fund invests the proceeds of the issue predominantly in instruments that are not traded on a regular market with low liquidity. This means that the Fund may take longer than expected to invest the proceeds of the issue or may not find profitable investment opportunities. In such a case, the proceeds of the issue will be held in deposits with a credit institution, where their long-term return is likely to be lower than if they had been invested in income-producing real estate assets. Therefore, if the Fund is unable to find attractive investment opportunities over a longer period after the new shares are issued, shareholders may experience a lower return. The likelihood of the risk materialising depends on two factors:

- (i) the amount of the issued shares of the Fund during the offering period; and
- (ii) how active the Baltic real estate market is during the offering period. The risk of a slow and/or underperforming investment is higher the more shares are issued to the Fund and the lower the activity in the Baltic real estate market.

The capital of the Fund consists of the net asset value of its assets, i.e., the money raised from the issuance of shares and the income of the Fund. The Fund's capital changes periodically as new shares are issued. In its first year of operation, EFTEN United Property Fund issued 1,553,562 shares, and a total of 15,603 thousand euros were included in the issuance of the shares, including 3,139 thousand euros received in the Fund's account after the balance sheet date, in January 2022. As of 30.09.2022, EFTEN United Property Fund has issued a total of 2,483,860 shares with a total expense of 25,466 thousand euros.

In accordance with the Fund's risk management policy, the Fund manager monitors the Fund's capital through the Fund's net asset value.

Note 4 Fair value of financial assets

The balance sheet value of the Fund's financial assets and liabilities generally corresponds to their fair value, considering differences in the valuation techniques used.

The Fund's investments in subsidiaries and underlying Funds are valued at fair value. As none of the Fund's subsidiaries or underlying Funds are listed on a stock exchange, the Fund uses the following as a basis for calculating the fair value of its investment:

- the assets and liabilities of the subsidiary at the balance sheet date, with a significant portion of the assets being properties carried at fair value. If the subsidiary does not value the properties included in its assets at fair value (mainly because the properties are being developed for sale and are therefore included in inventories), the Fund values the subsidiary's properties separately by engaging an independent valuer. Other assets of the subsidiary comprise cash and cash equivalents, trade receivables and other minor assets, and liabilities comprise trade payables, loan payables and other minor liabilities, the carrying amounts of which do not differ materially from their fair values, so that the inputs used to determine the fair value of investment property are the most significant in determining the fair value of the subsidiary.
- of the consolidated assets and liabilities of the underlying funds at the balance sheet date, where a significant portion of the assets are investment property measured at fair value by an independent valuer. The investment properties of the underlying funds are valued individually by Colliers International Advisors OÜ using the discounted cash flow method. The cash flow projections for all properties are updated in the fair value calculation and the discount rates and exit yields are differentiated according to the location of the properties, their technical condition and the risk level of the tenants. The carrying amounts of the remaining underlying assets and liabilities do not differ materially from their fair values, so the inputs used to determine the fair value of investment property are the most significant in determining the fair value of the underlying fund.

A subsidiary of the Fund owns the Uus-Järveküla development project, the fair value of which has been determined using the discounted cash flow method. The main inputs to the cash flows of the development project are the proceeds from the sale of the properties, the costs associated with the sale and the construction costs. The cash flows of the project have been discounted using a discount rate of 10%.

The subsidiary's assets, liabilities and net assets at fair value are shown in the table below:

Tohvri-Kivi OÜ	Fair value as at 30.09.2022	Fair value as at 31.12.2021
<i>€ thousand</i>		
Cash and cash equivalents	725	915
Inventory	4,642	3,990
Other current assets	42	0
Total current assets	5,409	4,905
Long-term financial investments	3	3
Total non-current assets	3	3
TOTAL ASSETS	5,412	4,908
Short-term borrowings	12	12
Other current liabilities	1,301	561
Total current liabilities	1,313	573
Long-term borrowings	3,209	3,440
Other long-term debts	286	110
Total long-term liabilities	3,495	3,550
TOTAL LIABILITIES	4,808	4,123
NET ASSETS	604	785
	30.09.2022	30.09.2021
Revenue	0	0
9 months loss	-181	-28
	30.09.2022	31.12.2021
<i>€ thousand</i>		
The Fund's share in Tohvri-Kivi OÜ	80%	80%
Acquisition cost of the Fund's investment	2	2
Fair value of the Fund's investment	483	628
Profit/ loss on change in fair value in period	-145	626

The Fund received a total profit of 909 thousand euros in the 9th months of 2022 from the change in the fair value of subsidiaries and underlying Funds.

Name	Acquisition cost 30.09.2022	Fair value 30.09.2022	Gain on change in fair value 9 months 2022	Acquisition cost 31.12.2021	Fair value 31.12.2021	Gain on change in fair value 2021
<i>€ thousand</i>						
Subsidiaries						
Tohvri Kivi OÜ	2	483	-145	2	628	626
EFTEN M7 UAB	723	1,050	327	0	0	0
Total subsidiaries	725	1,533	182	2	628	626
Underlying Funds						
EFTEN Kinnisvarafond AS	3,500	3,618	104	500	514	15
EFTEN Kinnisvarafond II AS	963	1,049	46	963	1,003	40
EFTEN Real Estate Fund 5 Trust Fund	4,741	5,325	561	5,662	5,685	23
EFTEN Residential Fund Trust Fund	728	765	15	72	94	22
Total underlying Funds	9,932	10,757	726	7,197	7,296	100
Total securities	10,656	12,290	909	7,199	7,924	726

Additional information is provided in Note 3.

In connection with the addition of new investors to the trust Fund EFTEN Real Estate Fund 5, a refund of the investment made to EFTEN United Property Fund was received in the amount of 921 thousand euros. By this amount, the Fund's participation in the trust Fund EFTEN Real Estate Fund 5 decreased and the investment obligation increased.

In other cases, the Fund did not sell or pledge any of its assets during the reporting period

Fair value

The following is an analysis of assets at fair value by valuation technique. Valuation techniques are defined as follows:

Level 1 - Exchange prices on a traded market;

Level 2 - Assets and liabilities directly or indirectly linked to prices set in a traded market;

Level 3 - prices in a non-trading market.

As at 30.09.2022 nor 31.12.2021, the Fund does not hold any assets at fair value that would be included in a Level 1 group for valuation purposes. All Fund's investments in subsidiaries and underlying Funds are carried at fair value and are included in the Level 3 group according to the valuation methodology. Details of significant management judgements and estimates are disclosed in note 2.2.

Note 5 Net asset value of the Fund

In the 9th month of 2022, the Fund issued a total of 930,297 shares, including 660,000 shares issued by the Fund through a public offering of shares. The Fund received a total of 9,864 thousand euros from the issuance of shares in the 9 months of 2022 (9 months of 2021: 9,009 thousand euros). The Fund's shares are freely tradable on the Nasdaq Tallinn stock exchange from 31.05.2022.

As of 30.09.2022, EFTEN United Property Fund has issued in total of 2,483,860 shares with a total cost of 25,466 thousand euros (31.12.2021: 1,553,562 shares with a total cost of 15,603 thousand euros). Due to the Fund's relatively large

proportion of uninvested capital and the listing of shares on the Nasdaq Tallinn Stock Market, EFTEN United Property Fund does not plan to issue new shares in the 4th quarter of 2022.

Since founding the Fund has issued shares as follows:

Month	Issue price per share	Number of shares issued	Balance of issued shares at the end of the period	Cash received from the issue of shares
30.06.2021	10	271,797	271,797	2,718
31.07.2021	10	140,171	411,968	1,405
31.08.2021	10.01	105,854	517,822	1,076
30.09.2021	10.04	381,484	899,306	3,850
31.10.2021	10.06	223,149	1,122,456	2,261
30.11.2021	10.08	120,010	1,242,465	1,154
31.12.2021	10.09	311,097	1,553,562	3,139
31.01.2022	10.54	99,211	1,652,774	1,046
28.02.2022	10.56	72,200	1,724,973	762
31.03.2022	10.58	97,242	1,822,216	1,046
30.04.2022	10.61	1,644	1,823,860	0
31.05.2022	10.61	660,000	2,483,860	7,009
30.06.2022			2,483,860	
31.07.2022			2,483,860	
31.08.2022			2,483,860	
30.09.2022			2,483,860	
Total		2,483,860		25,466

In June 2022, the Fund received dividends from the underlying Funds in the total amount of 212 thousand euros. Dividends were paid to shareholders in July 2022.

The net value of the Fund shares as of 30.09.2022 was 10.95 euros (2021 9 months:10.06 euros). The net asset value of the Fund was 27,186 thousand euros as of 9 months (2021 9 months: 9,048 thousand euros).

Note 6 Earnings per share

	9 months		III quarter	
	2022	2021	2022	2021
Growth in net asset value attributable to shareholders, € thousand	1,155	39	308	39
Weighted average number of shares during the period, pcs	2,059,155	399,254	2,483,860	399,254
Earnings per share, EUR	0.56	0.10	0.12	0.10

Note 7 Segment reporting

SEGMENT'S RESULTS

9 months 2022

	Commercial property	Residential property	Real estate development	Unallocated	Total
<i>€ thousand</i>					
Net gain/loss on assets at fair value through profit or loss	1,038	16	-145	0	909
Dividend income	212	0	0	0	212
Interest income	70	0	150	0	220
Total income	1,320	16	5	0	1,341
Growth in net asset value attributable to shareholders	1,320	16	5	-186	1,155

SEGMENTS ASSETS

As at 30.09.2022	Commercial property	Residential property	Real estate development	Total
<i>€ thousand</i>				
Financial assets at fair value (Note 3)	11,042	765	483	12,290
Loans given (Note 3)	2,876	0	2,500	5,376
Interest receivable (Note 3)	70	0	227	297
Total investments	13,988	765	3,210	17,963
Net debt (cash minus total liabilities)				9,223
Net asset value				27,186

As at 31.12.2021	Commercial property	Residential property	Real estate development	Total
<i>€ thousand</i>				
Financial assets at fair value (Note 3)	7,202	94	628	7,924
Loans given (Note 3)	0	0	2,500	2,500
Interest receivables (Note 3)	0	0	77	77
Total investments	7,202	94	3,205	10,501
Net debt (cash minus total liabilities)				2,739
Other current assets				3,139
Net asset value				16,379

During the reporting period, the business segments did not transact with each other. The main income of the Fund was obtained in the 9 months of 2022 from the economic performance of commercial real estate belonging to subsidiaries and underlying Funds and from the increase in the fair value of real estate investments.

Note 8 Related party transactions

EFTEN United Property Fund counts as related parties:

- Persons holding more than 10% of the paid-up capital of the Fund;
- a subsidiary of EFTEN United Property Fund;
- EFTEN Capital AS (the Fund manager).
- The management of EFTEN Capital AS and companies controlled by the management

During the reporting period, the Fund bought management services in the amount of 68 thousand euros (2021 9 months: 3 thousand euros) from EFTEN Capital AS. The Fund did not buy from other related parties or sell other goods or services to related parties during the reporting period.

During the reporting period, the Fund granted loans to subsidiaries for a total amount of EUR 2,876 thousand. The loan matures on 28.07.2027. The loan bears interest at 4% p.a.

As of 30.06.2022, the management of the Fund and the companies controlled by the management of the Fund held 39,789 (31.12.2021: 25,716) EFTEN United Property Fund's shares. The management of the Fund includes members of the management board of the management company EFTEN Capital AS, as well as the head of business and the head of investments.

EFTEN United Property Fund does not pay any remuneration to the management of the Fund. The management receives remuneration from the Fund manager EFTEN Capital AS.

Fund's investment report as at 30.09.2022

Subsidiaries

Name	Location	Participation in investment	Acquisition cost	Market value	Share in the Fund's assets market value
<i>€ thousand</i>					
Subsidiaries					
Tohvri Kivi OÜ	Tallinn	80.0%	2	483	1.8%
EFTEN M7 UAB	Vilnius	100.0%	723	1,050	3.9%
Total subsidiaries			725	1,533	5.6%

Funds

Name	Type	Country of origin	Fund management company	Share in the Fund 30.09.2022	Acquisition	Average share acquisition cost	Total market value	Market value per share	Share in the Fund's net asset value
<i>€ thousand</i>									
Underlying Funds									
EFTEN Real Estate Fund 5 Trust Fund	Trust Fund	Estonia	EFTEN Capital AS	36.5%	4,741	4,741	5,325	5,325	19.6%
EFTEN Kinnisvarafond AS	Equity Fund	Estonia	EFTEN Capital AS	3.03%	3,500	0.0030	3,618	0.0031	13.3%
EFTEN Kinnisvarafond II AS	Equity Fund	Estonia	EFTEN Capital AS	0.71%	963	0.0148	1,049	0.0161	3.9%
EFTEN Residential Fund Trust Fund	Trust Fund	Estonia	EFTEN Capital AS	3.14%	728	728	765	765	2.8%
Total underlying Funds					9,932		10,757		39.6%

All Funds whose shares and participations are held by EFTEN United Property Fund disclose their net asset value monthly.

Loans given

Borrower	Borrower's country of origin	Deadline	Interest rate	Contractual loan amount	Loan balance 30.09.2022	Share in the Fund's asset's market value
<i>€ thousand</i>						
EFTEN M7 UAB	Lithuania	28.02.2027	4%	2,876	2,876	10.6%
Tohvri Kivi OÜ	Estonia	18.08.2025	8% until 18.12.2024 15% from 19.12.2024	2,500	2,500	9.2%
Total loans granted				5,376	5,376	19.8%

Other assets

Name	Market value	Share in the Fund's asset's market value
<i>€ thousand</i>		
Interest receivables	297	1.1%
Total other assets	297	1.1%

Deposits

Credit Institution	Type	Country of origin	Rating of the Credit institution and name of the rating agency	Maturity date	Interest rate	Amount	Share in the Fund's net asset value
<i>€ thousand</i>							
Swedbank Eesti	On demand deposit	Estonia	Moody's Aa2	On demand	-	9,227	33.9%
TOTAL ASSETS						27,190	100.02%

Fund liabilities	-4	-0.01%
NET ASSET VALUE OF THE FUND	27,186	100.00%