

EFTEN REAL ESTATE FUND III AS A SUMMARY OF THE PUBLIC OFFERING, TRADING AND LISTING PROSPECTUS OF THE ADDITIONAL SHARES

Introduction and warnings

This summary should be read as an introduction to the Prospectus and an investor's decision to invest in the Shares Offered by the FUND must be based on the Prospectus as a whole. No person who has prepared the summary assumes civil liability for this summary or the information herein, including any translation thereof, unless the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offered Shares. The Prospectus cannot be relied on in the case of resale of the Shares. Investing in Shares is always associated with risks which may result in the full or partial loss of the invested capital. An investor must keep in mind that if they want to file an action in relation to the information contained in the Prospectus with a court other than an Estonian court and the costs of translating the Prospectus must therefore be incurred, these costs must be paid by the investor who files the action.

Name and ISIN code of Offered Shares	EfTEN Real Estate Fund III share additional 6, ISIN: EE3800001242 The name and the USIN of the Offered Shares are temporary and will be closed after the increase of the FUND's share capital is entered in the Commercial Register and the Offered Shares will receive the ISIN code EE3100127242 designated to the Shares and the name EfTEN Real Estate Fund III share.
Name and contact details of issuer, including Legal Entity Identifier (LEI):	The name of the issuer is EfTEN Real Estate Fund III AS (FUND). The Fund is registered in the Estonian Commercial Register under registry code 12864036. LEI of the FUND: 4851000008JBI71L7643 Contact details: address A. Lauteri 5, 10114 Tallinn, Estonia; website: www.eref.ee ; tel. +372 655 9515, email: info@efTEN.ee
The competent authority that approved the Prospectus, its contact details and date of approval of the Prospectus	The Financial Supervision Authority approved the Prospectus as the competent Estonian authority on 10 May 2021 under registration number 4.3-4.9/2505. Contact details: address Sakala 4, 15030 Tallinn, Estonia; website: www.fi.ee ; tel. +372 668 0500, email: info@fi.ee

Key information on issuer

Who is the issuer of the securities?

The issuer of the securities is the FUND (EfTEN Real Estate Fund III AS), which is a public closed-end investment fund established in Estonia as a public limited company (alternative investment fund) and which operates under the laws of Estonia. The FUND is a real estate fund. The FUND is not a guaranteed fund. The Fund is a public fund whose Shares are publicly offered only in Estonia. The FUND is a closed-end fund, which means that its Shares will not be taken back from the shareholders on their demand. The FUND does not have a fixed term. The Shares of the FUND were listed and admitted to trading at Nasdaq Tallinn Stock Exchange on 1 December 2017. The FUND is a real estate fund of "value-added" class of real estate fund that invests in medium to high-risk commercial real estate and commercial real estate development projects in the Baltic States i.e., the target markets of the FUND are Estonia, Latvia and Lithuania. The FUND can make direct investments into real estate and obtain holdings in legal persons owning real estate. The FUND may only invest in derivative instruments for the purpose of risk management. When three years have passed from the founding of the FUND, no more than 30% of the FUND's investments may be invested into a single project or the securities of a single issuer. The FUND cannot invest in the other funds of its Management Company. The restrictions on risk-spreading may be temporarily exceeded for reasons not dependent on the Fund Management Company. The FUND may borrow up to 65% of the value of each investment at the moment of making the investment. At the time of making the investment, the FUND's financial ratio must be 1.2 or above.

The structure of the FUND as at the date of the Prospectus is as follows:

Parent company: EFTEN Real Estate Fund III AS (FUND)					
Subsidiaries:	Business name	Real estate investment	Country of location	Holding	Time of acquisition
	UAB "Saulės Miestas"	Saulės Miestas Shopping Centre, Šiauliai	Lithuania	100%	2015
	UAB "Verkių projektas"	Ulonu Office Building, Vilnius	Lithuania	100%	2015
	SIA "EFTEN Krustpils"	DSV Logistics Centre, Riga	Latvia	100%	2016
	EFTEN stasylu, UAB	DSV Logistics Centre, Vilnius	Lithuania	100%	2016
	EFTEN Tānassilma OÜ	DSV Logistics Centre, Saku Municipality	Estonia	100%	2016
	EFTEN Laisves UAB	Laisves 3 Office Building, Vilnius	Lithuania	100%	2016
	EFTEN Seljaku OÜ	Hortes Garden Centre, Laagri, Saue Municipality	Estonia	100%	2017
	EFTEN Laagri OÜ	Laagri Selver Shopping Centre, Tallinn	Estonia	100%	2017
	EFTEN Evolution UAB	DSV Business Centre, Vilnius	Lithuania	100%	2018
	EFTEN Tāhesaju tee OÜ	Hortes Garden Centre, Tallinn	Estonia	100%	2018
	EFTEN Autokeskus OÜ	ABC Motors Car Centre, Tallinn	Estonia	100%	2019
	SIA "EFTEN Riga Airport"	Head office of airBaltic, Riga	Latvia	100%	2020
	SIA "EFTEN Piepilsetas"	Piepilstas Logistics Centre, Riga	Latvia	100%	2020
	EFTEN Rutkausko UAB	Rutkausko Office Building, Vilnius	Lithuania	100%	2020
	EFTEN Pirita OÜ	Pirita Pension, Tallinn	Estonia	100%	2020

As of the date of the Prospectus, the persons owning more than 5% of the FUND's shares are the following:

Name of shareholder	Number of shares	Holding %	Person(s) who control the shareholder directly or indirectly
Altius Energia OÜ	602,000	14.26%	Arti Arakas, Chairman of the Supervisory Board of the FUND and Frank Öim
OÜ Järve Kaubanduskeskus	431,992	10.23%	Vello Kunman
OÜ Hoiukonto	430,211	10.19%	Marcel Vichmann and Hanno Murrand

As far as is known to the FUND, the holders of direct or indirect holdings do not control the FUND. As far as is known to the FUND, no shareholders agreements have been concluded between the shareholders, including ones with their holding in the FUND as the object of the agreement.

The managing bodies of the FUND are the General Meeting of shareholders, the Supervisory Board and the Management Board, which comply with the corporate governance principles applicable to public limited companies in Estonia with the differences arising from the Investment Funds Act, pursuant to which the FUND's assets are managed by the Management Company (EFTEN Capital AS) on the basis of a management contract. The highest managing body of the FUND is the General Meeting of shareholders. The Supervisory Board and Management Board of the FUND are responsible for everyday management. As at the date of the Prospectus, the Management Board is composed of two members: Viljar Arakas and Tõnu Uustalu, who have been the members of the Management Board of the FUND since the establishment of the FUND. The authorities of the members of the Management Board are effective until 6 May 2025. The Management Board exercises, to the extent and pursuant to the procedure set forth in the management contract, supervision over the Management Company's activities related to the FUND as well as supervision of performance of the activities of the depositary, the other activities related to the management of the FUND and outsourced activities by third parties. As at the date of the Prospectus, the Supervisory Board is composed of four members: Arti Arakas (Chairman of the Supervisory Board), Siive Penu, Olav Miil and Sander Rebane since the establishment of the FUND. The authorities of the members of the Supervisory Board are valid until 18 June 2025. The Supervisory Board of the FUND is authorised to supervise the activities of the FUND according to the articles of association of the FUND. The FUND does not have an audit committee or remuneration committee and their functions are also performed by the Supervisory Board.

The Management Company of the FUND is EFTEN Capital AS, registry code 11505542, address A. Lauteri 5, 10114 Tallinn, Harju County, Estonia. Management of the FUND means investing the assets of the FUND, including managing the risks related to investing the assets of the FUND. As at the date of the Prospectus, the Management Company has two members: Viljar Arakas (authorities are effective until 21 May 2023) and Maie Talts (authorities are effective until 22 February 2024). As at the date of the Prospectus, the Supervisory Board of the Management Company consists of five members: Hannes Tamjärv (Chairman of the Supervisory Board) and members Arti Arakas, Jaan Pillesaar, Olav Miil and Peeter Mänd. The authorities of the members of the Supervisory Board are valid until 29 January 2024.

The auditor of the FUND is public limited company PricewaterhouseCoopers, registry code 10142876, located at Pärnu mnt 15, Tallinn, Estonia, who has audited the Annual Report 2020 of the FUND referred to in the Prospectus. AS PricewaterhouseCoopers is a member of the Estonian Association of Auditors.

What is the key financial information regarding the issuer?

Below is the main financial information of the FUND for the financial year ended on 31 December 2020 and the first three

months of 2021 (Q1), which ended on 31 March 2021, and which has been taken or received as references from the audited financial statements and the unaudited interim financial statements included by reference to this Prospectus. The financial statements of the FUND and the interim statements for Q1 have been prepared in accordance with the requirements of the IFRS.

The consolidated annual report for the financial year ended in 2020 was audited by the FUND's auditor, public limited company PricewaterhouseCoopers. The auditor made no comments about the annual report.

The FUND is publishing quarterly interim reports, annual reports and monthly information on the net asset value of the share via the stock exchange information system since the listing of the Shares at the stock exchange and thereafter also on the FUND's website.

The following information has been presented in accordance with Annex VI of European Commission Delegated Regulation (EU) 2019/979 as deemed most appropriate in relation to the offering and listing of closed-end funds.

Table 1 – Additional information on closed-end fund

Share class	Net asset value, € thousand*	Number of shares*	NAV of share (€)*	Historical performance of fund				
				31.12.2020 (audited)	31.12.2019 (audited)	31.03.2021 (unaudited)	31.03.2020 (unaudited)	
One class of Shares	73,278	4,222,535	17.35	Key indicators				
				NAV per share, €	16.93	16.78	17.35	17.18
				EPRA NAV per share, €	18.03	17.93	18.48	18.28
				ROIC, %	6.4	17.4	3.5	2.6
				ROE, %	5.4	12.7	2.5	2.2
				ROA, %	2.6	6.4	1.2	1.1
				DSCR	1.9	1.8	1.8	1.8

* As at 31.03.2021

Table 2 – Income statement for closed-end funds

€ thousand	2020 (audited)	2019 (audited)	3 months of 2021 (unaudited)	3 months of 2020 (unaudited)
Sales revenue	10,731	9,512	2,867	2,443
Expenses related to investment management, including marketing expenses	-628	-758	-97	-181
Management fee	-899	-702	-246	-193
Performance fee	0	-479	0	0
Net profit	3,317	7,617	1,795	1,368
Earnings per share (basic), €	0.79	2.01	0.43	0.32

Table 3 – Balance sheet for closed end funds

€ thousand	31.12.2020 (audited)	31.12.2019 (audited)	31.03.2021 (unaudited)
Total net assets	71,483	70,911	73,278
Leverage ratio, %	50	49	50

What are the key risks that are specific to the issuer?

Investment environment risk. The general investment environment of any of the FUND's target markets can decline significantly due to circumstances that the FUND cannot control. A significant decline of the investment environment can cause a significant decline in the Group's economic performance.

Financial risk. Making of real estate investments can be significantly impacted by financial risk, which includes market risk, liquidity risk and credit risk and changes in the unfavourable direction can influence the return on the investment made into the Shares in a negative direction.

Interest risk. A change of interest rates in a negative direction can significantly raise the FUND's costs related to loan

obligations with a floating interest rate, therefore influencing the return on the investment made into the Shares in a negative direction.

Asset deposit risk. The FUND's depository becoming insolvent can lead to the loss of the possession of the assets maintained by the depository; also, the property that is the object of investment may be destroyed, lost or damaged. While the Group makes all reasonable efforts to ensure adequate insurance for the Group's assets, it cannot be precluded that a risk for which the Group does not have insurance cover may become realised. The realisation of such risk may involve a decrease in the value of the Group's assets, negatively impact the Group's economic performance and bring about the need for additional costs.

Evaluation risk. The group's economic performance is partially dependent on the results of the independent evaluation of the real estate. Incorrect evaluation results may lead to a fall in the profitability of the Group's operations.

Risk of a conflict of interest. While the FUND's Articles of Association set certain restrictions on concluding transactions between affiliated persons with the aim of preventing the occurrence of conflicts of interest, it cannot be ruled out that such transactions could be made. The terms and conditions of transactions concluded between affiliated persons may not correspond to the market conditions. The realisation of the risk arising from a conflict of interest may reduce the rate of return of the investment made into the Shares.

Reputation risk. Disclosure of incorrect or misleading information on the Group's activities may have a significant negative impact on the Group's activity, which may in turn have a significant negative impact on the Group's competitiveness and economic performance.

Environmental pollution risk. The Group may be responsible for damage resulting from an environmental pollution event when the pollution was not caused due to the FUND's or its Subsidiary's activities or inactivity.

Legislative risk. Political decisions and changes in the legislation in force can incur additional obligations for the Group, which may in turn have a negative impact on the value of the Group's assets and the rate of return of the investment made into the Shares. Legislative changes can also bring about the obligation for the FUND to change the FUND's documentation.

Competition risk. Real estate market is a competitive market. Intense competition can in turn have a negative impact on prices and therefore the profitability of the Group's economic activity.

Key information on securities

What are the main features of the securities?

As at the date of the Prospectus, the registered share capital of the FUND is 42,225,350 euros, which is divided in 4,222,535 ordinary shares and the nominal value of each share is 10 euros (the **Shares**). The fund has one class of Shares that have been registered in the register kept by Nasdaq CSD under ISIN code EE3100127242. The Shares are kept in the form of an electronic register entry. All previously issued shares have been fully paid for. The shares are subject to the law in force in Estonia. The shares can be transferred freely. The Shares of the FUND have been listed and freely tradable at the Tallinn Stock Exchange since 1 December 2017. In the course of the offering, the FUND offers up to 850,000 new ordinary shares that belong to the same class as the existing Shares (the **Offered Shares**). The name of the Offered Shares at the time of the offering is EfTEN Real Estate Fund III share additional 6 and the temporary ISIN of the Offered Shares is EE3800001242, which will be closed after the increase in share capital has been entered in the Commercial Register, after which the Offered Shares will be equal to all of the existing Shares called EfTEN Real Estate Fund III share and have the ISIN code EE3100127242. The following rights are attached to the Shares:

Right to take part in the management of the FUND. The shareholders have the right to take part in the management of the FUND and exercise their rights at the general meeting of shareholders, where they can use their voting right in making decisions on certain important issues (e.g. amendment of the Articles of Association, approval of the annual report, distribution of profit, increase of share capital, election of members of the supervisory board). The general meeting is the FUND's highest management body. Each Share grants one vote to a shareholder at the general meeting.

Pre-emptive right to subscribe for new Shares. Pursuant to the Estonian Commercial Code and the Articles of Association of the FUND, the shareholders of the FUND have the pre-emptive right, when the share capital is increased and new Shares of the FUND are issued, to subscribe to the new shares of the FUND in proportion to their existing holding in the FUND, unless the pre-emptive right of subscription is ruled out by a resolution of the general meeting of the FUND. The pre-emptive right of existing shareholders was not ruled out in respect of the share capital increase carried out in spring 2021 by the resolution of the general meeting of 15 April 2021. The Shareholder has the right to transfer their pre-emptive right to subscribe for the Offered Shares.

Right to information. In accordance with the Estonian Commercial Code, shareholders have the right to information about the activities of the FUND, which they can exercise at the General Meeting. The Management Board is the body obligated to provide information. The Management Board may refuse to give information if there is a reason to presume that this may cause significant damage to the interests of the FUND. If the Management Board refuses to give information, the shareholders may demand that the General Meeting decide on the lawfulness of the refusal or file a respective request with a competent court.

Right to dividends. The shareholders of the FUND have the right to participate in the distribution of the profit of the FUND and to receive dividends in proportion to their holding in the FUND. Distribution of profit and payment of dividends is within the competence of the General Meeting. No different classes of Shares or different rights arising therefrom upon distribution of profit have been stipulated. The FUND may only make payments to the shareholders from the net profit or the undistributed profit of the previous financial years, from which the uncovered loss of the previous years has been covered based on the FUND's approved annual reports. Dividend is determined based on the total cash flow of the total net rental payments of the FUND's cash flow generating real estate in the financial year (EBITDA minus interest payments minus principal loan payments), from which reserves for working capital and potential improvement costs (minimum of 20%) have been deducted. Deviations from the above policy are permitted if justified by developments in the economic environment or the FUND's business perspectives. Dividend payments to investors are not guaranteed. If necessary, the amount of dividend to be paid is agreed (e.g. if the respective provision is included in a financing agreement) with the FUND's respective creditors or other contractual partners. The Offered Shares give the right to dividends for the financial years starting from and following 2021.

Where will the securities be traded?

The Shares have been listed and freely tradable at the Tallinn Stock Exchange since 1 December 2017. In relation to the Offering, the FUND will submit an application for listing and admission to trading of the Offered Shares on the regulated market in the main list of Nasdaq Tallinn Baltic after the end of the subscription period. The presumed date when the Offered Shares will be listed and admitted to trading is 22 June 2021 or a date close to this date.

What are the key risks that are specific to the securities?

Risk of the volatility of the prices of securities and liquidity risk. The FUND cannot ensure that an active trading market will be preserved for the Shares after the Offer and listing. It is possible that an investor who subscribes for the Shares on Offer will not be able to sell the Shares Offered for the offering price or a price above it.

Risk of non-payment of dividends. The FUND does not ensure payment of dividends. The payment of dividends may also be limited in contracts to which the FUND is a party. Therefore, a shareholder cannot be assured that the FUND will pay dividends.

The risk of losing the pre-emptive right in subscribing for shares. The pre-emptive right of subscribing for Shares may be barred by a resolution of the general meeting, which receives more than two-thirds of the votes represented at the general meeting. Barring of the pre-emptive right may cause a decrease of the holding.

Risk of cancellation of the Offer. The FUND has the right to cancel the Offer. While the FUND makes all the reasonable efforts to carry out the Offer successfully, cancellation of the Offer cannot be precluded.

Risk of a decrease in the holding. When investing in the FUND, the investor must acknowledge the possibility of their holding decreasing. In the course of new subsequent emissions, the FUND may involve capital from third persons and, if the FUND's shareholders are not looking to allocate additional capital into the FUND, or private placement of the Shares is decided, the FUND's shareholder's holding in the FUND may decrease.

Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

General terms and conditions of offering and indicative timetable. The FUND issues up to 850,000 new shares (**Offered Shares**), with a nominal value of 10 euros each. The Offer only includes newly issued shares. The existing shares will not be sold in the course of the Offering. There are no restrictions on the transfer of the Offered Shares acquired during the Offering and the existing shareholders are not subject to any restrictions that would reduce their right to transfer the Shares. The Offered Shares will only be offered in Estonia and there will be no offering in any other jurisdiction. The Offer is open to all natural and legal persons in Estonia who have opened a securities account in Nasdaq CSD. The subscription of the Shares Offered is carried out in Estonia through the account managers of Nasdaq CSD. The minimum and maximum number of the Offered Shares that can be subscribed for has not been established. Indicative timetable of the Offering:

14.05.2021 at 9:00 (EET)	Start of subscription period of Offered Shares
31.05.2021 at 16:00 (EET)	End of subscription period of Offered Shares
01.06.2021	Publication of initial results of Offering
10.06.2021	Value date (payments and transfers of Offered Shares)
On or about 17.06.2021	Entry of share capital increase in Estonian Commercial Register
On or about 22.06.2021	First day of trading with Offered Shares at Nasdaq Tallinn Stock Exchange

Right to participate in the Offering. The Offer is open to all natural and legal persons in Estonia who have opened a securities account in Nasdaq CSD. An investor may only present a subscription order through a nominee account when

they provide written authorisation to the owner of the nominee account to disclose the identity of the investor to Nasdaq CSD and the FUND. Existing shareholders of the fund i.e., the persons who have been entered in the list of shareholders of the fund as of 29.04.2021 as at the end of the working day of Nasdaq CSD, have a pre-emptive right to subscribe for new shares in proportion to the sum of the nominal values of their shares, i.e. in proportion to their holding in the FUND.

An example of exercise of the pre-emptive right, provided that all the Offered Shares will be subscribed for: The number of the shares of the FUND before the Offering is 4,222,535. If a shareholder owns 1,000 Shares as of 29 April 2021, the holding of the shareholder in the FUND is 0.0237% and the maximum number of the Shareholder's shares upon subscription with the pre-emptive right is therefore 201 Offered Shares (formula: $0.0237\% \times 850,000$ shares). Thus, the maximum ratio of subscription with the pre-emptive right to the existing Shares is 20.1% (formula: $850,000 \div 4,222,535$).

Subscription with the pre-emptive right does not restrict the right of the existing shareholders to subscribe for the new Offered Shares more or less for the Shares Offered or not subscribe for the Offered Shares at all. A Shareholder may transfer their pre-emptive right to subscribe for the Offered Shares. The contract for transfer of the pre-emptive right to subscribe for the Offered Shares must be submitted to the FUND not later than by the end of the Offering Period, i.e. by 16:00 o'clock Estonian time on 31 May 2021. In the Offer, no other group of investors (incl. persons related to the FUND or the Management Company) has any advantages or special rights.

Price of the Offered Shares. The Offered Shares are the ordinary shares of the FUND with a nominal value of 10 euros. The offer price of one Offered Share is 17.8 euros, of which 10 euros is the nominal value of the Offered Share and 7.8 euros is the issue premium.

Subscription period. The Offering period starts at 9:00 on 14 May 2021 and ends at 16:00 on 31 May 2021 according to Estonian time, and during this period investors may subscribe for any quantity of the Offered Shares. An investor must submit a subscription order in order to subscribe for the Offered Shares.

Subscription orders. The subscription of the Shares Offered is carried out in Estonia through the account managers of Nasdaq CSD. If several subscription orders are issued by the same person, they are added up in establishing the distribution and regarded as a single subscription order. Subscription orders to participate in the Offer can only be presented in euros and the participant in the Offer covers all the costs related to presenting the subscription order and fees payable. The account manager collects a service fee for the subscription of the shares. The information regarding the amount of the fee can be obtained from the account managers. The said fee will be added to the price of the Shares Offered subscribed for by the investor. By presenting their subscription order, the investor authorises the account manager to immediately reserve a sum of money on their account that corresponds to the total price of the Shares Offered. An investor may only present a subscription order in the sum that is present on their account at the time of presenting their subscription order. The sum reserved on the investor's account is used for settling the transaction to subscribe for the Shares Offered to the extent to which the Shares Offered are distributed to the investor and the rest is released from the reservation as the Shares Offered are transferred and the subscription price of the Shares Offered is debited. The investor also authorises the account manager to reserve the sum of money required for paying the service fee related to presenting the subscription order. The investor must ensure the availability of sufficient funds on their bank account tied to the Nasdaq CSD securities account at the time of presenting the subscription order. The investor may change or cancel the subscription order at any time before the end of the Offering Period. **A subscription order must include the following information:**

Securities account holder:	Name of investor
Securities account:	Securities account number of the investor
Securities account manager:	Name of investor's account manager
Security:	EFTEN Real Estate Fund III share additional 6
ISIN:	EE3800001242
Quantity of securities:	The number of Shares Offered, which the investor wishes to subscribe
Price (per share):	17.8 euros
Transaction price:	Number of shares offered, which the investor wishes to subscribe, multiplied by the price of the offered shares
Type of transaction:	"purchase"
Settlement type:	"Delivery versus payment"
The counterparty of transaction:	EFTEN Real Estate Fund III AS
Counterparty's securities account:	99102006845
Counterparty's securities account manager:	Swedbank AS
Settlement date:	10.06.2021

Distribution. The Offer of the Shares Offered is considered to be oversubscribed when, by the end of the subscription period, the number of subscription orders exceeds the one needed for 850,000 Shares Offered, i.e. the total sum of the subscriptions is more than 15,130,000 euros. In such case, the number of the Offered Shares will remain the same and the FUND decides on the distribution of the Shares Offered between the investors based on the following principles: First of all, the Offered Shares will be distributed to the existing shareholders of the FUND according to their subscription

orders, but not more than the pre-emptive right of the respective shareholder to subscribe for the Offered Shares. In respect of the part that exceeds the aforementioned quantity, the existing shareholders participate in the Offering equally with all other investors. Thereafter, the Offered Shares will be distributed among the investors using the gradual distribution method: The FUND will determine the distribution levels after the end of the subscription period with the distribution percentages corresponding to the levels. The main criteria for determination of the distribution levels and the distribution percentages corresponding to them are: (a) total demand for the Offered Shares; (b) size and statistical distribution of the subscription orders; and (c) number of investors who submitted subscription orders. All remaining Offered Shares that cannot be distributed by the gradual distribution method will be distributed between the shareholders on random basis.

The distribution of the Offered Shares will be approved by the supervisory board of the FUND. The supervisory board of the FUND has the right to round the number of the Offered Shares to an integer when determining the exact number upon the distribution of the Offered Shares. Upon rounding the shares, the remaining Offered Shares that cannot be distributed in any other manner of equal treatment will be distributed to investors on a random basis. Oversubscription options will not be applied during the Offering. Each investor will receive information on the Shares Offered that have been distributed to them by their account manager by submitting the respective query.

If less than 850,000 Shares Offered are subscribed, then within a period of 15 days after the end of the subscription period the FUND's management board annuls the Shares Offered that have not been subscribed for, i.e. the share capital is increased based on the number of Shares Offered subscribed for during the subscription period. Upon undersubscription, i.e. in the case of cancellation of the Offering in respect of the Offered Shares that were not subscribed for, the FUND will inform about this via the stock exchange system and on the website of the FUND.

Settlement. The Offered Shares will be registered in the EVR and transferred to the securities accounts of the investors, presumably on 10 June 2021 (this date may change) according to the "Delivery versus payment" procedure, at the same time when the subscription amount is transferred from the investor's account to the FUND. The increase of the share capital will be registered in the Estonian commercial register presumably on 17 June 2021 (this date may also change). The rights of a shareholder will also arise from the day of registration of the share capital in the Estonian Commercial Register. If an investor's subscription request is rejected, or if the number of distributed Offered Shares differs from the number of the Offered Shares subscribed for, the account manager will release the funds reserved in the investor's cash account or part thereof (the amount that exceeds the payment made for the Offered Shares and the costs related to subscription) on 10 June 2021 or a close date. The FUND will not be liable for the release of the amount or payment of interest on the released funds at the time when the funds were reserved.

Cancellation of Offering. The FUND has the right to cancel the Offering either in part or in full at any time until the Offered Shares are distributed and transferred to the investors. Information on the cancellation of the Offering will be given as a stock exchange announcement and on the website of the FUND.

Immediate decrease of the holding (dilution). As at the date of the Prospectus, the FUND has 4,222,535 Shares. The number of Offered Shares is up to 850,000. The share capital of the FUND after the registration of the increase of share capital will be 50,725,350 euros, provided that the number of the Offered Shares will not be changed during the Offering. This means that, after the Offer, the holding of the existing shareholders in the share capital would constitute 83.24% of the FUND's share capital, given that the present shareholders do not subscribe for any Shares Offered in the Offer.

Why is this prospectus being produced?

The Offering enables the FUND to raise money in order to continue the realisation of the investment strategy of the FUND. The FUND will use the money raised during the Offering for termination of the bridge financing of the Group in the amount of 3 million euros upon the acquisition of the Pirita Pansionaat (aged care home), refinancing the loan of the office building of airBaltic for 1 million euros and financing the construction of a separate building on the registered immovable of the Saules Miestas Shopping Centre for 0.7 million euros, in which a fast food restaurant will start operating under the KFC franchise. In respect of the remaining 10.4 million euros, for making new investments. The FUND is holding negotiations for the acquisition of a new investment property in Lithuania in the total amount of 10 million euros, 5 million euros of which would be equity, but there is no respective binding contract signed yet. The FUND does not have any agreements or contracts that impose obligations on the FUND for making new specific investments other than the ones specified above. Assuming all Offered Shares will be issued and paid in, the expected gross income will be 15.1 million euros. The estimated direct costs of the Offering are 0.02 million euros. Thus, the estimated net income from the Offering will be 15.08 million euros. The Offering is not subject to an underwriting agreement. The Management Company has the right to subscribe for the Offered Shares of the FUND, including the Management Company has 87,272 Shares of the FUND before the Offering, which comprise 2.07% of the share capital and the Management Company also has the corresponding pre-emptive right to subscribe. There are no interests or conflicts of interest relevant to the Offering.