

Consolidated interim report for the third quarter and nine months of 2024

EfTEN Real Estate Fund AS

Commercial register number: 12864036

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Table of contents

MANAGEMENT REPORT	3
INTERIM FINANCIAL STATEMENTS OF THE CONSOLIDATION GROUP	12
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	12
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	13
CONSOLIDATED STATEMENT OF CASH FLOW	14
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	15
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS	16
1 <i>Accounting policies and measurement bases used in the preparation of the consolidated interim financial statement</i>	16
2 <i>Subsidiaries and joint ventures</i>	17
3 <i>Segment reporting</i>	19
4 <i>Müügitulu</i>	20
5 <i>Cost of services sold</i>	21
6 <i>Marketing costs</i>	21
7 <i>General and administrative expenses</i>	21
8 <i>Profit/loss from joint ventures</i>	22
9 <i>Other financial income and expenses</i>	22
10 <i>Income tax</i>	22
11 <i>Earnings per share</i>	23
12 <i>Cash and cash equivalents</i>	23
13 <i>Receivables and accrued income</i>	23
14 <i>Investment properties</i>	24
15 <i>Borrowings</i>	26
16 <i>Liabilities and prepayments</i>	27
17 <i>Financial instruments, management of financial risks</i>	28
18 <i>Share capital</i>	32
19 <i>Contingent liabilities</i>	33
20 <i>Related party transactions</i>	33
<i>Management Board Declaration for the Consolidated Interim Report of 9 months of 2024</i>	34

MANAGEMENT REPORT

The Fund manager's comment

The decrease in euro interest rates is quietly increasing transaction activity on the Baltic real estate market and has a positive effect on the economic results of EFTEN Real Estate Fund AS. Thus, in the third quarter of 2024, the fund's consolidated interest expense decreased by more than 60 thousand euros compared to the previous quarter. In terms of transactions, the third quarter was the most active in recent years - the Fund's subsidiary EFTEN Tähesaju tee OÜ sold the Tähesaju Hortes property, and the fund established two new 100% subsidiaries to acquire the logistics centers Paemurru and Härgmäe in Tallinn and Harjumaa. The acquisition cost of the two new properties will be almost 15 million euros upon their final completion. In the third quarter of this year, the construction work was completed and the ERM nursing home was also opened next to Tartu.

A further decline in interest rates is expected. This has already had a positive effect on shares and bonds of companies in the real estate sector listed on the Scandinavian stock exchange. In the wake of these developments, banks with Nordic owners operating in the Baltics are again looking more positively at financing the real estate sector. According to the fund manager, this creates a good basis for overcoming the slump of the past few years in the Baltic commercial real estate market. However, since local major real estate investors lack capital at the moment and there is no sign of foreign investors entering the local market, the recovery will not be quick. The market still remains a so-called buyer's market, where it is possible to acquire high-quality property at a good price level. For this reason, the fund announced its intention to launch a new share issue in the fall of 2024, with the aim of raising additional equity of up to a maximum of EUR 30 million. At the extraordinary general meeting held on 16 October 2024, the shareholders granted the supervisory board and management the necessary authorizations to organize the share issue.

Financial overview

The consolidated sales revenue of EFTEN Real Estate Fund AS for the third quarter of 2024 was 8.006 million euros (2023 third quarter: 7.965 million euros). The consolidated sales revenue of EFTEN Real Estate Fund AS for the 9 months of 2024 was 23.924 million euros (2023: 23.714 million euros). The Group's net rental income in the 9 months of 2024 was a total of 22.203 million euros (2023: 22.201 million euros). The group's net profit in the same period was 10.104 million euros (2023: 6.880 million euros).

	III quarter		9 months	
	2024	2023	2024	2023
<i>€ million</i>				
Rental income, other fees from investment properties	8.006	7.965	23.924	23.714
Expenses related to investments incl. marketing costs	-0.584	-0.468	-1.721	-1.513
Net rental income	7.422	7.497	22.203	22.201
<i>Net rental income margin</i>	93%	94%	93%	94%
Interest expense and interest income	-2.120	-2.079	-6.428	-5.543
Net rental sales less finance costs	5.302	5.418	15.775	16.658
Management fees	-0.538	-0.536	-1.616	-1.607
Other income and other expenses	-0.363	-0.295	-1.018	-0.938
Profit before change in value of investment property, joint venture profits and losses and income tax expense	4.401	4.587	13.141	14.113

The consolidated net rental income margin was 93% (2023: 94%) in the 9 months of 2024, so costs directly related to property management (including land tax, insurance, maintenance and improvement costs) and distribution costs constituted 7% (2023: 6%) of sales revenue.

The volume of the Group's assets as of 30.09.2024 was 377,723 million euros (31.12.2023: 380.944 million euros), including the fair value of investment properties made up 96% of the volume of assets (31.12.2023: 94%).

	30.09.24	31.12.2023
<i>€ million</i>		
Investment properties	360.750	357.916
Ownership in joint venture	1.907	2.078
Other non-current assets	0.484	0.372
Current assets, excluding cash and cash equivalents	1.803	2.466
Net debt (cash deposits minus short-term and long-term bank loans)	-133.257	-129.796
Net asset value (NAV) ¹	217.982	218.698
EPRA net asset value (EPRA NAV)	226.807	226.807
Net asset value (NAV) per share, in euros ¹	20.15	20.21
EPRA net asset value (EPRA NAV) per share, in euros	20.96	20.96

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

Investment properties by segment

Segment	30.09.24	31.12.2023	31.12.2022	31.12.2021	31.12.2020
€ million					
Logistics	112.974	109.860	51.300	50.590	39.047
Retail	134.284	138.542	56.820	55.270	51.520
Office building	91.142	90.460	51.801	49.831	47.751
Care homes	15.185	11.834	8.954	6.270	5.917
National	7.165	7.220	0.000	0.000	0.000
Total investment properties	360.750	357.916	168.875	161.961	144.235

Key performance and liquidity ratios

9 months	2024	2023
ROE, % (net profit of the period / average equity of the period) * 100	4.6	4.2
ROA, % (net profit of the period / average assets of the period) * 100	2.7	2.4
ROIC, % (net profit of the period / average invested capital of the period) * 100	5.2	3.6
Revenue (€ thousands)	23,924	23,714
Rent income (€ thousands)	23,043	22,774
EBITDA (€ thousands)	19,654	19,709
EBITDA margin, %	82%	83%
EBIT (€ thousands)	17,700	13,474
EPRA's profit (€ thousands)	12,948	13,759
Liquidity ratio (current assets / current liabilities)	0.9	0.8
ICR (EBITDA / interest expenses)	3.0	3.5
DSCR (EBITDA/(interest expenses + scheduled loan payments))	1.7	1.8

Investment portfolio

As of the end of September 2024, the Group holds 34 (31 December 2023: 35) commercial investment properties, with a fair value of EUR 358.577 million as of the balance sheet date (31 December 2023: EUR 357.916 million) and an acquisition cost of EUR 356.156 million (31 December 2023: EUR 354.408 million). In addition, in September 2024, the Group entered into purchase agreements for the Härgmäe and Paemurru logistics centers, making advance payments under the agreements totaling EUR 2.173 million. After the balance sheet date, in October 2024, the Group's subsidiary signed a real rights contract for the Härgmäe property, paying an additional EUR 8.3 million for the investment property on top of the previously made advance payment (a total of EUR 8.8 million).

In September 2024, the Group sold the Tähesaju Hortese property for EUR 4.675 million.

In addition to the investment properties held by the subsidiaries of the fund, the Group also holds a 50% stake in the joint venture that owns the Palace Hotel in Tallinn, with a fair value of EUR 8.543 million as of 30 September 2024 (31 December 2023: EUR 9.0 million).

Rental income

In the 9 months of 2024, the group earned a total of 23.043 million euros in rental income, which is 1% more than at the same time in 2023. Rental income increased the most in shopping centers. In the office segment, rental income decreased mainly due to the expiration of the lease agreement with the anchor tenant in the Menulio 11 office building in Vilnius.

Like-for-like rental income by segments

€ thousands	9 months				
	Fair value 30.09.2024	Rental income 2024	Rental income 2023	Change	Change, %
Office	91,142	5,604	5,803	-199	-3%
Logistics	110,801	7,151	6,990	161	2%
Retail	131,942	8,850	8,569	281	3%
National	7,165	628	614	14	2%
Care homes	5,820	325	319	6	2%
Total like-for-like assets and rental income	346,870	22,558	22,295	263	1%
Other assets and rental income	13,880	485	479	6	
Total investment portfolio and rental income	360,750	23,043	22,774	269	1%

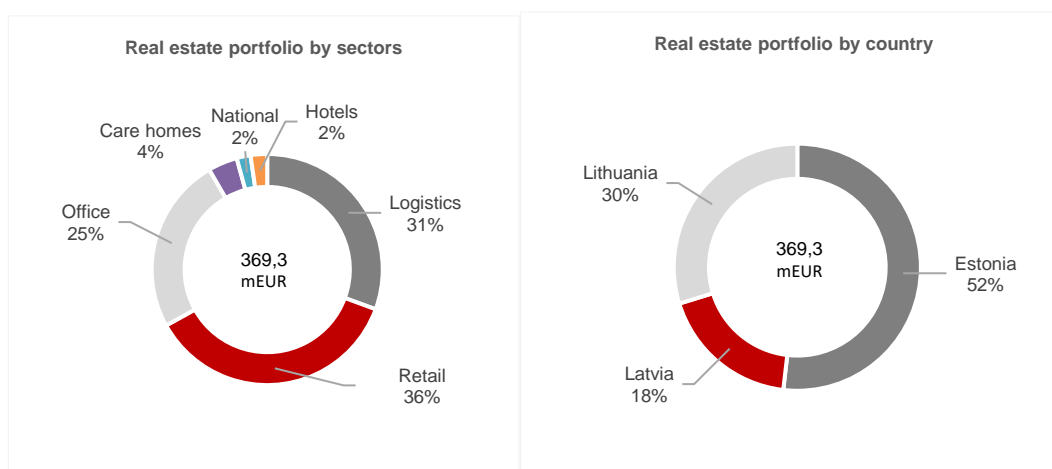
€ thousands	III quarter			Change	Change, %
	Fair value 30.09.2024	Rental income 2024	Rental income 2023		
Office	91,142	1,859	1,919	-60	-3%
Logistics	110,801	2,397	2,265	132	6%
Retail	131,942	2,973	2,895	78	3%
National	7,165	209	204	5	2%
Care homes	5,820	108	106	2	2%
Total like-for-like assets and rental income	346,870	7,546	7,389	157	2%
Other assets and rental income	13,880	155	167	-12	
Total investment portfolio and rental income	360,750	7,701	7,556	145	2%

Like-for-like rental income by countries

€ thousands	9 months			Change	Change, %
	Fair value 30.09.2024	Rental income 2024	Rental income 2023		
Estonia	171,272	10,893	10,641	252	2%
Latvia	65,710	4,680	4,527	153	3%
Lithuania	109,888	6,985	7,127	-142	-2%
Total like-for-like assets and rental income	346,870	22,558	22,295	263	1%
Other assets and rental income	13,880	485	479	6	
Total investment portfolio and rental income	360,750	23,043	22,774	269	1%

€ thousands	III quarter			Change	Change, %
	Fair value 30.09.2024	Rental income 2024	Rental income 2023		
Estonia	171,272	3,649	3,531	118	3%
Latvia	65,710	1,572	1,461	111	8%
Lithuania	109,888	2,325	2,397	-72	-3%
Total like-for-like assets and rental income	346,870	7,546	7,389	157	2%
Other assets and rental income	13,880	155	167	-12	
Total investment portfolio and rental income	360,750	7,701	7,556	145	2%

As of 30.09.2024, the vacancy of investment property belonging to the Group per portfolio was 3.2% (31.12.2023: 2.6%). The largest vacancy is in the office buildings segment (13.1%), where it takes longer than before to fill vacant rental premises.



Main indicators of the investment property portfolio

Investment property as at 30.09.2024	Location	Groups ownership	Acquisition cost, € thousands ¹	Fair value, € thousands	Net leasable area	Prognosed Rental income per annum, € thousands	Direct yield ²	Net primary yield ³	Occupancy, %	Average length of rental agreements	Number of tenants
Premia Külmhoone	Tallinn	100	6,840	6,530	7,258	519	7.6%	7.9%	100.0	2.8	1
Kuuli 10	Tallinn	100	11,564	11,600	15,197	830	7.2%	7.2%	100.0	5.7	1
Betooni 1a	Tallinn	100	9,190	9,270	10,678	668	7.3%	7.2%	100.0	2.6	1
Betooni 6	Tallinn	100	10,246	9,730	17,220	771	7.5%	7.9%	97.0	2.0	21
Jurkalne Technology Park	Rīga	100	24,913	23,701	44,705	1,891	7.6%	8.0%	96.6	8.1	62
DSV logistics centre	Vilnius	100	8,549	9,344	11,751	739	8.6%	7.9%	100.0	2.1	1
DSV logistics centre	Tallinn	100	12,366	13,250	16,014	1,036	8.4%	7.8%	100.0	2.1	1
DSV logistics centre	Rīga	100	8,937	8,436	12,149	758	8.5%	9.0%	100.0	5.2	1
Piepilsetas logistics centre	Kekava	100	8,848	8,300	13,389	583	6.6%	7.0%	99.7	2.9	9
Ramygalos logistics centre	Panevėžys	100	10,024	10,640	20,126	847	8.4%	8.0%	100.0	12.6	1
Härgmäe logistics centre	Tallinn	100	515	515			<i>In acquisition stage</i>				
Paemurru logistics centre	Harku county	100	1,658	1,658			<i>In acquisition stage</i>				
Logistics total			113,650	112,974	168,487	8,642	7.6%	7.6%	98.8	5.2	99
Võru Rautakesko	Võru	100	2,890	2,670	3,120	247	8.5%	9.3%	100.0	3.5	1
Uku Keskus	Viljandi	100	13,620	13,534	8,940	1,072	7.9%	7.9%	98.2	5.1	41
Mustika Keskus	Tallinn	100	37,060	37,081	27,614	2,805	7.6%	7.6%	100.0	3.5	65
RAF Centrs	Jelgava	100	9,288	9,379	6,225	697	7.5%	7.4%	100.0	4.0	39
Tammsaare tee Rautakesko	Tallinn	100	15,700	15,580	9,120	1,255	8.0%	8.1%	100.0	7.4	1
Jelgava development project	Jelgava	100	2,342	2,342			<i>development</i>				
Saules Miestas Shopping centre	Šiauliai	100	31,759	39,298	20,347	3,192	10.1%	8.1%	97.4	4.4	121
Laagri Selver	Tallinn	100	6,303	7,680	3,059	529	8.4%	6.9%	100.0	5.5	13
Hortes gardening centre	Laagri	100	3,138	3,570	3,470	269	8.6%	7.5%	100.0	7.7	1
ABC Motors Autokeskus	Tallinn	100	3,482	3,150	2,149	286	8.2%	9.1%	100.0	4.4	1
Retail total			125,582	134,284	84,044	10,352	8.2%	7.7%	99.2	4.7	283
Lauteri 5	Tallinn	100	5,958	5,081	3,825	306	5.1%	6.0%	74.0	2.4	15
Pärnu mnt 105	Tallinn	100	8,313	6,633	4,717	562	6.8%	8.5%	89.6	1.1	32
Pärnu mnt 102	Tallinn	100	16,696	12,928	8,933	888	5.3%	6.9%	91.7	1.0	29
Terbata	Rīga	100	9,248	8,276	6,036	621	6.7%	7.5%	82.8	1.4	12
Menulio 11	Vilnius	100	8,330	7,522	5,617	416	5.0%	5.5%	42.4	1.7	13
Ulonu	Vilnius	100	8,440	8,701	5,290	796	9.4%	9.1%	100.0	2.4	13
L3	Vilnius	100	8,881	10,370	6,150	765	8.6%	7.4%	95.7	2.2	31
Evolution	Vilnius	100	10,406	11,383	6,614	712	6.8%	6.3%	83.0	2.1	27
airBaltic	Rīga	100	7,550	7,618	6,217	614	8.1%	8.1%	100.0	4.3	1
Rutkauskos	Vilnius	100	11,819	12,630	6,812	857	7.3%	6.8%	100.0	6.0	4
Office total	Office		95,641	91,142	60,211	6,537	6.8%	7.2%	86.9	2.5	177
Pirita Pansionaat	Tallinn	100	6,217	5,820	5,983	512	8.2%	8.8%	100.0	6.1	1
Valkla Südamekodu	Valkla	100	4,006	3,497	4,423	283	7.1%	8.1%	100.0	7.6	1
Tartu Südamekodu	Tartu	100	5,868	5,868	4,118	-	-	-	100.0	9.8	1
Care homes total			16,091	15,185	14,524	795	4.9%	5.2%	100.0	7.1	3
Rakvere Police and rescue communal building (National)	Rakvere	100	7,365	7,165	5,775	700	9.5%	9.8%	100.0	1.1	1
Hotell Palace (hotels) ⁴	Tallinn	50	11,178	8,543	4,874	500	4.5%	5.9%	100.0	5.9	1
Total investment property portfolio			369,507	369,293	337,915	27,526	7.4%	7.5%	96.8	4.2	564

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

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

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

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

EFTEN Real Estate Fund AS largest tenants as at 30.09.2024

Tenant	Share of total rental income
Kesko Senukai Estonia AS	5.8%
LIVONIA PRINT SIA	5.5%
Prisma Peremarket AS	5.2%
DSV Estonia AS	3.6%
Logistika Pluss OÜ	3.0%
Adax UAB	2.9%
Riigi Kinnisvara Aktsiaselts	2.8%
DHL Logistics Estonia OÜ	2.6%
DSV Latvia SIA	2.6%
DSV Lithuania, UAB	2.5%
Atea, UAB	2.4%
AIR BALTIC CORPORATION AS	2.1%
Premia Tallinna Külkhoone AS	1.9%
Rimi Lietuva, UAB	1.8%
Südamekodud AS	1.6%
Others	53.7%

EPRA performance indicators

EPRA performance indicators

As of the balance sheet date or per 9 months	30.09.2024	30.09.2023
EPRA profit, € thousands	12,948	13,759
EPRA profit per share, in euros	1.20	1.27
EPRA NRV (net reinstatement value), € thousands	226,807	231,991
EPRA NRV per share, in euros	20.96	21.44
EPRA NDV (net disposal value), € thousands	217,982	224,579
EPRA NDV per share, in euros	20.15	20.76
EPRA cost ratio, including direct vacancy costs	15%	14%
EPRA cost ratio, excluding direct costs related to vacancy	14%	13%
EPRA vacancy ratio	3.5%	2.3%

EPRA indicator calculations

EPRA net asset value indicators

As at 30.09.2024

€ thousands	EPRA NRV	EPRA NTA	EPRA NDV
Net asset value calculated in accordance with IFRS	217,982	217,982	217,982
Adjustments:			
Deferred income tax liability related to the calculation of the change in the fair value of investment properties and tax depreciation	8,825	8,825	-
EPRA net asset value	226,807	226,807	217,982
Number of fully diluted share	10,819,796	10,819,796	10,819,796
EPRA net asset value per unit, in euros	20.96	20.96	20.15

As at 30.09.2023

€ thousands	EPRA NRV	EPRA NTA	EPRA NDV
Net asset value calculated in accordance with IFRS	224,579	224,579	224,579
Adjustments:			
Deferred income tax liability related to the calculation of the change in the fair value of investment properties and tax depreciation	7,412	7,412	-
EPRA net asset value	231,991	231,991	224,579
Number of fully diluted share	10,819,796	10,819,796	10,819,796
EPRA net asset value per unit, in euros	21.44	21.44	20.76

EPRA profit

9 months, € thousands	2024	2023
Net profit (IFRS)	10,104	6,880
Adjustments:		
Change in fair value of investment property	1,869	6 182
Change in fair value of financial instruments	0	53
Effect of investment properties changes in fair value on profit/loss from joint ventures	259	144
Deferred income tax expense related to EPRA adjustments	716	500
EPRA profit	12,948	13,759
Weighted average numbers of shares during the period	10,819,796	10,819,796
EPRA profit per share, in euros	1.20	1.27

EPRA vacancy rate

As at 30.09, € thousands	2024	2023
Estimated rental income from vacant premises	1,099	718
Estimated rental income for the entire investment portfolio	31,825	31,492
EPRA vacancy rate	3.5%	2.3%

EPRA cost ratio

9 months, € thousands	2024	2023
Cost of sales	-1,232	-1,120
Other sales revenue paid by tenants to cover expenses	881	940
Marketing costs	-489	-393
Operating costs	-2,679	-2,568
Total costs, including direct costs related to the vacancy	-3,519	-3,141
Direct vacancy cost	-282	-136
Total costs, excluding direct costs related to vacancy	-3,237	-3,005
Rental income (gross)	23,043	22,774
EPRA cost ratio, including direct vacancy costs	15%	14%
EPRA cost ratio, excluding direct costs related to vacancy	14%	13%

EPRA LTV

€ thousands	30.09.2024	30.09.2023
Total borrowings	146,036	148,967
Net liabilities	3,110	2,419
Minus cash and cash equivalents	10,637	14,167
Minus current liabilities	2,142	2,880
Total net debt	136,367	134,339
Ready investment property	356,088	356,667
Investment property and land under development	4,662	6,622
Total property value	360,750	363,289
EPRA LTV	37.8%	37.0%

Financing

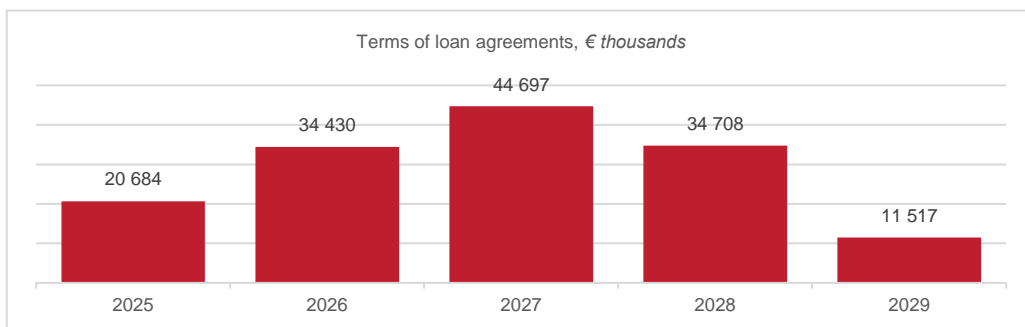
The increase in interest rates in the euro area has had a significant impact on the group's cash flows, bringing the interest coverage ratio (ICR) to a lower level compared to last year.

	9 months	
ICR	2024	2023
EBITDA	19,654	19,709
Interest expense	-6,644	-5,640
ICR	3.0	3.5

During the 9 months of 2024, the Fund's subsidiaries EFTEN Autokeskus OÜ and EFTEN Jurkalne SIA extended their loan agreements. In the next 12 months, the loan agreements of two subsidiaries of the Group will expire, the balance of which as of 30.09.2024 is 8,025 thousand euros in total. The LTV of the expiring loan agreements is 28.3% and 46.5%, and both investment property have a stable rental cash flow, therefore, according to the management of the Group, there are no obstacles to the extension of the loan agreements.

The weighted average interest rate of the Group's loan agreements is 5.35% as of 30.09.2024 (31.12.2023: 5.91) and the LTV (Loan to Value) is 41% (31.12.2023: 42%). All loan agreements of the Fund's subsidiaries are linked to a floating interest rate.

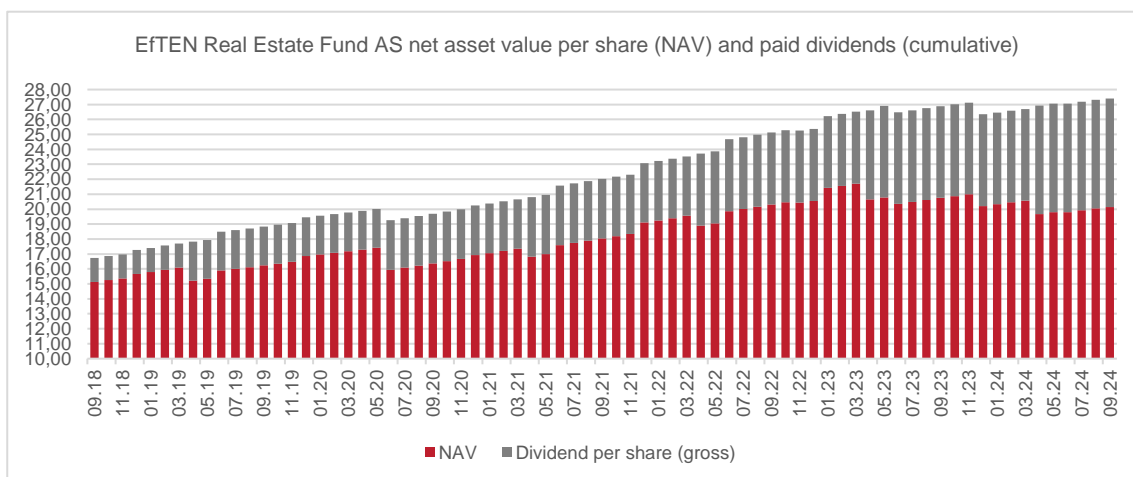
After the balance sheet date, in October 2024, the Group entered into two loan agreements related to the purchase of the Härgmäe logistics center, with a total amount of EUR 7.3 million. This includes a loan agreement for EUR 2.8 million with an interest rate of 2.5% + 6-month EURIBOR, maturing on 31 December 2024, and a loan agreement for EUR 4.5 million with an interest rate of 1.8% + 6-month EURIBOR, maturing on 27 September 2029.

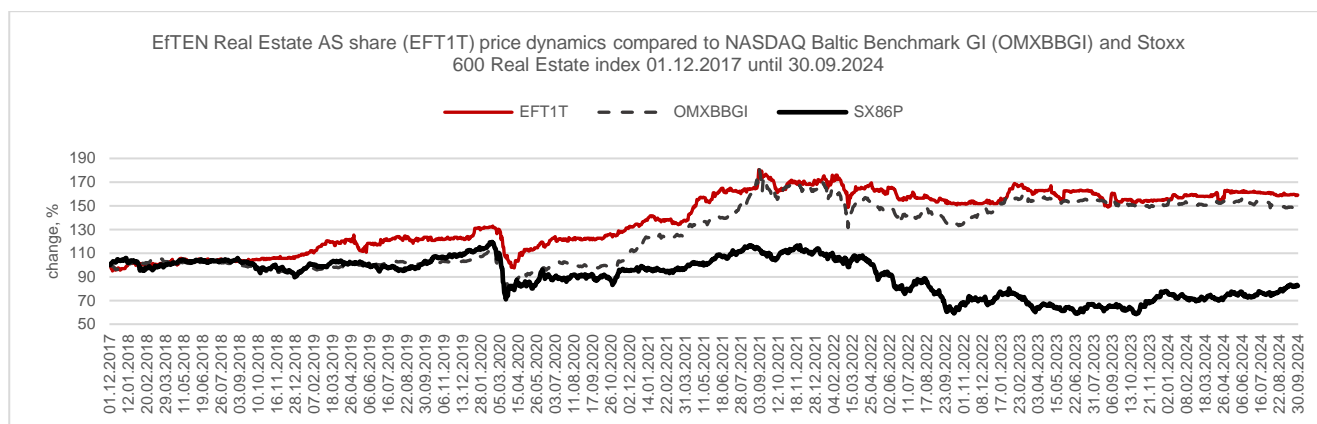


Information on shares

The net value of the share of EFTEN Real Estate Fund AS as of 30.09.2024 was 20.15 euros (31.12.2023: 20.21 euros). The net value of the share of EFTEN Real Estate Fund AS decreased by 0.3% in the 9 months of 2024. In April 2024, the Fund paid dividends in the total amount of 10.82 million euros. Without profit distribution, the net value of EFTEN Real Estate AS shares would have increased by 4.6% during the nine months of the year.

As of 30.09.2024, the Fund has 10,819,796 shares.





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

EFT1T share statistics, 9 months	2024	2023
Opening price	18.90	19.8
Closing price	18.40	18.9
Minimum share price	18.25	17.9
Maximum share price	19.90	22.1
Volume of traded shares, thousands	121	279
Volume, € million	2.304	5.513
Market capitalization as at 30.09, € million	199.084	203.953
Profit per share, €	0.93	0.64
Net accounting value of the share	20.15	20.76
EPRA net value of the share	20.96	21.44
P/B (closing price / equity per share)	0.91	0.91
P/B EPRA (closing price / EPRA equity per share)	0.88	0.88

Shareholder statistics

	30.09.2024	31.12.2023
Number of shareholders	6,664	6,794
Number of represented countries	27	13
Share of Estonian residents in share capital	96.32%	96.35%
Share of legal entities in share capital	79.02%	86.13%
Share of private individuals in share capital	20.98%	13.87%

As of 30.09.2024, members of the Fund's council and management board and their related persons owned 28.64% of the shares.

Shareholders by geographical areas

Share	30.09.2024	31.12.2023
Estonia	96.32%	96.35%
Lithuania	2.05%	2.05%
Switzerland	1.37%	1.35%
United States of America	0.17%	0.19%
Latvia	0.05%	0.04%
Other	0.04%	0.02%

The largest shareholders as at 30.09.2024

	Number of shares	Share
LHV Pensionifond L	1,210,475	11.2%
REF Aktsiad OÜ	1,151,700	10.6%
Hoiukonto OÜ	1,145,192	10.6%
Altiuse KVI OÜ	1,092,845	10.1%
Vello Kunman	632,148	5.8%
Ivard OÜ	433,158	4.0%
EFTEN Capital AS	292,688	2.7%
EFTEN United Property Fund	218,759	2.0%
LHV Pensionifond XL	212,779	2.0%
HTB Investeeringute OÜ	198,032	1.8%
LHV Pensionifond M	187,978	1.7%
Tiskreoja OÜ	175,592	1.6%
Luminor Bank AS/EE Pensions	171,754	1.6%
Gomab (Swiss) AG	146,690	1.4%

INTERIM FINANCIAL STATEMENTS OF THE CONSOLIDATION GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	III quarter		9 months	
		2024	2023	2024	2023
<i>€ thousands</i>					
Revenue	3,4	8,006	7,965	23,924	23,714
Cost of services sold	5	-473	-363	-1,232	-1,120
Gross profit		7,533	7,602	22,692	22,594
Marketing costs	6	-111	-105	-489	-393
General and administrative expenses	7	-860	-841	-2,679	-2,568
Profit / loss from the change in the fair value of investment property	14	-415	0	-1,869	-6,182
Other operating income and expense		-41	10	45	23
Operating profit	3	6,106	6,666	17,700	13,474
Profit / loss from joint ventures	2,8	83	84	-171	-25
Interest income		51	77	216	97
Other finance income and expense	9	-2,171	-2,156	-6,644	-5,693
Profit before income tax		4,069	4,671	11,101	7,853
Income tax expense	10	-215	-236	-997	-973
Net profit for the reporting period		3,854	4,435	10,104	6,880
Total consolidated profit for the reporting period	3	3,854	4,435	10,104	6,880
Earnings per share	11				
- basic		0.36	0.41	0.93	0.64
- diluted		0.36	0.41	0.93	0.64

The notes on pages 16-33 form an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30.09.2024	31.12.2023
<i>€ thousands</i>			
ASSETS			
Cash and cash equivalents	12	10,637	14,712
Current deposits	17	2,142	3,400
Receivables and accrued income	13	1,603	2,360
Prepaid expenses		200	106
Total current assets		14,582	20,578
Non-current receivables		355	214
Shares in joint ventures	2	1,907	2,078
Investment property	3,14	360,750	357,916
Property, plant, and equipment		129	158
Total non-current assets		363,141	360,366
TOTAL ASSETS		377,723	380,944
LIABILITIES AND EQUITY			
Borrowings	15	13,809	16,907
Payables and prepayments	16	3,110	3,417
Total current liabilities		16,919	20,324
Borrowings	15	132,094	130,849
Other non-current liabilities	16	1,832	1,790
Deferred income tax liability	10	8,896	9,283
Total non-current liabilities		142,822	141,922
Total liabilities		159,741	162,246
Share capital	18	108,198	108,198
Share premium	18	84,721	84,721
Statutory reserve capital		2,799	2,749
Retained earnings	19	22,264	23,030
TOTAL EQUITY		217,982	218,698
TOTAL LIABILITIES AND EQUITY		377,723	380,944

The notes on pages 16-33 form an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

	Notes	III quarter		9 months	
		2024	2023	2024	2023
€ thousands					
Net profit		3,854	4,435	10,104	6,880
Adjustments of net profit:					
Profit/loss from joint ventures using the equity method	2,8	-83	-84	171	25
Interest income		-51	-77	-216	-97
Finance income and expense	9	2,171	2,156	6,644	5,693
Investment property revaluation gain / loss	14	415	0	1,869	6,182
Sales costs of investment property	14	42	0	42	0
Depreciation and impairment losses	5,7	13	18	43	53
Income tax expense	10	215	236	997	973
Total adjustments with non-cash changes		2,722	2,249	9,550	12,829
Cash flow from operations before changes in working capital		6,576	6,684	19,654	19,709
Change in receivables and prepayments related to operating activities		230	67	684	107
Change in obligations related to operating activities		-80	27	-478	-391
Net cash flow generated from operating activities		6,726	6,778	19,860	19,425
Investing activities					
Acquisition of property, plant and equipment		-11	-16	-14	-19
Sale of property, plant and equipment	14	-3,645	-1,662	-9,200	-3,999
Acquisition of investment property	14	4,633	0	4,633	0
Change in current deposits		-2,092	-400	1,258	-2,880
Cash received on merger		0	0	0	11,621
Interest received		47	57	215	76
Net cash flow generated from investing activities		-1,068	-2,021	-3,108	4,799
Financing activities					
Loans received	15	939	350	5,819	3,521
Loan repayments	13	-2,698	0	-2,698	0
Scheduled loan repayments	15	-1,729	-1,534	-4,993	-5,101
Interest paid		-2,305	-2,022	-6,762	-5,557
Dividends paid		0	0	-10,820	-12,471
Income tax on dividends paid		0	0	-1,373	-1,780
Net cash flow generated from financing activities		-5,793	-3,206	-20,827	-21,388
NET CASH FLOW		-135	1,551	-4,075	2,836
Cash and cash equivalents					
Cash and cash equivalents at the beginning of period		10,772	12,616	14,712	11,331
Change in cash and cash equivalents		-135	1,551	-4,075	2,836
Cash and cash equivalents at the end of period	12	10,637	14,167	10,637	14,167

The notes on pages 16-33 form an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Statutory reserve capital	Retained earnings	Total
<i>€ thousands</i>					
Balance as at 31.12.2022	50,725	16,288	2,149	35,102	104,264
Issuance of shares for the merger	57,473	68,433	0	0	125,906
Dividends paid	0	0	0	-12,471	-12,471
Allocations to reserve capital	0	0	600	-600	0
Total transactions with the owners	57,473	68,433	600	-13,071	113,435
Net profit for the financial period	0	0	0	6,880	6,880
Total comprehensive income for the period	0	0	0	6,880	6,880
Balance as at 30.09.2023	108,198	84,721	2,749	28,911	224,579
Balance as at 31.12.2023	108,198	84,721	2,749	23,030	218,698
Dividends paid	0	0	0	-10,820	-10,820
Allocations to reserve capital	0	0	50	-50	0
Total transactions with the owners	0	0	50	-10,870	-10,820
Net profit for the financial period	0	0	0	10,104	10,104
Total comprehensive income for the period	0	0	0	10,104	10,104
Balance as at 30.09.2024	108,198	84,721	2,799	22,264	217,982

Further information on the share capital can be found in Note 18.

The notes on pages 16-33 form an integral part of these interim financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Accounting policies and measurement bases used in the preparation of the consolidated interim financial statement

EFTEN Real Estate Fund AS (Parent company) is a company registered in Estonia and operating in Estonia.

EFTEN Real Estate Fund AS Group's structure as at 30.09.2024 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 Külkhoone, Tallinn</i>	EFTEN SPV14 OÜ <i>Võru Rautakesko</i>	EFTEN Pirita OÜ <i>Pirita Pansionaat, Tallinn</i>	EFTEN SPV4 OÜ <i>Rakvere Police and rescue communal building</i>
	EFTEN SPV5 OÜ <i>Pärnu mnt 105, Tallinn</i>	EFTEN SPV17 OÜ <i>Betooni 1a, Betooni 6, Tallinn</i>	EFTEN SPV3 OÜ <i>Uku Keskus, Viljandi</i>	EFTEN Valkla OÜ <i>Valkla Súdamekodu</i>	EFTEN SPV11 OÜ (joint venture 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 Keskus, Tallinn</i>	EFTEN Ermi OÜ <i>Tartu Súdamekodu</i>	
		EFTEN Tänessilma OÜ <i>DSV logistic centre, Tallinn</i>	EFTEN SPV12 OÜ <i>Tammsaare tee Rautakesko, Tallinn</i>		
		EFTEN Härgmäe OÜ <i>Härgmäe tn 8, Tallinn (in the acquisition stage)</i>	EFTEN Laagri OÜ <i>Laagri Selver, Tallinn</i>		
		EFTEN Paemurru OÜ <i>Paemurru tee 3, Harku vald (in the acquisition stage)</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, Riga</i>	EFTEN Jelgava SIA <i>RAF Centrs, Jelgava</i>		EFTEN ABC SIA
	EFTEN Riga Airport SIA <i>airBaltic head office, Riga</i>	EFTEN Krustpils SIA <i>DSV I logistics centre, Riga</i>			Auras Centrs SIA <i>Jelgava development project (in 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 International Standards as adopted by the European Union (IFRS EU). These consolidated interim financial statements have been prepared in accordance with International Accounting Standard IAS 34: Interim Financial Reporting. The interim report has been prepared using the same accounting methods as in the annual report for the year ended 31.12.2023. The interim report should be read in conjunction with the Group's most recently published annual report for 2023, which has been prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of the Management Board, the interim report of EFTEN Real Estate Fund AS for the first 6 months of 2024 correctly and fairly reflects the financial results of the Group in accordance with the principle of continuity. These interim reports have not been audited or otherwise audited by auditors and include only the consolidated financial statements of the Group. The reporting currency is the euro. The consolidated interim financial statements are presented in thousands of euros and all figures are rounded to the nearest thousand, unless otherwise stated

2 Subsidiaries and joint ventures

In September 2024, the Group established two new subsidiaries: EFTEN Härgmäe OÜ and EFTEN Paemurru OÜ. EFTEN Härgmäe OÜ was established for the acquisition of an investment property located at Härgmäe St. 8, Tallinn, and as of the balance sheet date, capital contributions of EUR 532 thousand have been made to the subsidiary's equity. EFTEN Paemurru OÜ was established for the acquisition of an investment property located at Paemurru tee 3, Harku Parish, Harjumaa, and capital contributions of EUR 807 thousand have been made to the company's equity.

As at 30.09.2024, EFTEN Real Estate Fund AS owns the following subsidiaries:

Company name	Country of domicile	Investment property	The subsidiary's equity, € thousands		Group's ownership, %	
			30.09.2024	31.12.2023	30.09.2024	31.12.2023
Parent company						
EFTEN Real Estate Fund AS	Estonia					
Subsidiaries						
Saules Miestas UAB	Lithuania	Saules Miestas shopping centre, Šiauliai	23,865	23,888	100	100
Verkiu Projektas UAB	Lithuania	Ulonu office building, Vilnius	4,320	4,147	100	100
EFTEN Stasyļu UAB	Lithuania	DSV logistics centre, Vilnius	5,159	4,960	100	100
EFTEN Tānassilma OÜ	Estonia	DSV logistics centre, Tallinn	8,358	8,164	100	100
EFTEN Krustpils SIA	Latvia	DSV logistics centre, Rīa	3,113	3,060	100	100
EFTEN Laisves UAB	Lithuania	L3 office building, Vilnius	5,837	5,727	100	100
EFTEN Laagri OÜ	Estonia	Laagri Selver, Tallinn	4,255	4,204	100	100
EFTEN Seljaku OÜ	Estonia	Hortes gardening centre, Laagri	2,578	2,437	100	100
EFTEN Evolution UAB	Lithuania	Evolution office building, Vilnius	5,696	6,023	100	100
EFTEN Tāhesaju tee OÜ	Estonia	-	63	2,504	100	100
EFTEN Autokeskus OÜ	Estonia	ABC Motors Autokeskus, Tallinn	1,857	1,808	100	100
EFTEN Rīga Airport SIA	Latvia	airBaltic main building, Rīa	5,245	4,929	100	100
EFTEN Piepilsetas SIA	Latvia	Piepilsetas logistics centre, Kekava	3,746	3,788	100	100
EFTEN Rutkauskos UAB	Lithuania	Rutkauskos office building, Vilnius	6,438	6,286	100	100
EFTEN Pirita OÜ	Estonia	Pirita Pansionaat, Tallinn	3,539	3,388	100	100
EFTEN Ramygalos UAB	Lithuania	Ramygalos logistics centre, Panevėžys	5,332	5,190	100	100
EFTEN Valkla OÜ	Estonia	Valkla Sūdamekodu, Valkla	1,776	1,659	100	100
EFTEN Ermi OÜ	Estonia	Tartu Sūdamekodu, Tartu (under construction)	88	219	100	100
EFTEN ABC SIA	Latvia	-	3	3	100	100
EFTEN SPV2 OÜ	Estonia	Lauteri 5, Tallinn	3,299	2,915	100	100
EFTEN SPV3 OÜ	Estonia	Uku Keskus, Viljandi	7,735	7,401	100	100
EFTEN SPV4 OÜ	Estonia	Rakvere Police and rescue common building	4,059	3,707	100	100
EFTEN SPV5 OÜ	Estonia	Pärnu mnt 105, Tallinn	2,961	3,168	100	100
EFTEN SPV6 OÜ	Estonia	Pärnu mnt 102, Tallinn	6,124	5,590	100	100
EFTEN SPV7 OÜ	Estonia	Mustika Keskus, Tallinn	23,427	22,343	100	100
EFTEN SPV8 OÜ (EFTEN SPV7 OÜ subsidiary)	Estonia	Mustika Keskus, Tallinn	10,207	8,867	100	100
EFTEN SPV12 OÜ	Estonia	Tammsaare tee Rautakesko, Tallinn; Kuuli 10, Tallinn	17,121	15,846	100	100
EFTEN SPV14 OÜ	Estonia	Võru Rautakesko	1,506	1,866	100	100
EFTEN SPV15 OÜ	Estonia	Premia Külmoone, Tallinn	3,632	3,488	100	100
EFTEN SPV17 OÜ	Estonia	Betooni 1a, Tallinn, Betooni 6, Tallinn	11,429	10,558	100	100
EFTEN Jelgava SIA	Latvia	RAF Centrs, Jelgava	5,182	5,105	100	100
EFTEN Jurkalne SIA	Latvia	Jurkalne Technology Park, Rīa	14,360	14,707	100	100
EFTEN Terbata SIA	Latvia	Terbata office building, Rīa	4,652	4,613	100	100
Auras Centrs SIA	Latvia	Jelgava development project, Jelgava (in the development stage)	1,534	1,604	100	100
EFTEN Menulio UAB	Lithuania	Menulio 11, Vilnius	3,717	3519	100	100
EFTEN Härgmäe OÜ	Estonia	Härgmäe tn 8, Tallinn (in the acquisition stage)	532	0	100	0
EFTEN Paemurru OÜ	Estonia	Paemurru tee 3, Harku vald (in the acquisition stage)	807	0	100	0
Joint ventures						
EFTEN SPV11 OÜ	Estonia	Hotell Palace, Tallinn	1,907	2,078	50	50

All subsidiaries and joint ventures are engaged in the acquisition and leasing of investment property. The shares of any subsidiary are not 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	30.09.2024	31.12.2023
€ thousands		
Cash and cash equivalents	151	55
Other current assets	89	34
Total current assets	240	89
Investment property	8 543	9 040
Shares in joint ventures	151	133
Total non-current assets	8 694	9 173
TOTAL ASSETS	8 934	9 262
Current loan liabilities	4 997	5 077
Other current liabilities	124	29
Total current liabilities	5 121	5 106
Non-current loan liabilities	0	0
Total non-current liabilities	0	0
TOTAL LIABILITIES	5 121	5 106
NET ASSETS	3 813	4 156

9 months	2024	2023
Revenue	410	211
<i>incl. sales revenue III quarter</i>	220	145
Loss	-343	-218

In the 9 months of 2024, there have been the following changes to the investment in joint venture:

	30.09.2024	30.09.2023
Book value at the beginning of the reporting period	2,078	2,577
Loss from joint venture (Note 8)	-171	-25
Book value at the end of the reporting period	1,907	2,552

3 Segment reporting

SEGMENT RESULTS

9 months	Office		Logistics		Retail		Care homes		National		No allocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<i>€ thousands</i>														
Sales income (Note 4), incl.	5,633	5,871	7,372	7,247	9,705	9,492	586	490	628	614	0	0	23,924	23,714
Estonia	1,511	1,522	3,131	3,020	5,764	5,667	586	490	628	614	0	0	11,620	11,313
Latvia	1,007	917	3,035	3,054	813	772	0	0	0	0	0	0	4,855	4,743
Lithuania	3,115	3,432	1,206	1,173	3,128	3,053	0	0	0	0	0	0	7,449	7,658
Net rental income, incl.	5,206	5,512	6,973	6,981	8,934	8,703	581	486	509	519	0	0	22,203	22,201
Estonia	1,351	1,321	3,056	2,939	5,412	5,389	581	486	509	519	0	0	10,909	10,654
Latvia	933	829	2,712	2,869	666	620	0	0	0	0	0	0	4,311	4,318
Lithuania	2,922	3,362	1,205	1,173	2,856	2,694	0	0	0	0	0	0	6,983	7,229
Operating profit, incl.	3,409	2,096	7,118	3,987	6,532	7,150	484	-160	440	642	-283	-241	17,700	13,474
Estonia	149	-550	3,120	1,696	4,201	4,246	484	-160	440	642	-283	-241	8,111	5,633
Latvia	1,050	362	2,654	1,363	607	598	0	0	0	0	0	0	4,311	2,323
Lithuania	2,210	2,284	1,344	928	1,724	2,306	0	0	0	0	0	0	5,278	5,518
EBITDA, incl.	4,649	4,942	6,367	6,380	7,947	7,721	474	395	500	512	-283	-241	19,654	19,709
Estonia	1,224	1,212	2,861	2,749	4,836	4,858	474	395	500	512	-283	-241	9,612	9,485
Latvia	795	679	2,412	2,571	597	518	0	0	0	0	0	0	3,804	3,768
Lithuania	2,630	3,051	1,094	1,060	2,514	2,345	0	0	0	0	0	0	6,238	6,456
Operating profit													17,700	13,474
Profit/loss from joint ventures (Notes 2, 8)													-171	-25
Net financial expense													-6,428	-5,596
Profit before income tax													11,101	7,853
Income tax expense (Note 10)													-997	-973
NET PROFIT FOR THE FINANCIAL PERIOD													10,104	6,880

SEGMENT RESULT, 3rd quarter

III 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>														
Sales income, incl.	1,873	1,947	2,492	2,425	3,226	3,211	206	178	209	204	0	0	8,006	7,965
Estonia	516	484	1,055	1,017	1,917	1,898	206	178	209	204	0	0	3,903	3,781
Latvia	329	310	1,035	1,017	278	274	0	0	0	0	0	0	1,642	1,601
Lithuania	1,028	1,153	402	391	1,031	1,039	0	0	0	0	0	0	2,461	2,583
Net rental income, incl.	1,710	1,824	2,377	2,318	2,967	3,006	204	177	164	172	0	0	7,422	7,497
Estonia	462	420	1,030	977	1,767	1,834	204	177	164	172	0	0	3,627	3,580
Latvia	300	272	946	950	232	217	0	0	0	0	0	0	1,478	1,439
Lithuania	948	1,132	401	391	968	955	0	0	0	0	0	0	2,317	2,478
Operating profit, incl.	1,511	1,638	2,171	2,149	2,174	2,623	172	147	162	170	-84	-61	6,106	6,666
Estonia	423	383	960	925	1,114	1,628	172	147	162	170	-84	-61	2,747	3,192
Latvia	252	224	847	870	212	163	0	0	0	0	0	0	1,311	1,257
Lithuania	836	1,031	364	354	848	832	0	0	0	0	0	0	2,048	2,217
EBITDA, incl.	1,515	1,639	2,170	2,159	2,641	5,529	172	147	162	170	-84	-61	6,576	9,583
Estonia	425	384	960	935	1,576	4,525	172	147	162	170	-84	-61	3,211	6,100
Latvia	252	222	847	870	212	163	0	0	0	0	0	0	1,311	1,255
Lithuania	838	1,033	363	354	853	841	0	0	0	0	0	0	2,054	2,228
Operating profit													6,106	6,666
Profit/loss from joint ventures (Notes 2, 8)													83	84
Net financial expense													-2,120	-2,079
Profit before income tax													4,069	4,671
Income tax expense (Note 10)													-215	-236
NET PROFIT FOR THE III QUARTER													3,854	4,435

SEGMENT ASSETS

As of 30 September	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	24,642	28,488	52,553	49,792	83,265	89,109	15,185	10,480	7,165	7,490	182,810	185,359
Latvia	15,894	15,697	40,437	41,178	11,721	11,702	0	0	0	0	68,052	68,577
Lithuania	50,606	52,281	19,984	20,017	39,298	37,055	0	0	0	0	109,888	109,353
Total investment property (Note 14)	91,142	96,466	112,974	110,987	134,284	137,866	15,185	10,480	7,165	7,490	360,750	363,289
Joint ventures (Note 2)											1,907	2,552
Other non-current assets											484	351
Net debt (liabilities less cash)											-149,104	-146,437
Other current assets											3,945	4,824
NET ASSETS											217,982	224,579

No transactions were made between business segments during the first 9 months of 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, having respectively 5.5%, 5.8% and 5.2% of the Group's consolidated rental income. The share of the income of the other tenants in the consolidated income is less than 5%.

4 Müügitulu

Segments	9 months	
	2024	2023
<i>€ thousands</i>		
Rental income from office premises (Note 14)	5,604	5,803
Rental income from national institutions (Note 14)	628	614
Rental income from retail premises (Note 14)	9,092	8,883
Rental income from logistics premises (Note 14)	7,151	6,990
Rental income from care home premises (Note 14)	568	484
Other sales revenue	881	940
Total revenue by segments of activity (Note 3)	23,924	23,714

Revenue by geographic areas	9 months	
	2024	2023
<i>€ thousands</i>		
Estonia	11,620	11,313
Latvia	4,855	4,743
Lithuania	7,449	7,658
Total revenue by geographical area (Note 3)	23,924	23,714

5 Cost of services sold

Cost of services sold	9 months	
	2024	2023
€ thousands		
Repair and maintenance of rental premises	-564	-566
Property insurance	-47	-47
Land tax and real estate tax	-156	-149
Other costs of administrative activities	-74	-65
Utility costs of vacant premises	-189	-95
Depreciation expenses	-14	-15
Improvement costs	-67	-115
Wage costs, including taxes (Note 20)	-5	-33
Proportional costs of VAT	-49	-33
Other selling expenses	-1	-2
Allowance for doubtful accounts	-66	0
Total cost of services sold (Note 14)	-1,232	-1,120

6 Marketing costs

Marketing costs	9 months	
	2024	2023
€ thousands		
Commission expenses on rental premises	-93	-41
Advertising, advertising events ¹	-396	-352
Advertising, advertising events	-489	-393

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	9 months	
	2024	2023
€ thousands		
Management services (Note 20)	-1,616	-1,607
Office expenses	-47	-54
Wages and salaries, incl. Taxes (Note 20)	-353	-312
Consulting expenses, legal expenses, accounting service, evaluation service	-406	-340
Audit costs	-82	-69
Regulator costs	-106	-118
Other general administrative expenses	-40	-30
Depreciation costs	-29	-38
Total general and administrative expenses	-2,679	-2,568

8 Profit/loss from joint ventures

Profit/loss from joint ventures	9 months	
	2024	2023
€ thousands		
Profit / loss from joint ventures using the equity method (Note 2)	-171	-25
Total profit / loss from the joint venture	-171	-25

EFTEN Real Estate Fund AS acquired the joint venture EFTEN SPV11 OÜ during the merger with EFTEN Kinnisvarafond AS on 01.01.2023.

9 Other financial income and expenses

Other financial income and expenses	9 months	
	2024	2023
€ thousands		
Interest expenses, incl.	-6,644	-5,640
Interest expenses from loans	-6,644	-5,693
Interest expense from derivatives (-)/ cost reductions (+)	0	53
Change in fair value of interest swaps	0	-53
Total other financial income and expenses (Note 3, 17)	-6,644	-5,693

10 Income tax

Income tax expense

Income tax expense	9 months	
	2024	2023
€ thousands		
Income tax expense from added dividends	-270	-400
Lithuanian corporate deferred income tax expense	-716	-500
Lithuanian corporate income tax expense on profits	-11	-73
Total income tax expense (Note 3)	-997	-973

Deferred income tax liability

	Deferred income tax liability related to investment properties	Deferred income tax liability in respect of dividends
€ thousands		
Balance as at 31.12.2023	8,109	1,174
Change in deferred income tax liability in the income statement in the first 9 months of 2024	716	0
Income tax expense from added dividends	0	270
Income tax paid on dividends	0	-1,373
Balance as at 30.09.2024	8,825	71

11 Earnings per share

Earnings per share	III quarter		9 months	
	2024	2023	2024	2023
Net profit for the period, € thousands	3,854	4,435	10,104	6,880
Dividend per share, euros	0.00	0.00	1.00	1.15
Weighted average number of shares over the period, in pc	10,819,796	10,819,796	10,819,796	10,819,796
Earnings per share, euros	0.36	0.41	0.93	0.64

12 Cash and cash equivalents

	30.09.2024	31.12.2023
€ thousands		
Demand deposit	5,747	9,822
Overnight deposit ¹	4,889	4,890
Cash	1	0
Cash and cash equivalents (Note 17)	10,637	14,712

¹Overnight deposits bear interest at a variable rate, as at 30.09.2024 the interest rate was 1.683 - 3.015% per annum.

13 Receivables and accrued income

Current receivables

	30.09.2024	31.12.2023
€ thousands		
Trade receivables		
Receivables from customers	957	1,637
Allowance for doubtful accounts	-123	-120
Total trade receivables (Note 17)	834	1,517
Other current receivables	32	26
Total other current receivables	32	26
Interests	8	8
Advances and refunds of VAT	231	179
Other accrued income	498	630
Total accrued income	737	817
Total receivables and accrued income (Note 17)	1,603	2,360

Non-current receivables

	30.09.2024	31.12.2023
€ thousands		
Receivables and prepayments related to investment property development projects	355	214
Total non-current receivables	355	214

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

14 Investment properties

As at 30.09.2024, 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	Market value as at 30.09.2024	Increase in value	Share of market value of the Fund's asset
<i>€ thousands</i>								
Office								
Lauteri 5	Tallinn, Estonia	3,825	1958	01.2023	5,958	5,081	-15%	1%
Pärnu mnt 105	Tallinn, Estonia	4,717	1998	01.2023	8,313	6,633	-20%	2%
Pärnu mnt 102	Tallinn, Estonia	8,933	2005	01.2023	16,696	12,928	-23%	3%
Terbata	Riga, Latvia	6,036	2005	01.2023	9,248	8,276	-11%	2%
Menulio 11	Vilnius, Lihtuania	5,617	recon., 2011-2013	01.2023	8,330	7,522	-10%	2%
Ulonu	Vilnius, Lihtuania	5,290	2012	12.2015	8,440	8,701	3%	2%
L3	Vilnius, Lihtuania	6,150	2004	10.2016	8,881	10,370	17%	3%
Evolution	Vilnius, Lihtuania	6,614	2009	05.2018	10,406	11,383	9%	3%
airBaltic	Riga, Latvia	6,217	recon., 2016	03.2020	7,550	7,618	1%	2%
Rutkausko	Vilnius, Lihtuania	6,812	2014	08.2020	11,819	12,630	7%	3%
Total office		60,211			95,641	91,142	-5%	24%
Logistics								
Premia Külmoone	Tallinn, Estonia	7,258	2002/2007	01.2023	6,840	6,530	-5%	2%
Kuuli 10	Tallinn, Estonia	15,197	2006	01.2023	11,564	11,600	0%	3%
Betooni 1a	Tallinn, Estonia	10,678	2008	01.2023	9,190	9,270	1%	2%
Betooni 6	Tallinn, Estonia	17,220	1998	01.2023	10,246	9,730	-5%	3%
Jurkalne Technology Park	Riga, Latvia	44,705	2002	01.2023	24,913	23,701	-5%	6%
DSV logistics centre	Vilnius, Lihtuania	11,751	2005	06.2016	8,549	9,344	9%	2%
DSV logistics centre	Tallinn, Estonia	16,014	2003	07.2016	12,366	13,250	7%	4%
DSV logistics centre	Riga, Latvia	12,149	2000	07.2016	8,937	8,436	-6%	2%
Piepilsetas logistics centre	Kekava, Latvia	13,389	2007	03.2020	8,848	8,300	-6%	2%
Ramygalos logistics centre	Panevėžys, Lihtuania	20,126	2007	06.2021	10,024	10,640	6%	3%
Härgmäe	Tallinn, Estonia		In aquisition stage	09.2024	515	515	0%	0%
Paemurru	Tallinn, Estonia		In aquisition stage	09.2024	1,658	1,658	0%	0%
Total logistics		168,487			113,650	112,974	-1%	30%
Retail								
Võru Rautakesko	Võru, Estonia	3,120	2008	01.2023	2,890	2,670	-8%	1%
Uku Keskus	Viljandi, Estonia	8,940	2012/2018	01.2023	13,620	13,534	-1%	4%
Mustika Keskus	Tallinn, Estonia	27,614	1998/2002	01.2023	37,060	37,081	0%	10%
RAF Centrs	Jelgava, Latvia	6,225	2014/2017	01.2023	9,288	9,379	1%	2%
Tammsaare tee Rautakesko	Tallinn, Estonia	9,120	2007	01.2023	15,700	15,580	-1%	4%
Jelgava development project	Jelgava, Latvia		In development	01.2023	2,342	2,342	0%	1%
Saules Miestas Shopping centre	Šiauliai, Lihtuania	20,347	2007	08.2015	31,759	39,298	24%	10%
Laagri Selver	Tallinn, Estonia	3,059	2017	05.2017	6,303	7,680	22%	2%
Hortes gardening centre	Laagri, Estonia	3,470	2006	05.2017	3,138	3,570	14%	1%
ABC Motors Autokeskus	Tallinn, Estonia	2,149	2002	02.2019	3,482	3,150	-10%	1%
Total retail		84,044			125,582	134,284	7%	36%
National								
Rakvere Police and rescue communal building (National)	Rakvere, Estonia	5,775	2010	01.2023	7,365	7,165	-3%	2%
Care homes								
Pirita Pansionaat	Tallinn, Estonia	5,983	2020	12.2020	6,217	5,820	-6%	2%
Valkla Súdamekodu	Valkla, Estonia	4,423	2023	04.2022	4,006	3,497	-13%	1%
Tartu Súdamekodu	Tartu, Estonia	4,118	2024	04.2022	5,868	5,868	0%	2%
Total care homes		14,524			16,091	15,185	-6%	4%
Total		333,041			358,329	360,750	1%	96%

In addition to the investment properties shown in the above table, the joint venture EFTEN SPV11 OÜ with a 50% shareholding of the Group owns an investment properties at Vabaduse väljak 3 / Pärnu mnt 14, Tallinn (hotel "Palace"). The fair value of the investment property as of 30.09.2024 is 8,543 thousand euros (Note 2).

In the first 9 months of 2024 and 2023, the following changes have taken place in the Group's investment properties:

	Investment property under development	Completed investment property	Prepayments for investment property	Total investment property
Balance as at 31.12.2022	2,634	166,241	0	168,875
Acquisitions and developments	2,081	0	0	2,081
Assets obtained in the merger	2,342	193,950	0	196,292
Capitalized improvements	0	2,223	0	2,223
Reclassifications	0	0	0	0
Gain/loss from the change in fair value	-435	-5,747	0	-6,182
Balance as at 30.09.2023	6,622	356,667	0	363,289
Balance as at 31.12.2023	5,016	352,900	0	357,916
Acquisitions and developments	3,341	0	2,173	5,514
Capitalized improvements	0	3,864	0	3,864
Reclassifications	-5,868	5,868	0	0
Sales	0	-4,675	0	-4,675
Gain/loss from the change in fair value	0	-1,869	0	-1,869
Balance as at 30.09.2024	2,489	356,088	2,173	360,750

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 September 30 or per 9 months	2024	2023
Rental income from investment properties (Note 4)	23,043	22,774
Costs directly related to the management of investment properties (Note 5)	-1,232	-1,120
Outstanding amounts from the acquisition of investment properties (Note 16)	1,082	602
Book value of investment properties pledged as collateral for loan liabilities	356,235	359,799

Assumptions and basis for determining the fair value of investment properties

The Group's investment properties are valued by an independent appraiser twice a year – as of June 30th and December 31st. The fair value of all investment properties reflected in the Group's reports as of 30.09.2024 has been obtained using the discounted cash flow method. The following assumptions have been used in finding the fair value:

Sector	Fair value	Valuation method	Estimated Rental income per year	Discount rate	Exit yield	Average rental price €/m ²
<i>€ thousands</i>						
Office	91,142	Discounted cash flows	8,542	8.3%-9.7%	6.5%-8.25%	11.4
Logistics	112,974	Discounted cash flows	9,602	8.1%-10.75%	7.1%-8.5%	4.6
Retail	134,284	Discounted cash flows	12,276	8.1%-10.5%	6.8%-8.8%	12.0
National	7,165	Discounted cash flows	846	9.5%	8.5%	11.2
Care homes	15,185	Discounted cash flows	841	9.0%-9.5%	7.5%-8.5%	8.0
Total	360,750		32,107			

Independent expert estimates for the fair value of investment properties are based on the following:

- Rental income: prices and real growth rates resulting from existing leases are used;
- Vacancy: the actual vacancy of an investment property, considering the risks associated with the object;
- Discount rate: calculated based on the weighted average cost of capital (WACC) related to investment property;

- Exit yield: based on the estimated level of yield at the end of the expected deposit period, considering the foreseeable market situation and the risks associated with the object.

In finding the fair value of all the Group's investment property, level three inputs have been used (Note 17).

15 Borrowings

As at 30.09.2024 the Group has the following borrowings:

Lender	Country of lender	Loan amount as per agreement	Loan balance as at 30.09.24	Contract term	Loan agreement interest rate as at 30.09.24	Loan collateral	Loan collateral	Loan balance's share of the Fund's net asset value
SEB	Estonia	4,800	3,166	30.04.27	5.29%	Mortgage - Premia Külmhoone	6,530	1.5%
Luminor	Estonia	2,633	1,279	25.12.26	5.80%	Mortgage - Võru Rautakesko	2,670	0.6%
SEB	Estonia	2,714	1,929	13.06.26	5.34%	Mortgage - Lauteri 5	5,081	0.9%
SEB	Estonia	8,429	5,058	25.01.27	5.34%	Mortgage - Uku Keskus	13,534	2.3%
Swedbank	Estonia	3,711	3,488	25.10.25	5.18%	Mortgage - Rakvere Police and rescue communal building	7,165	1.6%
Swedbank	Estonia	4,153	2,977	30.08.28	5.10%	Mortgage - Pärnu mnt 105	6,633	1.4%
Swedbank	Estonia	8,508	7,003	30.08.26	5.05%	Mortgage - Pärnu mnt 102	12,928	3.2%
SEB	Estonia	20,000	14,971	31.08.27	5.55%	Mortgage - Mustika Keskus	37,081	6.9%
Swedbank	Estonia	15,622	11,979	31.05.28	4.98%	Mortgage - Tammsaare tee Rautakesko; Kuuli 10	27,180	5.5%
SEB	Estonia	10,300	8,305	26.06.27	5.64%	Mortgage - Betooni 1a; Betooni 6	19,000	3.8%
Swedbank	Lithuania	4,078	3,096	07.12.25	5.87%	Mortgage - Menulio 11	7,522	1.4%
SEB	Latvia	4,561	3,301	16.04.27	5.23%	Mortgage - RAF Centrs	9,379	1.5%
Swedbank	Latvia	5,850	3,504	31.07.27	5.38%	Mortgage - Terbata office building	8,276	1.6%
SEB	Latvia	13,060	10,028	08.08.29	5.50%	Mortgage - Jurkalne Technology Park	23,701	4.6%
Swedbank	Lithuania	17,116	12,632	13.08.28	5.84%	Mortgage - Saules Miestas Shopping centre	39,298	5.8%
SEB	Lithuania	5,500	3,733	28.06.26	5.28%	Mortgage - DSV logistics centre	9,344	1.7%
SEB	Latvia	5,123	3,595	29.06.26	5.28%	Mortgage - DSV logistics centre	8,436	1.6%
SEB	Estonia	7,950	5,414	29.06.26	5.20%	Mortgage - DSV logistics centre	13,250	2.5%
SEB	Lithuania	5,620	3,836	27.10.26	5.34%	Mortgage - L3 office building	10,370	1.8%
SEB	Lithuania	5,200	3,378	21.12.25	5.69%	Mortgage - Ulonu office building	8,701	1.5%
SEB	Lithuania	5,850	4,370	30.05.28	5.38%	Mortgage - Evolution office building	11,383	2.0%
Swedbank	Estonia	3,833	3,613	29.06.27	4.77%	Mortgage - Laagri Selver	7,680	1.7%
SEB	Estonia	1,860	1,194	05.07.27	5.68%	Mortgage - Hortes gardening centre Laagri	3,570	0.5%
LHV	Estonia	1,800	1,488	25.02.29	6.41%	Mortgage - ABC Motors Autokeskus	3,150	0.7%
Swedbank	Latvia	4,000	2,424	05.02.26	5.86%	Mortgage - Piepilsetas logistics centre	8,300	1.1%
Luminor	Latvia	3,905	2,153	04.02.25	6.38%	Mortgage - airBaltic main building	7,618	1.0%
Swedbank	Estonia	3,100	2,697	28.11.25	5.32%	Mortgage - Pirita Pansionaat, EFTEN Real Estate Fund AS quarantine	5,820	1.2%
Swedbank	Estonia	2,250	1,586	25.09.27	5.33%	Mortgage - Valkla Südamekodu	3,497	0.7%
Swedbank	Estonia	3,100	2,750	21.12.28	5.33%	Mortgage - Tartu Südamekodu; EFTEN Real Estate Fund AS quarantine	5,868	1.3%
Šiaulių bankas	Lithuania	6,000	5,217	13.06.26	5.97%	Mortgage - Ramygalos logistics centre	10,640	2.4%
SEB	Lithuania	7,300	5,872	12.08.25	5.62%	Mortgage - Rutkauskos office building	12,630	2.7%
Kokku		197,926	146,036				356,235	67.0%

After the balance sheet date, in October 2024, the Group entered into two loan agreements related to the purchase of the Härgmäe logistics center, with a total amount of EUR 7.3 million. This includes a loan agreement for EUR 2.8 million with an interest rate of 2.5% + 6-month EURIBOR, maturing on 31 December 2024, and a loan agreement for EUR 4.5 million with an interest rate of 1.8% + 6-month EURIBOR, maturing on 27 September 2029.

Current borrowings	30.09.2024	31.12.2023
€ thousands		
Repayments of non-current bank loans in the next period ²	13,859	16,966
Discounted contract fees for bank loans	-50	-59
Total current borrowings	13,809	16,907

Non-current borrowings	30.09.2024	31.12.2023
<i>€ thousands</i>		
Total non-current borrowings	145,903	147,756
incl. current portion of borrowings	13,809	16,907
incl. non-current portion of borrowings, incl	132,094	130,849
Bank loans	132,177	130,942
Discounted contract fees on borrowings	-83	-93

Repayments of borrowings by maturity	30.09.2024	31.12.2023
<i>€ thousands</i>		
Up to 1 year	13,859	16,966
2-5 years	132,177	130,942
Total repayments of borrowings	146,036	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	5,819	4,080
Bank loans repaid	-2,698	0
Annuity payments on bank loans	-4,993	-6,720
Change of discounted contract fees	19	18
Balance at the end of the period	145,903	147,756

Additional information on loan liabilities is also provided in Note 17.

16 Liabilities and prepayments

Current liabilities and prepayments

	30.09.2024	31.12.2023
<i>€ thousands</i>		
Payables to suppliers from fixed asset transactions (Note 14)	1,082	904
Other payables to suppliers	592	827
Total payables to suppliers	1,674	1,731
Other payables	75	91
Total other payables	75	91
VAT	501	476
Income tax on dividends	0	14
Personal income tax	5	6
Social tax	9	13
Land tax, real estate tax	35	84
Other tax liabilities	3	10
Total tax liabilities	553	603
Payables to employees	45	44
Interest liabilities	126	264
Tenants' security deposits	469	363
Other accrued liabilities	144	320
Total accrued liabilities	784	991
Prepayments		
Other prepaid income	24	1
Total prepayments	24	1
Total liabilities and prepayments	3,110	3,417

Non-current liabilities

	30.09.2024	31.12.2023
€ thousands		
Tenants' security deposits	1,832	1,790
Total other non-current liabilities	1,832	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	30.09.2024	31.12.2023
€ thousands			
Financial assets – loans and receivables			
Cash and cash equivalents	12	10,637	14,712
Short-term deposits ¹		2,142	3,400
Trade receivables	13	834	1,517
Total financial assets		13,613	19,629
Financial liabilities measured at amortised cost			
Borrowings	15	145,903	147,756
Trade payables	16	1,674	1,731
Tenant security deposits	16	2,301	2,153
Interest liabilities	16	126	264
Accrued expenses	16	189	364
Total financial liabilities measured at amortised cost		150,193	152,268
Total financial liabilities		150,193	152,268

¹ Short-term deposits are concluded with a term of 3 to 6 months and bear interest of 2.5% - 3.7% per year (as of 31.12.2023: short-term deposits are concluded with a term of 4 months to 6 months and bear interest of 2.3% - 4.5% per year).

The fair values of financial assets and financial liabilities carried at amortized cost in the table above do not differ materially from their fair values.

The Group's risk management is based on the principle that risks must be taken in a balanced manner, considering the rules established by the Group and implementing risk mitigation measures as appropriate, which achieves the Group's stable profitability and shareholder value growth. When making new investment decisions, the solvency of future customers, the length of lease agreements, the possibility of tenant substitutability and the risks of rising interest rates are carefully assessed. The terms of the financing agreements are adjusted to correspond to the net cash flow of a specific real estate object, which ensures the preservation and growth of sufficient free cash of the Group even after the fulfilment of financial obligations.

The investment of the Group's assets is based on the risk expectations of the Group's investors, therefore excessive risk-taking is unacceptable and appropriate measures must be applied to manage the risks.

The Group considers financial risk to be the risk that arises directly from investing in real estate, including market risk, liquidity risk and credit risk, thereby reducing the company's financial strength or reducing the value of investments.

Market risk

Market risk is the risk of changes in the fair value of financial instruments due to changes in market prices. The Group's financial instruments, which are mainly affected by changes in market prices, are loan obligations and interest derivatives. The main factor affecting these financial instruments is the interest rate risk.

Interest rate risk

Interest rate risk is the risk of a change in cash flows of future financial instruments resulting from a change in market interest rates. The change in market interest rates mainly affects the group's long-term floating rate debt obligations.

As of 30.09.2024, all loan agreements of the Group have been concluded on a floating interest basis (margin between 1.40% and 3.0% plus 1-month, 3-month and 6-month EURIBOR). All contracts in the loan portfolio of the Group have a 0% limit (floor) set to protect against negative EURIBOR, i.e. in case of negative EURIBOR, the loan margin for these loan obligations does not decrease.

The weighted average interest rate of the Group's loans was 5.35% as of 30.09.2024 (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 effect of the interest rate change on the group's pre-tax profit and cash flows by EURIBOR levels, taking into account loan balances as of 30.09.2024.

EURIBOR RATE	Impact on pre-tax profits and cash flows per year	Change in interest expense, %
<i>€ thousands</i>		
Interest expense per year	-7,810	
Effect of EURIBOR change:		
EURIBOR 2.0%	2,049	-26.2%
EURIBOR 3.0%	613	-7.8%
EURIBOR 4.0%	-823	10.5%
EURIBOR 5.0%	-2,259	28.9%

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 goal is to manage net cash flows in such a way that no more than 65% of the acquisition cost of the investment is involved in foreign capital when making investment property, and the Group's debt coverage ratio is greater than 1.2. As of 30.09.2024, the share of the Group's interest-bearing debt obligations from investment property generating rental income was 41% (31.12.2023: 42%), and the average debt coverage ratio (DSCR) of the last 12 months was 1.7 (31.12.2023: 1.8).

The Group's financing policy stipulates that loan agreements for attracting foreign capital are concluded on a long-term basis, taking into account the maximum length of lease agreements burdening real estate objects. The table below summarizes information on the timing of realization of the Group's financial obligations (undiscounted cash flows):

As at 30.09.2024	Less than 1 month	Between 2 and 4 months	Between 5 and 12 months	Between 2 and 5 years	Over 5 years	Total
<i>€ thousands</i>						
Interest-bearing liabilities (Note 15)	530	1,592	11,737	132,177	0	146,036
Interest payments	685	2,019	5,106	12,530	0	20,340
Interest liabilities	126	0	0	0	0	126
Trade payables (Note 16)	1,674	0	0	0	0	1,674
Tenant security deposits (Note 16)	29	164	276	1,338	494	2,301
Accrued expenses (Note 16)	189	0	0	0	0	189
Total financial liabilities	3,233	3,775	17,119	146,045	494	170,666

Statement of working capital

	30.09.2024	31.12.2023
<i>€ thousands</i>		
Cash and cash equivalents (Note 12)	10,637	14,712
Current deposits	2,142	3,400
Receivables and accrued income (Note 13)	1,603	2,360
Prepaid expenses	200	106
Total current assets	14,582	20,578
Current portion of non-current liabilities (Note 15)	-13,809	-16,907
Current liabilities and prepayments	-3,110	-3,417
Total current liabilities	-16,919	-20,324
Total working capital	-2,337	254

As of 30 September 2024, the Group's working capital is negative in the amount of EUR 2,337 thousand due to the maturity of two loan agreements within the next 12 months, totaling EUR 8,025 thousand. The loans are secured by investment properties with strong rental cash flows, and therefore, management believes there will be no obstacles in 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 on a daily basis, 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:

	30.09.2024	31.12.2023
Not due	708	1,303
Past due, incl	249	333
Up to 30 days	89	193
30-60 days	22	70
More than 60 days	138	70
Allowance for doubtful accounts	-123	-119
Total trade receivables (Note 13)	834	1,517

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

	30.09.2024	31.12.2023
<i>€ thousands</i>		
Cash and cash equivalents	10,637	14,712
Current deposits	2,142	3,400
Trade receivables (Note 13)	834	1,517
Total maximum credit risk	13,613	19,629

Capital management

The Group treats borrowings and equity as capital.

The Group's objective in capital management is to secure the Group's ability to continue as a going concern in order to ensure yield on investment for its shareholders and to maintain an optimal capital structure.

The Group continues to invest in cash-generating real estate and raises new equity to make investments. The Group's investment policy stipulates that at least 35% of equity will be invested in new investment 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 the investment, the EBITDA of the investment must not be less than 120% of the annuity payments of the loan (including interest expense) for any real estate object that produces cash flow.

In the 9 months of 2024, the group has earned a free cash flow (EBITDA minus loan payments and interest costs) of 8,017 thousand euros (9 months of 2023: 8,915 thousand euros). All loans were serviced as usual, and the Fund's subsidiaries did not take payment holidays.

Statement of capitalization

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

	30.09.2024	31.12.2023
<i>€ thousands</i>		
Current liabilities guaranteed with mortgage (Note 15)	13,859	16,966
Unsecured current liabilities	3,060	3,358
Total current liabilities	16,919	20,324
Non-current liabilities guaranteed with mortgage (Note 15)	132,177	130,942
Unsecured non-current liabilities	10,645	10,980
Total non-current liabilities	142,822	141,922
Share capital and share premium (Note 18)	192,919	192,919
Reserves	2,799	2,749
Retained earnings (Note 19)	22,264	23,030
Total shareholder's equity	217,982	218,698
Total liabilities and equity	377,723	380,944

Statement of net debt

	30.09.2024	31.12.2023
<i>€ thousands</i>		
Cash	10,637	14,712
Current deposits	2,142	3,400
Total liquid assets	12,779	18,112
The current portion of non-current borrowings (Note 15)	13,859	16,966
Net current liabilities	1,080	-1,146
Non-current borrowings (non-current portion) (Note 15)	132,177	130,942
Total non-current liabilities	132,177	130,942
Total net debt	133,257	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 30.09.2024 and 31.12.2023, the Group does not have any assets at fair value that would belong to the Level 1 group upon finding the value. All of the Group's investment properties are carried at fair value and belong to the Level 3 group according to the valuation method (see Note 14). All of the Group's loan liabilities and derivative securities entered into to hedge interest rate risk belong to the Level 2 group.

18 Share capital

The registered share capital of EFTEN Real Estate Fund AS as of 30.09.2024 is 108,198 thousand euros (31.12.2023: the same). The share capital consisted of 10,819,796 shares (31.12.2023: the same) with a nominal value of 10 euros (31.12.2023: the same). As of 30.06.2024, EFTEN Real Estate Fund AS has allocated 2,799 thousand euros from retained earnings as reserve capital (31.12.2023: 2,749 thousand euros).

By the decision of the general meeting of EFTEN Real Estate Fund AS held on April 2, 2024, net dividends were distributed in the amount of 10,820 thousand euros (1 euro per share) and 50 thousand euros were allocated to reserve capital.

After the balance sheet date, on 16 October 2024, the general meeting of EFTEN Real Estate Fund AS decided, in accordance with the law and the fund's articles of association, to grant the supervisory board the authority to decide on increasing the fund's share capital within the following 6-month period, with the consideration that the amount of additional capital raised will not exceed EUR 30 million.

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

Company	As at 30.09.2024	
	Number of shares	Ownership, %
LHV Pensonifond L	1,210,475	11.19%
REF Aktsiad OÜ	1,151,700	10.64%
Hoiukonto OÜ	1,145,192	10.58%
Altiuse KVI OÜ	1,092,845	10.10%

Shares owned by EFTEN Real Estate Fund AS management board and supervisory board members, their close relatives and companies under their control:

Company	As at 30.09.2024	
	Number of shares	Ownership, %
REF Aktsiad OÜ, a company under the significant control of Supervisory Board member Olav Miil	1,151,700	10.64%
Altiuse KVI OÜ, a company under the significant control of Supervisory Board member Arti Arakas	1,092,845	10.10%
EFTEN Capital AS, Fund Manager	292,688	2.71%
EFTEN United Property Fund, a Fund managed by Fund selector EFTEN Capital AS	218,759	2.02%
HTB Investeeringud OÜ, a company under the significant control of Supervisory Board member Siive Penu	198,032	1.83%
Tõnu Uustalu, member of the Management Board	64,974	0.60%
Olav Miil, member of the Supervisory Board	52,649	0.49%
Viljar Arakas, member of the Management Board	2,000	0.02%
Miemma Holding OÜ, a company owned by Viljar Arakas, member of the Management Board	20,606	0.19%
Meeli Leis, a close relative of Tõnu Uustalu, member of the Management Board	2,457	0.02%
Siive Penu, member of the Supervisory Board	1,350	0.01%
Aile Arakas, a close relative of Arti Arakas, member of the Supervisory Board	513	0.005%
Sander Rebane, member of the Supervisory Board	2	0.000%
Sannu Investeeringud OÜ, a company under the significant control of Supervisory Board member Sander Rebane	132	0.001%
Total	3,098,707	28.64%

19 *Contingent liabilities*

	30.09.2024	31.12.2023
<i>€ thousands</i>		
Retained earnings	22,264	23,030
Potential income tax liability	4,453	4,606
Dividends can be paid out	17,811	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 30.09.2024 and 31.12.2023.

20 *Related party transactions*

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).

The Group purchased management services from EFTEN Capital AS in the 9 months of 2024 in the amount of 1,616 thousand euros (2023: 1,607 thousand euros), (see Note 7).

EFTEN Real Estate Fund AS did not purchase any other goods or services from other related parties and did not sell any other goods or services to related parties during the 9 months of 2024 or 2023.

As of 30.09.2024, the Group had a total of 13 employees, who were paid a total of EUR 358,000 (2023: EUR 345,000) for the 9 months of 2024 with accompanying taxes (see Notes 5 and 7). No fees were calculated or paid to the members of the Group's management board or council for the 9 months of 2024 or 2023. The members of the board of the Group work in the company EFTEN Capital AS, which provides management services to the Group, and the expenses related to the activities of the board members are part of the management service.

Management Board Declaration for the Consolidated Interim Report of 9 months of 2024

We hereby confirm that, to the best of our knowledge, the consolidated interim report for the first 9 months of 2024 of EFTEN Real Estate Fund AS has been prepared in accordance with applicable accounting standards and provides a true and fair view of the assets, liabilities, financial position, and profit or loss of EFTEN Real Estate Fund AS and its subsidiaries and joint venture included in the consolidation as a whole. Furthermore, the management report provides a true and fair overview of the business developments and results of EFTEN Real Estate Fund AS and its subsidiaries and joint venture 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