



Interim report 01.01.2024 – 30.06.2024

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Website	www.eftenunderpropertyfund.ee
Main activity	Management of funds
Financial year	1. January– 31. December
Fund Manager	EFTEN Capital AS
Management board	Viljar Arakas Maie Talts Kristjan Tamla
Fond type	Contractual alternative investment fund
Shares	Listed on the Nasdaq Tallinn Stock Exchange

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Management report

In the II quarter of 2024, the real estate market of the Baltic States continued to stabilize and the first signs of an increase in transaction activity appeared. Above all, this is due to the decrease in euro interest rates (the 6-month EURIBOR fell by almost 20 basis points in half a year), which after several years has started to reduce the cost of debt in the sector.

The increasing activity is most clearly visible in the residential real estate sector, where in the second quarter a record number of new sales contracts were signed at the Uus-Järveküla development project financed by EFTEN United Property Fund. As of the end of June, almost 60% of the final development volume of the residential area has been purchased or booked by customers. At the same time, the construction market is still fairly quiet, and there is currently little pressure on construction costs. This made enabled under favorable conditions to start the development of the third stage in the residential district of Uus-Järveküla at the end of the first half of the year. Altogether 18 terraced houses will be built during the third stage.

Although transaction activity in the commercial real estate segment remains relatively low, some signs of recovery can be seen there as well. Owners have started to adjust their sales price expectations downwards compared to the period of a few years ago, which should increase the market activity further. In such an environment, EFTEN United Property Fund aims to invest the majority of the portfolio in commercial cash-flow generating real estate in the second half of 2024. In addition, the fund plans to make a second distribution this year from the income received from underlying funds and interest.

Financial review

In the II quarter of 2024, EFTEN United Property Fund (hereinafter the Fund) earned 355 thousand euros in revenue (2023 II quarter: 8 thousand), including 159 thousand euros in interest income (2023 II quarter: 135 thousand euros) and 238 thousand euros in dividend income (2023. II quarter: 329 thousand euros). Fund expenses totalled 48 thousand euros in the second quarter of 2024 (2023 second quarter: 45 thousand euros).

In the first half of 2024, the Fund earned a total of 510 thousand euros in income (2023 first half: 64 thousand euros), including 310 thousand euros in interest income (2023 first half: 241 thousand euros) and 260 thousand euros in dividend income (2023 first half: 352 thousand euros). The Fund's expenses totalled 109 thousand euros in the first half of the year (2023 first half: 135 thousand euros).

In June 2024, the independent appraiser Colliers International carried out a standard real estate investment valuation in both the underlying funds and the subsidiaries, as a result of which the value of the subsidiaries and underlying funds did not change significantly in June.

In May, the fund made a payment of 260 thousand euros from the dividends received to investors.

The volume of assets of EFTEN United Property Fund as of 30.06.2024 is 26,411 thousand euros (31.12.2023: 26,259 thousand euros), of which, as of the end of June, 70.0% are long-term investments (31.12.2023: 68.6%).

Key financial indicators	As of 30.06.2024 or 6 months of 2024	As of 31.12.2023
<i>€ thousands</i>		
Net asset value of the fund at the end of the period	26,398	26,256
Fund's asset value per share, EUR (Net asset value at the end of the period: count of assets at the end of the period)	10.63	10.57
Increase / decrease in the Fund's net asset value during the period	0.5%	-1.9%
Profit/ Loss per share (combined profit for the reporting period: average number of assets in the period)	0.16	-0.03

Result of the Fund	401	-71
Investments in subsidiaries	914	1,054
Investments in underlying funds	11,904	11,300
Short-term deposits	1,563	1,795
Loans given	5,668	5,668

Investments

At the end of 2023, most of the infrastructure works related to the development of the first stage of the Uus-Järveküla residential area were completed. In this regard, the corresponding guarantee agreements in the amount of 1,675 thousand euros, given by the fund as a guarantee for the construction of infrastructure, expired on 28.02.2024. The fund earned 2.5% interest on year-long term bank deposits related to these guarantees.

In the first quarter of 2024, the fund concluded two guarantee contracts in the amount of 1,119 thousand euros and 324 thousand euros as a guarantee for the infrastructure works related to the development of the second and partly also the third stage of the Uus-Järveküla residential area. Fixed-term bank deposits with an interest rate of 4% and a term of 30.11.2024 and 14.12.2024 are set as collateral for the guarantee agreements.

In the case of real estate development, it is standard procedure to put a bank guarantee on the completion of the infrastructure. Upon handing over the corresponding infrastructure works, the warranty contract is also released to the corresponding extent.

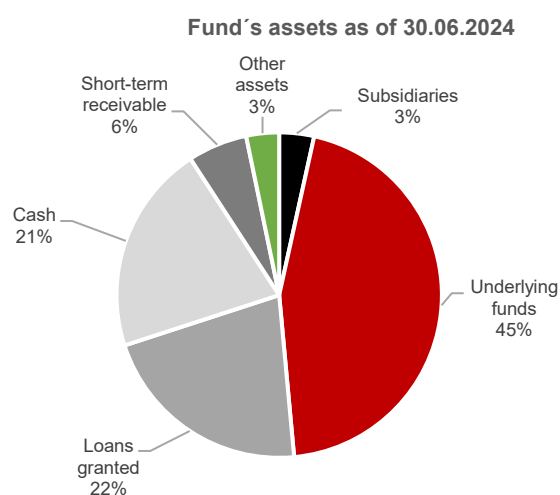
In January and May 2024, EFTEN United Property Fund paid a total of 505 thousand euros to the trust fund EFTEN Residential Fund in connection with the development project of rental apartments in Vilnius. The Vilnius rental building will be completed in July 2024, and the first tenants have already signed leases. EFTEN United Property Fund is currently not planning additional investments in building rental houses.

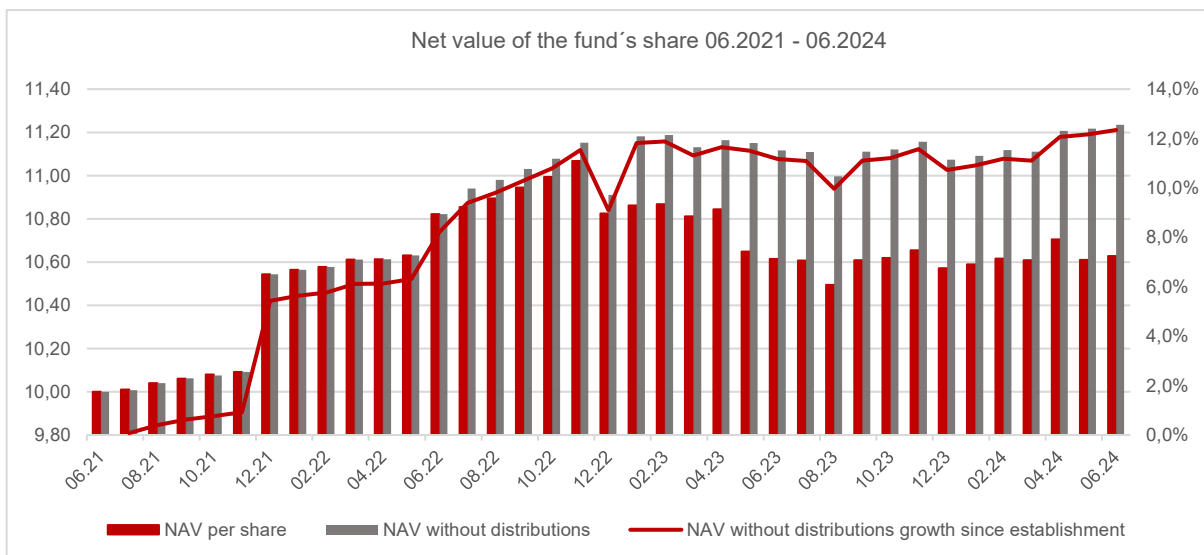
In June, the fund also made the first contribution to the new commercial real estate fund EFTEN Special Opportunities Fund managed by EFTEN Capital AS in the amount of 24 thousand euros. In total, EFTEN United Property Fund invests 300 thousand euros in the trust fund EFTEN Special Opportunities Fund.

Net value of the fund

The value of a EFTEN United Property Fund unit as of 30.06.2024 was 10.63 euros (31.12.2023: 10.57 euros). Since the Foundation of the Fund, the net value of the share has increased by 6,3%. The Fund's net value of assets as of 30.06.2024 is 26.398 million euros (31.12.2023: 26.256 million euros).

As of 30.06.2024 the fund has raised a total of 25.466 million euros worth of capital, of which, as of the first half of the year 30.06.2024, 7.06 million euros is uninvested. All existing investments are performing well and do not currently appear to require higher capital injections than usual.

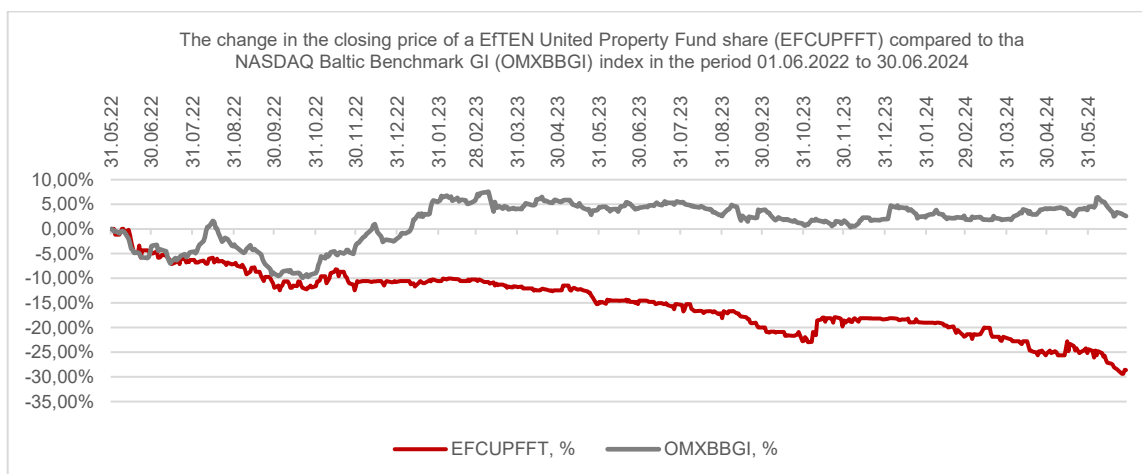




Trading statistics of EFTEN United Property Fund shares are presented in the table below:

Statistics of EFCUPFFT	6 months	
	2024	2023
Opening price	8.7	9.5
Closing price	7.6	9.1
Share price, lowest	7.3	8.9
Share price, highest	8.7	9.6
Traded shares, thousands	162	159
Turnover, million euros	1.300	1.486
Market capitalization as of 30.06, million euros	18.877	22.603
P/B (share closing price / equity per share)	0.72	0.86

Since the foundation of the Fund, the net value of the share has decreased by 28.6% and the Baltic market main index Baltic Benchmark GI has increased by 2.6% in the same time period.



Kristjan Tamla
EFTEN Capital AS
CEO

Signatures of the EfTEN United Property Fund's fund manager's management to 2024 II quarter and 6 months report

The management of Fund Manager EfTEN Capital AS has prepared the report of EfTEN United Property Fund for the II quarter of 2024 and 6 months, covering the period from 01.01.2024 to 30.06.2024, consisting of the Management Report, Financial Statements and the Fund's Investment Report.

The management board confirms that, to the best of their knowledge, the financial statements prepared in accordance with the applicable accounting standards give a true and fair view of the fund's assets, liabilities, financial position and profit or loss, and the activity report gives a true and fair view of the development and results of the fund's business activities and financial position and includes a description of the main risks and doubts.

Viljar Arakas

Maie Talts

Kristjan Tamla

Member of the Management Board

Member of the Management Board

Member of the Management Board

Tallinn, 07 August 2024

Financial Statements

Statement of the comprehensive income

	Note	II quarter		6 months	
		2024	2023	2024	2023
<i>€ thousand</i>					
Income					
Interest income	7	159	135	310	241
Dividend income	7	238	329	260	352
Other financial income		0	0	5	0
Net profit / loss from assets recognized in the fair value through the statement of comprehensive income	4,7	-42	-456	-65	-529
Investments in subsidiaries		8	-104	-140	-76
Investments in underlying funds		-50	-352	75	-453
Total income		355	8	510	64
Expenses					
Operating expenses					
Management fees	8	-28	-27	-56	-54
Costs of administering the Fund		-10	-6	-16	-18
Other operating expenses		-10	-12	-37	-63
Total operating expenses		-48	-45	-109	-135
Operating profit / loss		307	-37	401	-71
Profit / loss before income tax		307	-37	401	-71
Net profit / loss for the reporting period		307	-37	401	-71
Total comprehensive profit / loss for the reporting period	6	307	-37	401	-71
Increase/decrease in the net value of the fund belonging to unit owners	6	307	-37	401	-71
Ordinary and diluted earnings / loss per share (EUR)	6	0.12	-0.01	0.16	-0.03

Notes on pages 11-27 are an integral part of these financial statements.

Statement of financial position

	Notes	30.06.2024	31.12.2023
<i>€ thousand</i>			
ASSETS			
Current assets			
Cash and cash equivalents	3	5,500	5,731
Short-term deposits	3,7	1,563	1,795
Other receivables and accrued income	3	862	711
Total current assets		7,925	8,237
Non-current assets			
Financial assets at fair value through profit or loss	3,7	12,818	12,354
Investments in subsidiaries		914	1,054
Investments in underlying funds		11,904	11,300
Loans granted	3,7	5,668	5,668
Total non-current assets		18,486	18,022
TOTAL ASSETS		26,411	26,259
LIABILITIES			
Current liabilities	3	13	3
Total liabilities, excluding net asset value of the Fund attributable to shareholders		13	3
NET ASSET VALUE OF THE FUND			
Net asset value of the Fund attributable to shareholders	5	26,398	26,256
Total liabilities and net asset value of the Fund attributable to shareholders		26,411	26,259

Notes on pages 11-27 are an integral part of these financial statements.

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

	Notes	6 months	
		2024	2023
<i>€ thousands</i>			
Net asset value of the Fund as at the beginning of the period		26,256	26,886
Profit distributions to shareholders		-260	-452
Total transactions with shareholders	5	-260	-452
Increase/decrease in net asset value attributable to shareholders		401	-71
Total net asset value of the fund attributable to shareholders as at 30.06	5	26,398	26,364
Number of shares outstanding at the end of the reporting period, pcs.		2,483,860	2,483,860
Net asset value per share at the end of the reporting period	5	10.63	10.61

Notes on pages 11-27 are an integral part of these financial statements.

Statement of cash flows

(Direct method)

	Notes	II quarter		6 months	
		2024	2023	2024	2023
<i>€ thousands</i>					
Cash flows from operating activities					
Acquisition of shares in investment property funds	4	-279	-240	-529	-240
Loans granted		0	0	0	-1,019
Dividends received		238	352	260	352
Interests received		52	121	160	143
Operating expenses paid		-39	-19	-94	-107
Total cash flows from operating activities		-28	214	-203	-871
Change in short-term deposits	3	0	0	232	-1,795
Total cash flows from investing activities		0	0	232	-1,795
Dividends paid		-260	-452	-260	-1,035
Total cash flows from financing activities		-260	-452	-260	-1,035
Total cash flows		-288	-238	-231	-3,701
Cash and cash equivalents at the beginning of the period		5,788	5,306	5,731	8,769
Change in cash and cash equivalents		-288	-238	-231	-3,701
Cash and cash equivalents at the end of the period	3	5,500	5,068	5,500	5,068

Notes on pages 11-27 are an integral part of these financial statements.

Notes to the financial statements

Note 1 General information

The EFTEN United Property Fund (the Fund) was established on 26 April 2021 and commenced operations on 22 June 2021. The Fund is a contractual public closed-end investment fund. The objective of the Fund is to provide the holders of the fund's shares with the opportunity to participate in the development of the Baltic real estate market and real estate related infrastructure and technology companies through an actively managed investment portfolio. The Fund intends to have an investment portfolio diversified between real estate, various real estate related sub-sectors (including real estate related infrastructure companies) and real estate related financial instruments in the three Baltic States, considering capital layers with different risk level.

The fund listed its units on the Nasdaq Tallinn stock market on 31.05.2022.

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

The financial statements reflect the Fund's business activities during its first period of operation from 01.01.2024 to 30.06.2024.

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

These financial statements have been approved by the Management company on 07.08.2024.

Note 2 Summary of significant accounting policies

2.1 Basis for the report

The interim financial statements of EFTEN United Property Fund have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS EU). This consolidated interim report has been prepared in accordance with International Accounting Standard IAS 34: Interim Reporting. In preparing the interim report, the same accounting methods have been used as in the annual report for the financial year ended 31.12.2023. The interim report should be read in conjunction with the fund's latest published 2023 financial year report, prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of the management board, EFTEN United Property Fund's interim report for the II quarter and the first half of 2024 correctly and fairly reflects the financial performance of the Fund in accordance with the principle of continuity. This interim report has not been audited or otherwise checked by auditors and contains only fund reports. The reporting currency is the euro. The interim accounting report is prepared in thousands of euros and all figures are rounded to the nearest thousand, unless otherwise indicated.

Note 3 Financial risk management

The Fund's investment policy

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

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

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

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

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

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

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

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

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

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

As at 30.06.2024 and 31.12.2023, the Fund has the following financial assets and liabilities:

	Notes	30.06.2024	31.12.2023
<i>€ thousand</i>			
Financial assets –loans and receivables at amortised cost			
Cash and cash equivalents		5,500	5,731
Short term deposits ¹	7	1,563	1,795
Loans granted	7	5,668	5,668
Interest receivables	7	862	711
Total financial assets - loans and receivables at amortised cost		13,593	13,905
Financial assets at fair value through profit or loss			
Investments in subsidiaries	4	914	1,054
Investments in underlying funds	4	11,904	11,300
Total financial assets at fair value through profit or loss	7	12,818	12,354
TOTAL FINANCIAL ASSETS		26,411	26,259
Financial liabilities at amortised cost			
Other current liabilities		13	3
Total financial liabilities at amortised cost		13	3
TOTAL FINANCIAL LIABILITIES		13	3

¹ At the beginning of 2024, the fund concluded two new guarantee contracts in the amount of 1,119 thousand euros with a term of 28.05.2025 and in the amount of 324 thousand euros with a term of 30.06.2025 as a guarantee for the construction of the infrastructure of Uus-Järveküla. Guarantee contracts are guaranteed by fixed-term deposit contracts with an interest rate of 4% per year with a term of 30.11.2024 and 14.12.2024. In addition, a guarantee agreement in the amount of 120 thousand euros with a term of 28.05.2025 was concluded only on 20.02.2023, which is guaranteed by a fixed-term deposit agreement with an interest rate of 2.5% per year with a term of 28.02.2025.

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

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

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

3.1 Market risk

Refinancing risk and interest rate risk

The Fund invests in the Baltic real estate market, which is why the Management Company assesses the risk associated with fluctuations in real estate prices in this region as higher than usual. The real estate sector is cyclical, with changes in the macroeconomic environment of a country generally being the main driver. All the Baltic States (Estonia, Latvia and Lithuania) are small open economies (exports of goods and services represent a very significant part of the economy) whose development is largely dependent on changes in the macroeconomic environment of the same main trading partners. The cyclical fluctuations of small open economies can be much larger in amplitude than the global average. In

sum, this means that the Baltic countries may have higher than average house price volatility and that house price movements in the three countries may be highly correlated, i.e. house prices in Estonia, Latvia and Lithuania are more likely than average to move in the same direction. For example, according to [Eurostat](#) data residential property prices in the Baltic countries fell by around 40% in the global economic crisis of 2008-2010, while the average fall in residential property prices in the European Union over the same period was around 5%. The materialisation of market risk (a simultaneous fall in Baltic real estate prices) could have a material adverse impact on the financial performance and yield of the Fund.

Currency risk

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

Refinancing risk and interest rate risk

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

Interest rate risk is the risk of 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 long-term floating interest rate loan obligations of the Fund and companies belonging to the Fund.

In accordance with the Fund's risk management policy, the Fund's manager monitors interest rate risk and sensitivity on a daily basis.

As of 30.06.2024, the 6-month EURIBOR rate is 3.682% (31.12.23: 3.861%) and the 1-month EURIBOR rate is 3.632% (31.12.23: 3.845%). Although EfTEN United Property Fund itself has no loan obligations, the change in EURIBOR will affect the performance and cash flows of the underlying funds and the subsidiaries that have used loan capital, as a result of which the periodic profit payments paid by the underlying funds and subsidiaries will probably change to some extent.

Realization of refinancing and interest risk may have a significant negative impact on the Fund's financial results and performance.

3.2 Concentration risk

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

3.3 Liquidity risk

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

Investment acquisition and disposal risk

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

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

As at 30.06.2024	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
€ thousands					
Total assets	5,500	0	13,487	7,424	26,411

As at 31.12.2023	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
€ thousands					
Total assets	231	5,500	13,095	7,433	26,259

As at 30.06.2024, the Fund's liabilities totalled 13 thousand euros (31.12.2023: 3 thousand euros).

In accordance with the Fund's risk management policy, the Fund manager monitors liquidity risk on a daily basis.

3.4 Credit risk

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

Counterparty risk

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

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

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

	30.06.2024	31.12.2023
<i>€ thousands</i>		
Cash and cash equivalents	5,500	5,731
Short-term deposits (Note 7)	1,563	1,795
Loans granted (Note 7)	5,668	5,668
Other receivables	862	711
Total maximum credit risk	13,593	13,905

As of 30.06.2024, the fund has a total of 5,500 thousand euros of overnight deposits recorded among cash equivalents. Overnight deposits carry interest at a variable rate. As of 30.06.2024, the interest rate was 3.262% per annum. Cash equivalents are located in a bank whose parent bank has an Aa3 rating (according to Moody's long-term).

As of 30.06.2024, short-term deposits include guarantee contracts in the amount of 1,119 thousand euros with a term of 28.05.2025 and in the amount of 324 thousand euros with a term of 30.06.2025 set as collateral for the infrastructure works of the subsidiary's development project. Guarantee contracts are guaranteed by fixed-term deposit contracts with an interest rate of 4% per year with a term of 30.11.2024 and 14.12.2024. In addition, a guarantee agreement in the amount of 120 thousand euros with a term of 28.05.2025 was concluded only on 20.02.2023, which is guaranteed by a fixed-term deposit agreement with an interest rate of 2.5% per year with a term of 28.02.2025.

Loans granted as of 30.06.2024 include loans granted to subsidiaries in the total amount of 5,668 thousand euros (31.12.2023: same). The final term of one loan in the amount of 2,149 thousand euros is 28.02.2027 and the loan bears interest at 4% per year. The term of the second loan in the amount of 3,519 thousand euros is 18.08.2025, and until 18.12.2024 this loan carries an interest rate of 8% per year. From 19.12.2024, the loan interest rate is 15% per year.

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

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

3.5 Capital risk

The risk of slow and/or low-profit investment of the funds received from the issue

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

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

The capital of the Fund consists of the net asset value of its assets, i.e. the money raised from the issue of units and the income of the Fund. The Fund's capital changes periodically as new units are issued. In its first year of operation EFTEN United Property Fund issued 2,483,860 units with a total cost of 25,466 thousand euros.

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

EFTEN United Property Fund listed the units to trading on Nasdaq Tallinn on 31.05.2022 and all the shares are publicly tradable.

3.6 Risk related to military activities

In February 2022, Russia started a war in Ukraine. In this regard, most countries imposed extensive sanctions, which have a significant negative impact on the Russian economy. As far as the fund manager is aware, there are no tenants mainly related to business activities in Russia or Ukraine on the rental premises of the real estate objects owned by the fund. Therefore, the impact of the direct or so-called first round realization of the risk on the fund's financial results is small. In connection with the imposed sanctions, the effects of the so-called second round of risk realization may gradually appear over time - in particular, they may affect the fund through a decrease in investors' confidence in the economies of the Baltic states (thereby increasing the likelihood of the realization of market risk, refinancing and interest rate risk, as well as liquidity risk).

Note 4 Fair value of financial assets

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

The fund's investments in subsidiaries and underlying funds are valued at fair value. The fund calculates the fair value of investments based on the following:

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

The Fund's subsidiary owns the Uus-Järveküla development project, the fair value of which has been determined using the discounted cash flow method. The main inputs of the cash flows of the development project are the amounts received from the sale of the properties, costs related to the sale and construction costs. Project cash flows are discounted at a 10% discount rate.

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

Uus-Järveküla OÜ	Fair value as of 30.06.2024	Fair value as of 31.12.2023
<i>€ thousands</i>		
Cash and cash equivalents	55	634
Inventory	9,224	18,820
Other current assets	369	349
Total current assets	9,648	19,803
Long-term financial investments	0	0
Total non-current assets	0	0
TOTAL ASSETS	9,648	19,803
Short-term borrowings	32	12
Other current liabilities	1,849	3,806
Total current liabilities	1,881	3,818
Long-term borrowings	6,932	15,063
Other non-current liabilities	832	667
Total non-current liabilities	7,764	15,730
TOTAL LIABILITIES	9,645	19,548
NET ASSETS	3	255

	30.06.2024	31.12.2023
Revenue	12,907	1,901
Net Profit / loss	-251	528

	30.06.2024	31.12.2023
<i>€ thousands</i>		
The Fund's share in Uus-Järveküla OÜ	80%	80%
Acquisition cost of the Fund's investment	2	2
Fair value of the Fund's investment	3	204
Profit- / loss on change in fair value in period	-201	-59

Investment property of the underlying funds and subsidiaries belonging to EFTEN United Property Fund are evaluated in all Baltic countries by the independent appraiser Colliers International Advisors OÜ. As of 30.06.2024, the following assumptions have been used in the assessment of the fair value of investment properties belonging to charitable trusts:

Underlying fund or subsidiary	The Fund's share	Fair value of the underlying fund or subsidiary	Consolidated annual rental income	Discount rate	Exit yield
<i>€ thousands</i>					
EFTEN Real Estate Fund 5 trust fund	36.47%	5,229	1,893	9.3%	6.35%
EFTEN Real Estate Fund AS	2.02%	4,124	30,753	8.10%-10.75%	6.5%-8.8%
EFTEN Kinnisvarafond II AS	0.71%	1,025	20,205	8.5%-10.1%	7.0%-8.2%
EFTEN Residential Fund trust fund	4.19%	1,503	1,719	6.5%-8.9%	5.5%-6.25%
Subsidiary EFTEN M7 UAB	100.00%	911	480	9.7%	8.0%
Total		12,792	55,050		

Assumptions as of 31.12.2023:

Underlying fund or subsidiary	The Fund's share	Fair value of the underlying fund or subsidiary	Annual rental income	Discount rate	Exit yield
<i>€ thousands</i>					
EFTEN Real Estate Fund 5 trust fund	36.47%	5,125	1,866	9.3%	6.3%
EFTEN Real Estate Fund AS	2.02%	4,146	30,904	8.1%-10.7%	6.5%-8.8%
EFTEN Kinnisvarafond II AS	0.71%	999	20,187	8.5%-10.1%	7.0%-8.2%
EFTEN Residential Fund trust fund	3.58%	1,030	1,719	6.5%-8.9%	5.5%-6.25%
Subsidiary EFTEN M7 UAB	100.00%	850	480	9.7%	8.0%
Total		12,150	55,156		

The table below shows the impact of the discount rate, the exit yield and the change in sales proceeds used in the estimates on the value of the underlying funds in the Fund's balance sheet.

As at 30.06.2024:

Fair value sensitivity analysis of investment properties	Fair values on the Fund's balance sheet	Effect of a change in the discount rate		Effect of change in Exit yield		Effect of change in revenue	
		+0.5 pp	-0.5pp	+0.5 pp	-0.5pp	+10%	-10%
Underlying fund or subsidiary							
EFTEN Real Estate Fund 5 trust fund	5,229	-193	201	-478	660	1,069	-978
EFTEN Real Estate Fund AS	4,124	-142	144	-299	355	803	-789
EFTEN Kinnisvarafond II AS	1,025	-35	37	-80	92	201	-201
EFTEN Residential Fund trust fund	1,503	-36	37	-109	129	199	-199
Subsidiary EFTEN M7 UAB	911	-110	120	-230	260	640	-630
Total	12,792	-518	538	-1,195	1,496	2,912	-2,797

As at 31.12.2023:

Fair value sensitivity analysis of investment properties	Fair values on the Fund's balance sheet	Effect of a change in the discount rate		Effect of change in Exit yield		Effect of change in revenue	
		+0.5 pp	-0.5pp	+0.5 pp	-0.5pp	+10%	-10%
Underlying fund or subsidiary							
EFTEN Real Estate Fund 5 trust fund	5,125	-197	201	-540	616	1,014	-1,032
EFTEN Real Estate Fund AS	4,146	-140	144	-294	354	797	-780
EFTEN Kinnisvarafond II AS	999	-35	36	-80	91	204	-204
EFTEN Residential Fund trust fund	1,030	-31	31	93	110	168	-169
Subsidiary EFTEN M7 UAB	850	-110	120	-230	260	640	-630
Total	12,150	-512	532	-1,050	1,431	2,823	-2,815

From the change in the fair value of subsidiaries and underlying funds, the Fund suffered a total loss of 65 thousand euros in the first half of 2024 (2023: loss of 529 thousand euros).

Name	Acquisition cost 30.06.2024	Fair value 30.06.2024	Gain/loss on change in fair value 6 months 2024	Acquisition cost 30.06.2023	Fair value 30.06.2023	Gain/loss on change in fair value 6 months 2023
<i>€ thousand</i>						
Subsidiaries						
Uus-Järveküla OÜ	2	3	-201	2	0	-263
EFTEN M7 UAB	723	911	61	723	1,076	187
Total subsidiaries	725	914	-140	725	1,076	-76
Underlying funds						
EFTEN Real Estate Fund AS	4,497	4,124	-21	4,497	4,364	-402
EFTEN Kinnisvarafond II AS	963	1,025	26	963	1,030	-5
EFTEN Real Estate Fund 5 trust fund	4,157	5,229	103	4,157	5,153	-43
EFTEN Residential Fund trust fund	1,472	1,503	-32	967	1,031	-3
EFTEN Special Opportunities Fund trust fund	24	23	-1	0	0	0
Total underlying funds	11,113	11,904	75	10,584	11,578	-453
Total securities	11,838	12,818	-65	11,309	12,654	-529

Additional information on investments is provided in Note 3.

In January and May 2024, EFTEN United Property Fund made contributions worth EUR 505 thousand to the trust fund EFTEN Residential Fund in connection with the development projects of rental houses in Vilnius.

In addition, in June, the EFTEN Special Opportunities Fund trust fund invested 24 thousand euros in EFTEN's new commercial real estate fund.

During the reporting period, the Fund has not sold or pledged its securities investments.

Fair value

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

Tase 1 – Exchange prices on a traded market;

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

Tase 3 – prices in a non-trading market.

As of 30.06.2024, the fund owns one asset that belongs to the Level 1 group (participation in the listed company EFTEN Real Estate Fund). All other investments of the Fund in subsidiaries and underlying funds are recorded at fair value and belong to the Level 3 group according to the valuation method.

	30.06.2024	31.12.2023
<i>€ thousand</i>		
Level 1	4,124	4,146
Level 3	8,694	8,208
Total	12,818	12,354

Note 5 Net asset value of the fund

The fund's units are freely tradable on the Nasdaq Tallinn stock exchange from 31.05.2022. As of 30.06.2024, EFTEN United Property Fund has issued a total of 2,483,860 units with a total cost of 25,466 thousand euros (31.12.2023: the same). Due to the fund's relatively large proportion of uninvested capital and the listing of units on the Nasdaq Tallinn Stock Market, EFTEN United Property Fund does not plan to issue new units in the near future.

During the 6 months of 2024, the Fund received a total of 260 thousand euros in dividends from long-term investments, which were paid out to the Fund's investors in May 2024.

The net value of the fund unit as of 30.06.2024 was 10.63 euros (as of 31.12.2023: 10.57 euros). The net asset value of the fund was 26,398 thousand euros as of 30.06.2024 (as of 31.12.2023: 26,256 thousand euros).

Note 6 Profit per share

	II quarter		6 months	
	2024	2023	2024	2023
Increase/decrease in net asset value attributable to shareholders, € thousand	307	-37	401	-71
Weighted average number of shares during the period, pcs	2,483,860	2,483,860	2,483,860	2,483,860
Profit/loss per share, in euros	0.12	-0.01	0.16	-0.03

Note 7 Segment reporting

SEGMENT'S RESULTS

6 months 2024	Commercial property	Residential property	Real estate development	Unallocated	Total
<i>€ thousands</i>					
Net gain/loss on assets at fair value through profit or loss	168	-32	-201	0	-65
Dividend income	241	19	0	0	260
Interest income	44	0	195	71	310
Other financial income	0	0	5	0	5
Total income	453	-13	-1	71	510
Growth in net asset value attributable to shareholders	453	-13	-1	-38	401

SEGMENT'S ASSETS

As at 30.06.2024	Commercial property	Residential property	Property development	Unallocated	Total
<i>€ thousands</i>					
Financial assets at fair value (Note 3)	11,312	1,503	3	0	12,818
Loans granted (Note 3)	2,149	0	3,519	0	5,668
Interest receivables (Note 3)	158	0	704	0	862
Short-term deposits (Note 3)	0	0	1,563	0	1,563
Total investments	13,619	1,503	5,789	0	20,911
Net debt (cash minus total liabilities)					5,487
Net asset value					26,398

As at 31.12.2023	Commercial property	Residential property	Property development	Unallocated	Total
<i>€ thousands</i>					
Financial assets at fair value (Note 3)	11,120	1,030	204	0	12,354
Loans granted (Note 3)	2,149	0	3,519	0	5,668
Interest receivables (Note 3)	114	0	582	15	711
Short-term deposits (Note 3)	0	0	1,795	0	1,795
Total investments	13,383	1,030	6,100	15	20,528
Net debt (cash minus total liabilities)					5,728
Net asset value					26,256

During the reporting periods, the business segments did not transact with each other. The main income of the fund was obtained from the dividends, interest received in the 6th month of 2024 and the growth of the economic performance of the commercial real estate belonging to the underlying funds.

Note 8 Related party transactions

EFTEN United Property Fund counts as related parties:

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

During the reporting period, the fund purchased management services from EFTEN Capital AS in the amount of 56 thousand euros (2023 6 months: 54 thousand euros). The fund did not buy from other related parties or sell other goods or services to related parties during the reporting period.

During the reporting period, the fund granted loans to subsidiaries totalling 5,668 thousand euros (31.12.2023: same) and received interest income from the loans in the amount of 184 thousand euros in 6 months (2023 6 months: 183 thousand euros). The base currency of the loan is the euro.

As of 30.06.2024, the fund's management and the companies controlled by the fund's management owned 47,60 EFTEN United Property Fund units (31.12.2023: 39,796). The management of the fund includes the board members of the management company EFTEN Capital AS, the head of retail business and the head of investments.

EFTEN United Property Fund does not pay any fees to the management of the fund. The management receives fees from the Fund Management Company EFTEN Capital AS.

Fund's investment report as at 30.06.2024

Subsidiaries

As at 30.06.2024

Name	Location	Participation in investment	Acquisition cost	Fair value	Share of the net value of the fund
<i>€ thousand</i>					
Subsidiaries					
Uus-Järveküla OÜ	Tallinn	80.0%	2	3	0.0%
EFTEN M7 UAB	Vilnius	100.0%	723	911	3.5%
Total subsidiaries			725	914	3.5%

As at 31.12.2023

Name	Location	Participation in investment	Acquisition cost	Fair value	Share of the net value of the fund
<i>€ thousand</i>					
Subsidiaries					
Uus-Järveküla OÜ	Tallinn	80.0%	2	204	0.8%
EFTEN M7 UAB	Vilnius	100.0%	723	850	3.2%
Total subsidiaries			725	1,054	4.0%

Funds

As at 30.06.2024

Name	Type	Country of origin	Fund management company	Share in the fund 30.06.2024	Acquisition cost	Average share acquisition cost	Total market value	Market value per share	Share in the Fund's net asset value
<i>€ thousand</i>									
Underlying funds									
EFTEN Real Estate Fund 5 Trust fund	Trust fund	Estonia	EFTEN Capital AS	36.47%	4,157	4,157	5,229	5,229	19.8%
EFTEN Real Estate Fund AS	Equity fund	Estonia	EFTEN Capital AS	2.02%	4,497	0.0206	4,124	0.0189	15.6%
EFTEN Kinnisarafond II AS	Equity fund	Estonia	EFTEN Capital AS	0.71%	963	0.0148	1,025	0.0158	3.9%
EFTEN Residential Fund Trust fund	Trust fund	Estonia	EFTEN Capital AS	4.19%	1,472	1,472	1,503	1,503	5.7%
EFTEN Special Opportunities Fund Trust fund	Trust fund	Estonia	EFTEN Capital AS	1.18%	24	24	23	23	0.1%
Total underlying funds					11,113		11,904		45.1%
Total securities					11,838		12,818		48.6%

As at 31.12.2023

Name	Type	Country of origin	Fund management company	Share in the fund 31.12.2023	Acquisition cost	Average share acquisition cost	Total market value	Market value per share	Share in the Fund's net asset value
<i>€ thousand</i>									
Underlying funds									
EFTEN Real Estate Fund 5 Trust fund	Trust fund	Estonia	EFTEN Capital AS	36.47%	4,157	4,157	5,125	5,125	19.5%
EFTEN Real Estate Fund AS ¹	Equity fund	Estonia	EFTEN Capital AS	2.02%	4,497	0.0206	4,146	0.0190	15.8%
EFTEN Kinnisarafond II AS	Equity fund	Estonia	EFTEN Capital AS	0.71%	963	0.0148	999	0.0154	3.8%
EFTEN Residential Fund Trust fund	Trust fund	Estonia	EFTEN Capital AS	3.58%	967	967	1,030	1,030	3.9%
Total underlying funds					10,584		11,300		43.0%
Total securities					11,309		12,354		47.1%

¹ EFTEN Kinnisarafond AS merged with EFTEN Real Estate Fund AS. The merger took effect on 28.02.2023.

All funds whose shares and participation EFTEN United Property Fund owns disclose their net worth on a monthly basis.

Loans granted**As at 30.06.2024**

Borrower	Borrower's country of origin	Deadline	Interest rate	Contractual loan amount	Loan balance 30.06.2024	Share in the Fund's assets' market value
<i>€ thousand</i>						
EFTEN M7 UAB	Lithuania	28.02.2027	4%	2,876	2,149	8.1%
Uus-Järveküla OÜ	Estonia	18.08.2025	8% until 18.12.2024 15% from 19.12.2024	3,519	3,519	13.3%
Total loans granted				6,395	5,668	21.5%

As at 31.12.2023

Borrower	Borrower's country of origin	Deadline	Interest rate	Contractual loan amount	Loan balance 31.12.2023	Share in the Fund's assets' market value
<i>€ thousand</i>						
EFTEN M7 UAB	Lithuania	28.02.2027	4%	2,876	2,149	8.2%
Uus-Järveküla OÜ	Estonia	18.08.2025	8% until 18.12.2024 15% from 19.12.2024	3,519	3,519	13.4%
Total loans granted				6,395	5,668	21.6%

Other assets**As at 30.06.2024**

Name	Fair value	Share of the net value of the fund
<i>€ thousand</i>		
Interest receivable	862	3.3%
Total other assets	862	3.3%

As at 31.12.2023

Name	Fair value	Share of the net value of the fund
<i>€ thousand</i>		
Interest receivable	711	2.7%
Total other assets	711	2.7%

Deposits**As at 30.06.2024**

Credit institution	Type	Country of origin	Rating of the Credit institution and name of the rating agency ¹	Maturity date	Interest rate	Amount	Share in the Fund's net asset value
<i>€ thousand</i>							
Swedbank AS	Overnight deposit	Estonia	Moody's Aa3	On demand	3.262%	5,500	20.8%
Swedbank AS	Term deposit	Estonia	Moody's Aa3	30.11.2024	4.0%	1,119	4.2%
Swedbank AS	Term deposit	Estonia	Moody's Aa3	14.12.2024	4.0%	324	1.2%
Swedbank AS	Term deposit	Estonia	Moody's Aa3	28.02.2025	2.5%	120	0.5%
Total deposits						7,063	26.8%
TOTAL ASSETS						26,411	100.05%

As at 31.12.2023

Credit institution	Type	Country of origin	Rating of the Credit institution and name of the rating agency ¹	Maturity date	Interest rate	Amount	Share in the Fund's net asset value
<i>€ thousand</i>							
Swedbank AS	On demand deposit	Estonia	Moody's Aa3	On demand	-	231	0.9%
Swedbank AS	Term deposit	Estonia	Moody's Aa3	29.01.2024	3.7%	5,500	20.9%
Swedbank AS	Term deposit	Estonia	Moody's Aa3	29.02.2024	2.5%	1,795	6.8%
Total deposits						7,526	28.7%
TOTAL ASSETS						26,259	100.01%

¹ The table shows the rating of the parent bank of Swedbank AS. Swedbank AS itself has no rating.

As at 30.06.2024

Fund liabilities	-13	-0.05%
NET ASSET VALUE OF THE FUND	26,398	100.00%

As at 31.12.2023

Fund liabilities	-3	-0.01%
NET ASSET VALUE OF THE FUND	26,256	100.00%