

# SUMMARY

## Introduction and warnings

This summary should be read as an introduction to the Prospectus and each investor's decision to invest in the FUND's Offered Shares must be based on the Prospectus as a whole. None of the persons who prepared this summary will assume civil responsibility for this summary or the information contained herein, including for any translations of this, unless the summary is misleading, inaccurate or in conflict with the other parts of the Prospectus or if it does not, with the other parts of the Prospectus, include the principal information that would help an investor decide to invest in the Offered Shares. The Prospectus cannot be relied on when the Shares, including the Offered Shares, are resold. Investing in shares always involves risks, which may, among other things, manifest themselves in the full or partial loss of the invested capital. An investor should keep in mind that if they want to bring an action in court in connection with the information included in the Prospectus in a court, which involves the costs of translating the Prospectus, such costs must be covered by the investor who is bringing the action. Unless the context expressly requires otherwise, capitalised terms are used in this summary with the same meaning as given to them in section 1.7. "Acronyms and definitions" of the Prospectus.

Name and ISIN of the Offered Shares	EfTEN Real Estate Fund share additional 7, ISIN: EE3805127240  The name and ISIN of the Offered Shares are temporary and will be closed after the registration of the increase of the FUND's share capital in the Commercial Register and the Offered Shares will be given the ISIN EE3100127242 and the name EfTEN Real Estate Fund share.
Name and contact details of issuer, including the Legal Entity Identifier (LEI):	The business name of the issuer is EfTEN Real Estate Fund AS (FUND). The FUND is registered in the Estonian Commercial Register under registry code 12864036. LEI of the FUND: 4851000008JBI71L7643. Contact details: address A. Lauteri 5, 10114 Tallinn, Estonia; website: <a href="http://www.eref.ee">www.eref.ee</a> ; tel: +372 655 9515, email: <a href="mailto:info@efTEN.ee">info@efTEN.ee</a>
The competent authority that approved the Prospectus, its contact details and date of approval of the Prospectus	The Prospectus has been approved by the Financial Supervision Authority as the Estonian competent authority on 18 November, 2024 under registration number 4.3-4.9/5662. Contact details: address Sakala 4, 15030 Tallinn, Estonia; website: <a href="http://fi.ee">fi.ee</a> ; tel: +372 668 0500, email: <a href="mailto:info@fi.ee">info@fi.ee</a>

## Main information about issuer

### Who is the issuer of the security?

The issuer of the security is the FUND (EfTEN Real Estate Fund AS), which is a public closed-end investment fund (alternative investment fund) operating on the basis of the law applicable in Estonia. The FUND is a real estate fund. The FUND is not a guaranteed fund. The FUND is a public fund whose Shares will be offered publicly only in Estonia, Latvia and Lithuania. The FUND is a closed-end fund, which means that its Shares will not be redeemed from the shareholders at their request. The FUND has an indefinite life. The Shares of the FUND were listed and admitted to trading on the main list of the Nasdaq Tallinn Stock Exchange on 1 December 2017. The FUND is a real estate fund in the value-added class, which invests in medium to high risk commercial real estate and commercial real estate development projects in the Baltics, i.e. the target markets of the FUND are Estonia, Latvia and Lithuania. The FUND may make direct investments in real estate as well as acquire holdings in legal entities that own real estate. The FUND may invest in futures only for the purpose of managing risks. No more than 30% of the value of the FUND's assets may be invested by the FUND in a single item of real estate or in the securities of a single issuer within three years of the establishment of the FUND. The FUND may not invest in the other funds of its Management Company. Temporary non-compliance with the restrictions on risk-spreading is permitted for reasons independent of the Management Company. The FUND may borrow up to 65% of the value of each investment at the moment the investment is made. The debt service coverage ratio of the FUND must be 1.2 or higher at the time the investment is made. The FUND is the parent company of the Group. As at the date of the Prospectus, the FUND has 37 Subsidiaries, all owned by the FUND to 100%, and one 50% holding in an affiliate through which the FUND holds investment properties in Estonia, Latvia and Lithuania.

Persons holding more than 5% of the shares of the FUND as at the date of the Prospectus are:

Name of shareholder	Number of shares	Holding (%)	Person(s) having direct or indirect control over the shareholder
LHV Pensionifond L	1,210,475	11.1876%	Madis Toomsalu (member of higher managing body, Chairman of the Supervisory Board)
REF Aktsiad OÜ	1,151,700	10.6444%	Olav Miil, Member of the Supervisory Board of the FUND, and Toomas Vaher
OÜ Hoiukonto	1,145,192	10.5842%	Marcel Vichmann and Ants Ratas
Altiuse KVI OÜ	1,092,845	10.1004%	Arti Arakas, Chairman of the Supervisory Board of the FUND, and Frank Öim
Vello Kunman	632,148	5.8425%	Vello Kunman

To the knowledge of the FUND, the holders of direct or indirect holdings do not control the FUND. To the knowledge of the FUND, no shareholders agreements have been entered into between the shareholders, including agreements the object of which would be their shareholding in the FUND.

The managing bodies of the FUND are the general meeting of shareholders, the supervisory board and the management board, which comply with the corporate governance principles applicable to public limited companies in Estonia with the specifications arising from the Investment Funds Act, according to which the FUND's assets are managed by the Fund Management Company (EFTEN Capital AS) on the basis of a management agreement. The highest managing body of the FUND is the General Meeting, and the Supervisory Board and the Management Board of the FUND are responsible for the day-to-day management and strategy implementation. As at the date of this Prospectus, the FUND has two Management Board members: Viljar Arakas and Tõnu Uustalu, who have been members of the FUND's management board since its establishment. The authorities of the members of the Management Board remain valid until 6 May 2025. The Management Board supervises the Management Company's activities in relation to the FUND to the extent and pursuant to the procedure set forth in the management contract and supervises the performance of the activities of the depositary and other outsourced activities related to the management of the FUND by third parties. The supervisory board of the FUND has four members, who are, since the establishment of the FUND, Arti Arakas (chairman of the supervisory board), Siive Penu, Olav Miil and Sander Rebane. The authorities of the members of the Supervisory Board remain valid until 18 June 2025. Pursuant to the Articles of Association of the FUND, the Supervisory Board of the FUND is responsible for supervising the activities of the Management Board. The FUND does not have an audit committee or a remuneration committee, as their functions are also performed by the supervisory board.

The Management Company of the FUND is EFTEN Capital AS, registry code 11505542, address A. Lauteri tn 5, Tallinn, Harju County, 10114, Estonia. Management of the FUND means investing the assets of the FUND, including managing the risks related to investing the assets of the FUND. As at the date of this Prospectus, the Management Company has three Management Board members: Viljar Arakas (Chairman of the Management Board, authorities valid until 30 April 2026), Kristjan Tamla (member of the Management Board, authorities valid until 30 April 2026) and Maie Talts (member of the Management Board, authorities valid until 30 April 2026). The supervisory board of the Management Company has five members: Hannes Tamjärv (Chairman of the Supervisory Board) and members Arti Arakas, Jaan Pillesaar, Olav Miil and Peeter Mänd. The authorities of the members of the Supervisory Board remain valid until 29 January 2029.

The auditor of the FUND is PricewaterhouseCoopers, registry code 10142876, located at Pärnu mnt 15, Tallinn, Estonia, who has audited the FUND's annual report for 2023 referred to in the Prospectus. Aktsiaselts PricewaterhouseCoopers is a member of the Estonian Auditors Association.

### What is the main financial information concerning the issuer?

Below is the main financial information of the FUND for the financial years that ended on 31.12.2022 and 31.12.2023, respectively, and the first 9 months (Q3) of 2023 and 2024, which ended on 30.09.2023 and 30.09.2024, respectively, and which has been taken or obtained as references from the audited financial statements and unaudited interim financial statements enclosed with the Prospectus. The financial statements, semi-annual reports and interim Q3 reports of the FUND have been prepared in accordance with the IFRS requirements. The consolidated annual reports for the financial years that ended on 31.12.2022 and 31.12.2023 were audited by the FUND's auditor Aktsiaselts PricewaterhouseCoopers. The auditor had no comments on the reports.

Since the Shares were listed at the stock exchange, the FUND publishes quarterly interim reports, annual reports and the monthly information on the net asset value of the share via the information system of the stock exchange and thereafter also on the FUND's website. The information set out below is in accordance with Annex VI to European Commission Delegated Regulation (EU) No 2019/979 as deemed relevant for closed-end funds.

Table 1 – Additional information on closed-end fund

Share class	Net asset value, € thousand*	Number of shares*	NAV of share (€)*	Past performance of fund	31.12.2023	31.12.2022	30.09.2024	30.09.2023
					(audited)	(audited)	(unaudited)	(unaudited)
One class of shares	219,402,439	10,819,796	20.28	Key indicators				

	NAV per share, €	20.21	20.55	20.15	20.76
	EPRA NAV per share, €	20.96	21.91	20.96	21.44
	ROIC, %	0.004	17.0	5.2	3.6
	ROE, %	0.6	11.3	4.6	4.2
	ROA, %	0.4	6.4	2.7	2.4
	DSCR	1.8	2.2	1.7	1.8

\* As at 31.10.2024

Table 2 – Income statement of closed-end fund

€ thousand	2023 (audited)	2022 (audited)	9 months 2024 (unaudited)	9 months 2023 (unaudited)
Sales revenue	31,817	14,299	23,924	23,714
Costs related to investment management, including marketing expenses	-2,209	-634	-1,721	-1,513
Management fee	-2,148	-1,178	-1,616	-1,607
Performance fee expenses	0	0	0	0
Net profit	1,000	11,408	10,104	6,880
Ordinary profit per share, €	0.09	2.25	0.93	0.64

Table 3 – Balance sheet of closed-end fund

€ thousand	31.12.2023 (audited)	31.12.2022 (audited)	30.09.2024 (unaudited)
Total net assets	218,698	104,264	217,928
Financial leverage rate, %	41	40	41

### What are the specific key risks associated with the issuer?

**Market risk** – the FUND invests on the Baltic real estate market, which is why the FUND assesses the risk associated with fluctuations in real estate prices in the region as higher than usual. The real estate sector is cyclical, with changes in the macroeconomic environment of a country generally being the main impact factor. All Baltic States (Estonia, Latvia and Lithuania) are small open economies (exports of goods and services account for a very significant share of the economy), whose development depends to a large extent 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 average in the global economy. Overall, this means that the fluctuations in the real estate prices in the Baltic States may be more extensive than the average, and the movement of real estate prices in these three countries may be highly correlated, i.e. real estate prices in Estonia, Latvia and Lithuania are more likely than average to move in the same direction. The materialisation of market risk (a simultaneous fall in real estate prices in the Baltic States) could have a material adverse impact on the financial performance and return of the FUND.

**Transaction counterparty risk** arises from the inability of the counterparty of a transaction concluded with the FUND's assets to perform the obligations assumed upon the conclusion of the contract. The FUND is exposed to these types of risks, in particular through claims against the tenants of the real estate owned by the FUND (or the SPV) (e.g. the counterparty's inability to pay rent) and through the FUND's assets held on deposit with credit institutions (e.g. the insolvency of a credit institution). The materialisation of the risk may have a material adverse impact on the financial performance and return of the FUND. The activities of the Management Company in the management of the assets of the FUND and for preventing a decrease in counterparty cash flows and minimising this risk consist of the continuous monitoring and management of the (payment) behaviour of clients and partners, which makes it possible to implement the necessary measures as soon as necessary.

**Interest rate risk** arises from changes in the interest rates on the financial liabilities of the FUND. In addition to equity, the FUND often uses loan capital (bank loans) to invest in investment properties. Loan capital agreements are generally for a fixed term, which means that the funds raised in the form of loan capital must be refinanced at certain intervals (e.g. 5 years). Dependence on a couple of financiers may mean that when funds raised in the form of loan capital are refinanced, the terms and conditions of the agreement become less favourable for the FUND than

before – e.g. the price of loan capital (interest rate) will rise significantly and/or the volume of financing in the form of loan capital will decrease. In addition, the price of the loan capital used by the FUND for its investments may be affected by the rise in interest rates on international markets. A change in market interest rates mainly affects the Group's long-term floating rate debt. An unfavourable change in interest rates may have a negative impact on the return on the investments made in the FUND's Shares.

**The risk of investing the proceeds of the issue slowly and/or less profitably** – the FUND invests the proceeds of the issue predominantly through SPVs in real estate, which is generally less liquid. This means that the FUND may take longer than expected to invest the proceeds of the issue or the FUND may not find profitable investment opportunities. In such a case, the proceeds of the issue will be held in deposits in a credit institution, where their long-term return is likely to be lower than if they had been invested in income-generating real estate. Therefore, if the FUND is unable to find attractive investment opportunities for an extended period of time after the Offered Shares are issued, the return for the shareholders of the FUND may be lower. The likelihood of the risk materialising depends primarily on how active the Baltic real estate market is. The lower the activity on the Baltic real estate market, the higher the risk that the invest will be slow and/or less profitable.

**Risk related to military activities** – in February 2022, Russia started a war in Ukraine. Because of this, most countries have imposed extensive sanctions, which are having a significant negative impact on the Russian economy. To the knowledge of the persons who compiled the Prospectus, there are no tenants predominantly related to business activities in Russia or Ukraine on the rental premises of the investment properties owned by the FUND through SPVs. Therefore, impact of the direct or the so-called first round materialisation on the financial performance of the FUND is small. However, the impacts of the so-called second round materialisation may appear in relation to the established sanctions – above all, they may affect the FUND, for example, through a decrease in the confidence of investors in the Baltic economies (thereby primarily increasing the likelihood of materialisation of the market risk, the refinancing and interest rate risk and the liquidity risk)

## Important information on securities

### What are the main characteristics of securities?

The registered share capital of the FUND as at the date of the Prospectus is €108,197,960, which is divided in 10,819,796 ordinary shares and the nominal value of each share is €10 (the **Shares**). The FUND has one class of Shares that have been registered in the register kept by Nasdaq CSD with ISIN EE3100127242. The Shares are kept in the form of an electronic register entry. All previously issued Shares have been paid for. The Shares are subject to the law in force in Estonia. The Shares can be transferred freely. The Shares of the FUND have been listed since 1 December 2017 and freely tradable at the Tallinn Stock Exchange. In the course of the offering, the FUND offers up to 1,000,000 new ordinary shares that belong to the same class as the existing Shares (the **Offered Shares**). The name of the Offered Shares at the time of the offering is EfTEN Real Estate Fund share additional 7 and the Offered Shares have a temporary ISIN EE3805127240, which will be closed after the increase in share capital has been entered in the Commercial Register, after which the Offered Shares will be equal to, i.e. they will have the same investment grade as all of the existing Shares called EfTEN Real Estate Fund share and have the ISIN EE3100127242.

The following rights are attached to the Shares:

**The right to participate in the management of the FUND.** The shareholders have the right to participate in the management of the FUND and exercise their rights at the General Meeting, where they can exercise their voting right when certain important questions are decided (e.g. amendment of the Articles of Association, approval of the annual report, distribution of profit, increase of share capital, election of members of the supervisory board). The general meeting is the highest managing body of the FUND. Each Share grants one vote to a shareholder at the general meeting.

**Pre-emptive right to subscribe for new Shares.** Pursuant to the Estonian Commercial Code and the Articles of Association of the FUND, the shareholders of the FUND have the pre-emptive right, when the share capital is increased and new Shares of the FUND are issued, to subscribe to the new shares of the FUND in proportion to their existing holding in the FUND, unless the pre-emptive right of subscription is ruled out by a resolution of the General Meeting of the FUND. The pre-emptive right of subscription of existing shareholders was not ruled out by the resolution of the General Meeting of 16 October 2024, which authorised the Supervisory Board to increase the share capital and carry out the Offering. The Shareholder has the right to transfer their pre-emptive right to subscribe for the Offered Shares.

**Right to information.** In accordance with the Estonian Commercial Code, shareholders have the right to information about the activities of the FUND, which the shareholders can exercise at the General Meeting. The Management Board is the body obligated to provide information. The Management Board may refuse to give

information if there is a reason to presume that this may cause significant damage to FUND. If the Management Board refuses to give information, the shareholders may demand that the General Meeting decide on the lawfulness of the refusal or file a respective request with a competent court.

**Right to dividends.** The shareholders of the FUND have the right to participate in the distribution of the profit of the FUND and to receive dividends in proportion to their holding in the FUND. Distribution of profit and payment of dividends is within the competence of the General Meeting. No different classes of Shares or different rights arising therefrom upon distribution of profit have been stipulated. The FUND may only make pay outs to the shareholders from net profit or retained earnings, from which uncovered losses from previous years have been deducted, on the basis of the approved annual report of the FUND. According to the FUND's dividend policy, dividends are determined on the basis of the total net cash flow of rent payments of the FUND for the financial year (EBITDA minus interest payments minus loan principal instalments), from which reserves for working capital and possible improvement costs (minimum 20%) have been subtracted. Deviation from this general principle of the dividend policy is permitted if this is justified by developments in the economic environment or the outlooks of the economic activities of the FUND. The payment of dividends to investors is not guaranteed. The amount of dividends to be paid out will be approved by the respective creditors or other contractual partners of the FUND if necessary (e.g. if such a provision exists in the financing agreement). The Offered Shares give the right to receive dividends for the financial years starting from and following 2024.

#### **Where are the securities traded?**

The Shares have been listed and freely tradable at the Tallinn Stock Exchange since 1 December 2017. In relation to the Offering, the FUND will submit an application for listing and admission to trading of the Offered Shares on the regulated market in the main list of Nasdaq Tallinn Baltic after the end of the subscription period. The presumed date of listing and admission to trading of the Offered Shares is 30 December 2024 or a date close to this date.

#### **Which key risks characterise the securities?**

**Volatility of securities and liquidity risk.** The return of the FUND is not guaranteed and may fluctuate significantly over time, i.e. the preservation of or increase in value is not guaranteed when an investment is made in the Offered Shares. The past performance of the FUND is therefore not indicative of the future performance of the FUND. Low activity on the securities market can lead to a large discrepancy between the price asked for securities and the price at which they are eventually sold, which in turn can lead to limited liquidity on the securities market. Therefore, may happen that an investor who subscribes for the Offered Shares cannot sell the Offered Shares for the offer price or a higher price, which is why investing in the FUND may generate either a profit or a loss for the investor.

**Risk of non-payment of dividends.** The FUND does not guarantee payment of dividends. An investor may not get the return they wanted or no return at all. The payment of dividends depends on the FUND's financial performance and may not be possible even if the FUND's financial position would allow it (e.g. due to restrictions under loan agreements) or due to the opinion of the Management Company and the FUND's management of the FUND's prospects and risks (e.g. in the case of a pandemic).

**Risk of decrease (dilution) of holding.** When investing in the FUND, an investor must consider the possibility of dilution of the holding. In the course of new and subsequent issues, the FUND may also raise capital from third parties, and if the shareholders of the FUND do not want to invest additional capital in the FUND or a private placement of the Shares is decided, the holding of the FUND's shareholder in the FUND may decrease. An investor must also keep in mind that the pre-emptive right of shareholders to subscribe may be precluded on the basis a resolution of the General Meeting that receives at least three-fourths (3/4) of the votes represented at the general meeting. The preclusion of the pre-emptive right may result in the dilution of the investor's holding.

### **Key information on public offering of securities and/or admission of securities to trading on a regulated market**

#### **What are the conditions and schedule of investing in this security?**

**General terms and conditions of offering and indicative schedule.** The FUND will issue up to 1,000,000 new shares (the **Offered Shares**), each with a nominal value of €10. In doing so, the FUND reserves the Right of Increase to increase the Offering by 500,000 Offered Shares. The Offering only includes new shares to be issued. Existing Shares will not be sold in the course of the Offering. There are no restrictions on the transfer of the Offered Shares acquired during the Offering and the existing shareholders are not subject to any restrictions that would reduce their right to transfer the Shares. The Offered Shares will only be offered in Estonia, Latvia and Lithuania, and there will be no Offering in jurisdictions other than the ones specified here. The minimum and maximum number of the Offered Shares that can be subscribed for has not been established. Expected schedule of the Offering:

21.11.2024 at 9:00 (EET)	Start of subscription period of Offered Shares
06.12.2024 at 15:30 (EET)	End of subscription period of Offered Shares
10.12.2024	Approval of the distribution plan of the Offered Shares
13.12.2024	Value date (payments and transfers of Offered Shares)
23.12.2024 or a date close to this date	Entry of share capital increase in Estonian Commercial Register
30.12.2024 or a date close to this date	First day of trading with Offered Shares at Nasdaq Tallinn Stock Exchange

**Right to participate in the Offering.** All natural persons and legal entities in Estonia, Latvia and Lithuania who have opened securities accounts in Nasdaq CSD may participate in the Offering or who have a securities account in a financial institution that is a member of the Nasdaq Baltic Stock Exchange. An investor may submit a subscription order via a nominee account, only if they authorise the holder of the nominee account in writing to disclose the name of the investor to Nasdaq CSD and the FUND.

The existing shareholders of the FUND, i.e. the persons who have been entered in the list of shareholders of the FUND as at the end of the working day of Nasdaq CSD on 20 November 2024 have the pre-emptive right to subscribe for the Offered Shares at the nominal value, which equals the sum of the nominal values of the existing shares, i.e. in proportion to their holding in the FUND.

An example of exercise of the pre-emptive right, provided that all the Offered Shares will be subscribed for: The number of the shares of the FUND before the Offering is 10,819,796. If a shareholder owns 1,000 Shares as at 20 November 2024, the holding of the shareholder in the FUND is 0.0092% and the maximum number of the Shareholder's shares upon subscription with the pre-emptive right is therefore 92 Offered Shares (formula:  $0.0092\% \times 1,000,000$  shares). Thus, the maximum ratio of subscription with the pre-emptive right to the existing Shares is 9.2% (formula:  $1,000,000 \div 10,819,796$ ).

Subscription with the pre-emptive right does not restrict the right of the existing shareholders to subscribe for the new Offered Shares to a larger extent or, vice versa, subscribe for fewer Offered Shares or not subscribe for the Offered Shares at all. A Shareholder may transfer their pre-emptive right to subscribe for the Offered Shares. The contract for transfer of the pre-emptive right to subscribe for the Offered Shares must be submitted to the FUND not later than by the end of the Offering Period, i.e. by 15:30 o'clock Estonian time on 06 December 2024. No other group of investors (incl. persons related to the FUND or the Management Company) has any advantages or special rights during the Offering.

**Price of Offered Shares.** The Offered Shares are the ordinary shares of the FUND with a nominal value of €10. The offer price of one Offered Share is €19.00, of which €10 is the nominal value of the Offered Share and €9.00 is the issue premium.

**Subscription period.** The Offering period starts at 9:00 on 21 November 2024 and ends at 15:30 on 6 December 2024 according to Estonian time, and during this period investors may subscribe for any quantity of the Offered Shares. An investor must submit a subscription order in order to subscribe for the Offered Shares.

**Subscription orders.** In Estonia, subscription for the Offered Shares will take place via the custodians of Nasdaq CSD and the subscription order must include the following data:

Owner of securities account:	Name of investor
Securities account:	Investor's securities account number
Custodian:	Name of investor's custodian
Security:	EFTEN Real Estate Fund share additional 7
ISIN:	EE3805127240
Number of securities:	Number of Offered Shares that the investor wants to subscribe for
Price (per share):	€19,00
Transaction price:	Number of Offered Shares that the investor wants to subscribe for, multiplied by the price of Offered Shares
Transaction type:	"purchase" or "subscription"
Settlement method:	Securities transfer against payment
Transaction counterparty:	EFTEN Real Estate Fund AS
Securities account of transaction counterparty:	99102006845
Custodian of transaction counterparty:	Swedbank AS
Value date of transaction:	13.12.2024

In **Latvia and Lithuania**, an investor who wants to subscribe for the Offered Shares must contact a financial institution, which is a member of Nasdaq Baltic and which manages the investor's securities account and submit an offer to purchase the Offered Shares in the form of a purchase order, which is accepted by such financial institution and complies with the terms and conditions of the Prospectus.

If more than one subscription order is submitted by a single person, they will be added together to determine the distribution and will be considered as a single subscription order. Subscription orders for participation in the Offering may only be submitted in euros and the participant in the Offering must pay all of the expenses related to or fees subject to payment for the submission of the subscription order. The custodian will charge a service fee from the investors in relation to the subscription and information regarding the amount of the fee can be obtained from the custodians. Said fee will be added to the price of the Offered Shares for which the investor subscribes. By submitting a subscription order, the investor authorises the account manager to immediately block the amount of money in their account that corresponds to the total price of the Offered Shares the investor subscribed for. An investor may only submit a subscription order for the amount available in their account at the time the subscription order is submitted. The amount blocked in the account of the investor will be used for settlement of the subscription transaction of the Offered Shares, to the extent in which the Offered Shares will be distributed to the investor and the remaining amount will be unblocked at the same time as the Offered Shares are transferred and the subscription price of the Offered Shares is debited. The investor also authorises the account manager to block the necessary amount of money for covering the service fee related to the submission of the subscription order. The investor must ensure the availability of sufficient funds in the current account linked to their securities account in Nasdaq CSD at the moment the subscription order is submitted. The investor may change or cancel the subscription order at any time before the end of the Offering Period.

**Distribution.** The Offering of the Offered Shares will be deemed oversubscribed if the FUND receives subscription orders for more than 1,000,000 Offered Shares by the end of the subscription period, i.e. the total amount of subscriptions is bigger than €19,000,000. The FUND may exercise the Right of Increase at the end of the Offering Period and increase the number of the Offered Shares by 500,000 Offered Shares. The FUND will decide the distribution of the Offered Shares between the investors on the basis of the following principles: First of all, the Offered Shares will be distributed to the existing shareholders of the FUND according to their subscription orders, but not more than the pre-emptive right of the respective shareholder to subscribe for the Offered Shares. In respect of the part that exceeds the aforementioned quantity, the existing shareholders participate in the Offering equally with all other investors. Thereafter, the Offered Shares will be distributed among the investors using the gradual distribution method: The FUND will determine the distribution levels after the end of the subscription period with the distribution percentages corresponding to the levels. The main criteria for determination of the distribution levels and the distribution percentages corresponding to them are: (a) total demand for the Offered Shares; (b) size and statistical distribution of the subscription orders; and (c) number of investors who submitted subscription orders. The Supervisory Board thereby has the right to establish a minimum threshold and the subscription applications below this threshold will be met in full. The Supervisory Board also has the right to decide on the individual distribution principles regarding large subscription applications. All remaining Offered Shares that cannot be distributed by the gradual distribution method whilst also taking into account the above will be distributed between the shareholders on random basis.

The distribution of the Offered Shares will be approved by the Supervisory Board of the FUND. The Supervisory Board of the FUND has the right to round the number of the Offered Shares to an integer when determining the exact number upon the distribution of the Offered Shares. Upon rounding the shares, the remaining Offered Shares that cannot be distributed in any other manner of equal treatment will be distributed to investors on a random basis. Each investor will receive information about the number of the Offered Shares distributed to them from the custodian by submitting a respective inquiry.

If the number of the Offered Shares that are subscribed for is fewer than 1,000,000 the Management Board of the FUND has the right to extend the subscription time or the Offered Shares that were not subscribed for will be cancelled within 15 days of the end of the subscription period, i.e. the share capital will be increased on the basis of the number of the Offered Shares subscribed for during the subscription period. Upon undersubscription, i.e. in the case of cancellation of the Offering in respect of the Offered Shares that were not subscribed for, the FUND will inform about this via the stock exchange system and on the website of the FUND.

**Settlement.** The Offered Shares will be registered in the EVR and transferred to the securities accounts of the investors, presumably on 13 December 2024 (this date may change) according to the "securities transfer for payment" procedure, at the same time when the subscription amount is transferred from the investor's account to the FUND. The increase of the share capital will be registered in the Estonian commercial register presumably on 23 December 2024 (this date may also change). The rights of a shareholder will also arise from the day of registration of the share capital in the Estonian Commercial Register. If an investor's subscription request is rejected, or if the number of distributed Offered Shares differs from the number of the Offered Shares subscribed for, the custodian will release the funds reserved in the investor's cash account or part thereof (the amount that exceeds the payment made for the Offered Shares and the costs related to subscription) on 13 December 2024

or a close date. The FUND will not be liable for the release of the amount or payment of interest on the released funds at the time when the funds were reserved.

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

**Decrease in size of holding (dilution).** As at the date of the Prospectus, the FUND has 10,819,796 Shares. The number of the Offered Shares is up to 1,000,000. The share capital of the FUND after the registration of the increase of share capital will be €118,197,960, provided that all of the Offered Shares are subscribed for and the number of the Offered Shares will not be changed during the Offering, including the FUND does not use the Right of Increase. Thus, the holding of the existing shareholders in the share capital after the Offering would be 92% of the share capital of the FUND, provided that the existing shareholders do not subscribe for the Offered Shares during the Offering.

### **Why is this Prospectus prepared?**

The Offering enables the FUND to raise money in order to continue the implementation of the investment strategy of the FUND. Among other things, the FUND will use the funds raised during the Offering to terminate the Group's bridge financing in the amount of €7.2 million upon the acquisition of the Härgmäe tn 8 and Piimamehe tn 7 properties in Tallinn and the Paemurru tee 3 property in Laabi Village, Harku Municipality, Harju County. In respect of the remaining €11.75 million, for making new planned investments. The FUND is holding negotiations for the acquisition of a new investment property in Estonia in the total amount of ca €7 million, €3.5 million of which would be self-financing, but the respective contract has not been signed yet. The FUND does not have any agreements or contracts that impose obligations on the FUND for making new specific investments other than the ones specified above.

Provided that the Offering is successful and all the Offered Shares are subscribed for, and if the FUND does not exercise the Right of Increase, the expected gross revenue will be €19,000,000 and the expected net revenue will be approximately €18.5 million. The expected gross revenue is €28,500,000 and the expected net revenue is approximately €27.8 million if the FUND exercises the Right of Increase.

No agreements for securing the issue have been entered into in relation to the Offering. The Management Company has the right to subscribe for the Offered Shares of the FUND, including the Management Company has 292,688 Shares of the FUND before the Offering, which comprise 2.7% of the share capital and the Management Company also has the corresponding pre-emptive right to subscribe. There are no interests or conflicts of interest that are significant from the viewpoint of the Offering.