

EFTEN REAL ESTATE FUND AS
PROSPECTUS FOR PUBLIC OFFERING, LISTING AND ADMISSION TO TRADING OF
ADDITIONAL SHARES

1,000,000 SHARES WITH A NOMINAL VALUE OF €10 PER SHARE
WITH THE OPTION TO INCREASE THE OFFERING BY 500,000 SHARES

OFFER PRICE OF THE SHARES €19.00

PERIOD OF OFFERING 21 NOVEMBER TO 6 DECEMBER 2024

The EFTEN Real Estate Fund AS (hereinafter: the **FUND**) Prospectus for public offering, listing and admission to trading of 1,000,000 additional shares (hereinafter: the **Offered Shares**) (hereinafter: the **Prospectus**) has been prepared and published in relation to the public offering of the additional shares of the FUND in Estonia, Latvia and Lithuania (hereinafter: the **Offering**). In addition to the aforementioned, the Offered Shares will not be offered publicly or non-publicly in any other jurisdiction. The Offered Shares may not be subscribed for by persons resident in the United States of America (the US) or, as a result of the sanctions imposed, persons of Russia or other countries to whom it would be illegal to offer the Offered Shares and for whom acquiring them would be illegal.

In the case of oversubscription, the FUND may, at its discretion, increase the number of the Offered Shares by up to 500,000 Offered Shares (**Right of Increase**), in such a manner that the total number of the Offered Shares to be issued and distributed to investors after such an increase does not exceed 1,500,000 Offered Shares.

The FUND reserves the right to cancel or amend the terms and conditions of the Offering under the conditions set out in the Prospectus.

The Prospectus has been prepared by the Management Company in connection with the Offering in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (**Prospectus Regulation**) and Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (**Delegated Regulation**).

The FUND's Shares are listed and admitted to trading on the Baltic Main List of Nasdaq Tallinn Stock Exchange. Concurrently with offering the Offered Shares, the FUND applies for the listing and admission to trading of the Offered Shares on the Baltic Main List of Nasdaq Tallinn Stock Exchange. According to preliminary estimates, trading in the Offered Shares will commence on or near 30 December 2024.

This Prospectus has been approved by the Financial Supervision Authority under registration number 4.3-4.9/5662. Approval of the Prospectus in the Financial Supervision Authority does not imply that the Financial Supervision Authority has verified the accuracy of the information published in the Prospectus. The Financial Supervision Authority only confirms that the Prospectus complies with the requirements for completeness, understandability and consistency established by the Prospectus Regulation. The Prospectus has been prepared in the format of a simplified prospectus for secondary issues.

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1. INTRODUCTORY GENERAL INFORMATION

1.1. APPLICABLE LAW

The Prospectus has been prepared in connection with the Offering in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (**Prospectus Regulation**) and Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (**Delegated Regulation**). The Prospectus has been prepared in the format of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation and in particular Annexes 3, 4 and 12 to the Delegated Regulation. The Prospectus is a prospectus consisting of a single document within the meaning of the Prospectus Regulation.

The Prospectus is governed by the laws of Estonia, except to the extent that, under private international law, the laws of another jurisdiction are applicable. Any disputes that may arise or emerge in connection with the Prospectus or the Offering will be resolved in the Harju County Court in Estonia, unless the law provides for the precluding jurisdiction of another court and deviating from such provisions by agreement of the parties is not possible.

A person who wants to subscribe for and acquire the Offered Shares must comply with all applicable laws and regulations in force in the country in which the person subscribes for, buys or sells the Offered Shares of the FUND or distributes the Prospectus. If the person needs a permission, consent or approval to subscribe for or acquire the Offered Shares, each subscriber and acquirer of the Offered Shares undertakes to obtain all such permissions, consents or approvals themselves. The FUND or Management Company are not liable for the performance of such obligations.

1.2. RESPONSIBLE PERSONS AND SCOPE OF LIABILITY

EFTEN Real Estate Fund AS (defined above as the **FUND**), located at A. Lauteri 5, Tallinn, Republic of Estonia, is responsible for the information published in the Prospectus. The information included in the Prospectus has been obtained from the FUND, the Management Company and other sources indicated in the Prospectus.

The FUND accepts full responsibility for the accuracy and correctness of the information included in the Prospectus as at the date of approval of the Prospectus. Having taken all reasonable measures, the FUND believes that the information included in the Prospectus is, to the best of the FUND's knowledge, presented in accordance with facts, accurate and includes no omission likely to affect the meaning of the Prospectus or make it inaccurate or misleading.

Viljar Arakas
Member of the Management Board of the FUND
/signed digitally/

Tõnu Uustalu
Member of the Management Board of the FUND
/signed digitally/

The FUND cannot be held liable if a person uses information obtained solely from the summary of the Prospectus in making a decision to invest in the Offered Shares, unless such information presented in the summary is misleading or inaccurate with the Prospectus.

The FUND is not liable for information about FUND's activities or the Offering made public by third parties or otherwise obtained.

Upon participation in the Offering, each investor should rely on their own independent analysis of this Prospectus and should consult their own legal, business or tax adviser if necessary. The contents of the Prospectus must not be construed as legal, commercial or tax advice. Each investor participating in the Offering also agrees that an investment in the Offered Shares may be significantly affected by various risk factors, including the ones described in section 3 "Risk Factors" of the Prospectus. Each potential investor must take into account that the circumstances related to the FUND, including the level of risk and the rights and obligations of the FUND's shareholder, may change over time. The Management Company will keep investors informed of changes in the material circumstances relating to the FUND, however, as a shareholder of the FUND, the investor must also exercise due diligence and continuously monitor future information about the FUND and the activities of the Group even after investing in the Offered Shares of the FUND.

1.3. DATE OF PROSPECTUS AND UPDATING OF PROSPECTUS

The information presented in the Prospectus is as at the date of the Prospectus, unless a different date is indicated in the text of the Prospectus. References to the date of the Prospectus are references to the date of approval of the Prospectus.

The Prospectus will remain valid until the new Offered Shares are admitted to trading on Nasdaq Tallinn Stock Exchange. The FUND is obliged to supplement the Prospectus with supplements during the term of the Prospectus if new material facts, material errors or material inaccuracies become known, but this obligation does not apply after the expiry of the term of the Prospectus.

If, after the registration of the Prospectus but before the end of the Offering, any new material facts, errors or inaccuracies relating to the information contained in the Prospectus become evident, which may affect giving an assessment of the securities, a supplement to the Prospectus will be prepared and registered with the Financial Supervision Authority. Preparing a supplement to the prospectus may be necessary, for example, in the event of a material change in the terms and conditions of the Offering or in a situation where an extraordinary valuation of FUND's assets (e.g. following the materialisation of a risk that is material to FUND) results in a material revaluation of the FUND's assets. The supplement to the Prospectus will be published in the same way as the Prospectus was published. A supplement to the Prospectus constitutes an inseparable part of the Prospectus.

1.4. RESTRICTIONS ON USE OF PROSPECTUS

The Prospectus has been prepared solely for the purpose of, and subject to the terms and conditions of, the public offering, listing and admission to trading of the Offered Shares of the FUND and should not be construed as a promise or guarantee to any person not participating in the Offering.

Copying or using or distributing the Prospectus without the prior consent of the FUND is not permitted.

1.5. GEOGRAPHICAL SCOPE OF OFFERING AND ASSOCIATED RESTRICTIONS

The Offering will be carried out only in Estonia, Latvia and Lithuania in accordance with the terms and conditions of the Offering as described in section 4 "Offering" of the Prospectus. The Offering will not be carried out in any country other than Estonia, Latvia and Lithuania. As a result, distributing the Prospectus in other countries may be restricted or prohibited. For the avoidance of doubt, the Offering will not be registered, inter alia, in the US accordance with local law and the Offered Shares will not be offered in the territory of the US.

1.6. FORWARD-LOOKING INFORMATION

The Prospectus may include information and statements about facts and events that occur or may occur in the future. This information is provided on the basis of forecasts made at present, which in turn are based on circumstances as they are at present. Forward-looking information is presented according to the information available to the FUND as at the date of approval of this Prospectus and the FUND has made all reasonable efforts to ensure that the forward-looking information is as accurate as possible.

Forward-looking information may become irrelevant or inaccurate as circumstances or the general economic environment change or other risks materialise. The results of the Group's economic activities and the return on investment in the Shares, including the Offered Shares, may differ materially from the forecasts described in the Prospectus or from the FUND's assumptions or expectations. The FUND does not undertake any obligation to update or modernise any forward-looking information included in the Prospectus.

Forward-looking information is identifiable in the Prospectus primarily by the fact that it is not based on past events. The forward-looking nature of information is also indicated by expressions such as 'strategy', 'intention', 'forecast', 'expectation', 'goal', 'plan', etc., and by the various forms of such expressions (including the corresponding verbs).

1.7. ACRONYMS AND DEFINITIONS

Unless the context otherwise requires, the following acronyms and terms are used in this Prospectus in the following meaning, and the singular form includes the plural and vice versa, unless the context otherwise requires:

Shares	All shares of the FUND, including the Offered Shares, with a nominal value of €10;
Auditor	The FUND's auditor Aktsiaselts PricewaterhouseCoopers;
Delegated Regulation	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004
Depository	AS Swedbank;
Dividend	A payout made on the basis of a resolution of the general meeting from net profit or retained earnings, which is based on the holding of the recipient of the dividends in the FUND. The Offered Shares grant the investor the right to receive dividends from financial year 2024;
DSCR	The debt service coverage ratio of the FUND. This indicator shows the multiple by which the EBITDA of the FUND exceeds the FUND's loan servicing costs. Calculated using the following formula: EBITDA of the period / (interest expenses + loan annuity payments (principal)); derived from the first letters of Debt Service Coverage Ratio;
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation;
Issuer	The FUND;
EPRA NAV	Indicates the net asset value (NAV) of the share recommended by the European Public Real Estate Association (EPRA). EPRA net asset value = (equity of the FUND + derivative instrument liability + deferred income tax liability related to property investments) / number of shares at the end of the period.
EURO	The single currency of the countries that are members of the European single currency system. The abbreviation for the euro is EUR and the symbol is €;
ESR	Estonian securities register kept by the Estonian branch of Nasdaq CSD SE;
Financial leverage	The use of external capital to finance investments, which the FUND may use when investing, which may comprise up to 65% of the value of the respective investment at the time the investment is made;
Financial Supervision Authority	The Estonian national financial supervisory authority that supervises the banks, insurance companies, insurance intermediaries, investment firms, fund management companies, investment and pension funds, payment institutions, e-money institutions, creditors and intermediaries and the securities market authorised by the Financial Supervision Authority;
FUND	EFTEN Real Estate Fund AS, registry code: 12864036, address: A. Lauteri tn 5, Tallinn, Harju County, 10114; LEI: 4851000008JBI71L7643;
Management Company	EFTEN Capital AS, registry code: 11505542, address: A. Lauteri tn 5, Tallinn, Harju County, 10114;
IFRS	International Financial Reporting Standards such as adopted by the European Union, according to which the consolidated financial statements of the FUND are prepared;
ISIN	International Security Identification Number, which is a unique number given to each security upon registration. In Estonia, ISINs are issued by Nasdaq CSD. In connection with the Offering, the Offered Shares are assigned a temporary ISIN EE3805127240 for the duration of the Offering, which will be closed following the entry of the share capital increase in the Commercial Register, and the Offered Shares issued during the Offering will receive the ISIN EE3100127242 assigned by Nasdaq CSD to the shares of the FUND;

LEI	A 20-digit alphanumeric identifier used worldwide to identify a legal entity, which is assigned to each legal entity only once, i.e. the same code cannot be assigned to someone else. The LEI does not replace the registry code issued by the Estonian Commercial Register; comes from the first letters of Legal Entity Identifier;
Management Board	The managing body of the FUND that represents and manages the FUND according to the Articles of Association;
Average weighted number of shares	The number of shares during the reporting period, weighted by time;
Profit per share	Net profit per share for the period, considering the weighted average number of shares over the period. Calculated using the following formula: Net profit/Average weighted number of shares for the period;
Group	The FUND with its Subsidiaries;
Financial year	The financial year of the FUND and the FUND's SPVs is a calendar year, i.e. from 1 January to 31 December;
Nasdaq Baltic	The Nasdaq Group consists of the stock exchanges, regulated markets and alternative markets First North, which are operated by Nasdaq's market operators in the Baltic States, i.e. Nasdaq Tallinn AS, Nasdaq Riga AS and AB Nasdaq Vilnius;
Nasdaq CSD	Nasdaq CSD SE Estonia branch;
NAV	Net asset value of the FUND's shares, calculated using the following formula: Equity of the FUND / number of shares of the FUND at end of period;
Supervisory Board	The managing body of the FUND, whose duty, in accordance with the procedure laid down in the Articles of Association of the FUND, is to plan and organise the management of the FUND and to supervise the activities of the Management Board of the FUND;
Offering	Public Offering of the Offered Shares of the FUND under this Prospectus and the listing and admission to trading of the Offered Shares;
Period of Offering	The period during which investors may subscribe for the Offered Shares, which will start on 21.11.2024 at 09:00 and end on 06.12.2024 at 15:30;
Offer price	The offer price of the Offered Shares, which is €19.00, of which €10,00 is the nominal value of the Offered Share and €9.00 is the issue premium;
Offered Shares	The 1,000,000 ordinary shares of the FUND issued on the basis of the Supervisory Board Resolution of 11 November 2024, which are offered publicly on the basis of this Prospectus. The FUND may exercise the Right of Increase at its discretion in the event of oversubscription;
Prospectus	This prospectus for public offering of the Offered Shares of the FUND and listing and admission to trading of the Offered Shares;
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;
Net profit	The difference between all income and expenditure amounts for the reporting period;
Articles of Association	The Articles of Association of the FUND in force at the date of the Prospectus and referred to in the Prospectus;

ROA	The indicator that characterises the return on assets of the FUND, is expressed as a % and is calculated using the formula: (net profit for the period/average assets for the period) x 100; derived from Return on Assets;
ROE	The indicator that characterises the return on equity of the FUND, is expressed as a % and is calculated using the formula: (net profit for the period/average equity for the period) x 100; derived from Return On Equity;
ROIC	The indicator that characterises the return on invested capital of the FUND, is expressed as a % and is calculated using the formula: (net profit for the period/average invested capital for the period) x 100; derived from Return On Invested Capital;
SPV	Special purpose vehicle for FUND investments, including Subsidiaries and EFTEN SPV11 OÜ, an affiliate of the FUND; derived from Special Purpose Vehicle;
Right of Increase	The right of the FUND to increase the Offering by 500,000 Offered Shares;
Subsidiaries	UAB "Saules Miestas", UAB "Verkių projektas", SIA "EFTEN Krustpils", EFTEN Tānassilma OÜ, EFTEN stasylu, UAB, EFTEN Laisves UAB, EFTEN Seljaku OÜ, EFTEN Laagri OÜ, EFTEN Evolution OÜ, EFTEN Tāhesaju tee OÜ, EFTEN Autokeskus OÜ, EFTEN Riga Airport SIA, EFTEN Piepilsētas SIA, EFTEN Rutkausko UAB EFTEN Piritā OÜ, EFTEN Rāmygalos UAB, EFTEN Valkla OÜ, EFTEN Ermi OÜ, EFTEN SPV2 OÜ, EFTEN SPV3 OÜ, EFTEN SPV4 OÜ, EFTEN SPV5 OÜ, EFTEN SPV7 OÜ, EFTEN SPV8 OÜ, EFTEN SPV12 OÜ, EFTEN SPV14 OÜ, EFTEN SPV15 OÜ, EFTEN SPV17 OÜ, EFTEN Jūrkane SIA, EFTEN Jelgava SIA, EFTEN Terbatā SIA, EFTEN Menulio UAB, EFTEN ABC SIA, Auras Centrs SIA, EFTEN Hārgmāe OÜ and EFTEN Paemurru OÜ;
General Meeting	the general meeting of shareholders, which is the highest managing body of the FUND;

1.8. SUBMISSION OF FIGURES

The financial information in the Prospectus is presented in euros, the official currency of the Member States of the European Union that are part of the euro area, unless the use of another currency is explicitly stated. The values of the figures included in the Prospectus are presented with a degree of precision that the FUND considers reasonably sufficient and adequate for the purpose of providing the information, avoiding excessive detail. As a result of the above, some figures are rounded to the nearest decimal or whole number, so the addition of percentages does not always add up to 100%.

1.9. INFORMATION RECEIVED FROM THIRD PARTIES

The third-party information referred to in the Prospectus has been referred to and accurately reproduced by the FUND and, so far as the FUND is aware and is able to ascertain from the information disclosed by the third party, no fact has been omitted which would render the reproduced information inaccurate or misleading. Where the information is provided by a third party, the Prospectus includes a reference to the source of such information.

1.10. INFORMATION PRESENTED AS REFERENCES

Financial results of the FUND for the financial year ended on 31.12.2023, financial results for 2024. The financial results of the FUND for the third quarter as at 30.09.2024 are presented in and form part of the Prospectus by reference. The documents attached as references are available for review at the registered office of the FUND at A. Lauteri 5 (Floor III), Tallinn, Estonia, as well as on the website of the FUND at www.eref.ee.

Any other documents or information on the websites of the FUND, the Management Company or any other website are not parts of the Prospectus and have not been verified or approved by the Financial Supervision Authority, and should not be relied upon by potential investors in deciding whether to invest in the Offered Shares. This does not apply to hyperlinks referring to information provided as a reference. However, the parts of the documents referred to below which are not added as references are not important to investors or the respective content is covered in the Prospectus.

The documents added to the Prospectus as references are as follows:

Document	Information added as references	Reference
2024. Interim Report for Q3	Unaudited 9-month interim financial statements of the FUND for the period ended on 30.09.2024 (pp 12–33).	https://eref.ee/wp-content/uploads/2024/10/EREF_9kuud_vahearuanne_2024_est.pdf
Consolidated annual report of the FUND for 2023	IFRS financial statements of the FUND for 2023 (pp 19–53) and auditor's report (pp 54–63)	https://eref.ee/wp-content/uploads/2024/02/EFTEN-Real-Estate-Fund-AS-2023-est.pdf
Key information	Key information on the FUND	https://eref.ee/wp-content/uploads/2024/02/EREF_Investorile_esitativ_pohiteaveEST_2024_02.pdf
Articles of Association	Articles of Association of the FUND	https://eref.ee/wp-content/uploads/2024/10/EREF_pohikiri.pdf

1.11. APPROVAL OF PROSPECTUS

The Prospectus has been prepared in the format of a simplified prospectus pursuant to and in accordance with Article 14 of the Prospectus Regulation. The Prospectus has been approved by the Financial Supervision Authority, acting as the competent authority in the Republic of Estonia, under registration number 4.3-4.9/5662.

Approval of the Prospectus in the Financial Supervision Authority does not imply that the Financial Supervision Authority has verified the accuracy of the information published in the Prospectus. The Financial Supervision Authority only confirms that the Prospectus complies with the requirements for completeness, understandability and consistency established by the Prospectus Regulation. The approval of the Prospectus by the Financial Supervision Authority is not considered as confirmation of the quality of the Offered Shares of the FUND or the Prospectus. Investors must assess the suitability of investing in the Offered Shares themselves.

1.12. AVAILABILITY OF PROSPECTUS

The Prospectus has been approved by the Financial Supervision Authority as stated above, published via the Nasdaq Tallinn information system at <http://www.nasdaqbaltic.com/> and is available for review at the registered office of the FUND at A. Lauteri 5 (Floor III), Tallinn or on the website of the FUND at www.eref.ee or on the website of the Financial Supervision Authority at www.fi.ee. Any interested person may obtain from the FUND, free of charge, an electronic copy of the Prospectus, an English translation thereof and/or a summary of the Prospectus. A paper copy of the Prospectus, a translation thereof and/or a summary of the Prospectus will be sent on request to any interested person in Estonia, Latvia or Lithuania, i.e. the FUND will only send the Prospectus to the jurisdictions in which the Offering is being carried out.

2. 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: www.eref.ee ; tel: +372 655 9515, email: info@eften.ee
The competent authority that approved the Prospectus, its contact details and date of approval of the Prospectus	The 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: fi.ee ; tel: +372 668 0500, email: info@fi.ee

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 Õim
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 depository 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 (audited)	31.12.2022 (audited)	30.09.2024 (unaudited)	30.09.2023 (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.

3. RISK FACTORS

Investing is always related to risks that, either individually or in combination, may have an adverse impact on the activities of the FUND or the SPVs and/or the value of the Shares or affect the saleability of the Shares. The following risks which, for the sake of better readability, have been grouped into three categories according to the category that is the most relevant for the given risk factor and based on the principle that the risk factor mentioned first is the most significant in the opinion of the FUND are deemed to be significant by the FUND. The following risk factors do not necessarily indicate the likelihood of their occurrence and possible significance. Investors must keep in mind that the list given in the Prospectus is not an exhaustive list and in addition to those specified in the Prospectus, there may be risks that are not currently known to the FUND or that the FUND currently considers to be insignificant but which may also affect the FUND or the SPVs or the price of the FUND's Shares. Therefore, investments in the FUND may bring a profit or loss to the shareholders of the FUND and the preservation of the investment made in the FUND is not guaranteed. In the event of a combination of negative circumstances, risks may materialise and their impact on the activities of the FUND may be so great that the shareholder may lose all or a significant part of their investment. The magnitude of the impact of risks cannot be fully predicted and may be greater in adverse circumstances than would normally be expected for this type of fund. When investing in the FUND, it must be kept in mind that neither the past performance nor the operating history of the FUND is a promise or indication, either now or in the future, of the FUND's performance or of the achievement of its operational objectives in subsequent periods. Before making the decision to acquire the Offered Shares of the FUND, you should carefully read this Prospectus in its entirety and assess your financial situation, if necessary with the advice of a competent adviser.

3.1. RISKS SPECIFIC TO THE FUND AND THE GROUP'S AREA OF ACTIVITY

The main risks associated with the activities of the FUND and the Group are:

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). Risks of this nature are often associated with changes in the macroeconomic environment of the Baltic States – against the background of the general economic downturn, the financial situation of the counterparty is deteriorating and they are not able to cover their liabilities to FUND. At the same time, such risks can be 'counterparty-specific' – individual companies become insolvent even in favourable macroeconomic conditions. 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. To this end, the FUND (acting either directly or through SPVs established/acquired or to be established/acquired in the future, as the case may be) intends to enter into lease agreements generally only with parties previously identified as creditworthy. This analysis of the client will be done on a Know Your Client basis before the lease agreement is signed. If it turns out that there is a risk of the tenant becoming insolvent, each potential receivable will be assessed individually and, if necessary, it is decided to classify the receivables as doubtful. In general, the plan is to assess receivables overdue for more than 180 days as doubtful, unless the Management Company is sufficiently certain that the receivables will be received or a payment schedule has been made regarding the receivable.

Interest rate risk – the risk of changes in the future cash flows of financial instruments due to changes in market interest rates. 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, including in the Offered 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.

Liquidity risk arises from a potential change in the financial position that would reduce the Group's ability to service its liabilities in a timely and appropriate manner. The Group's liquidity is primarily influenced by the following factors: a decrease in or the volatility of rental income, the vacancy of rental premises, the difference in the time of realisation of assets and the deadlines of liabilities as well as the flexibility of changing them, the marketability of long-term assets, the volume and pace of real estate development activities and the financing structure. The objective of the FUND is to manage its net cash flows in such a manner that, when the real estate investments belonging to the FUND's SPVs are made, external capital is raised to the extent of up to 65% of the cost of the investment at the time the investment is made, and that the DSCR of the FUND or SPV at the time the investment is made is not higher than 1.2. The FUND's financing policy requires that loan agreements for raising external capital are entered into as long-term agreements, taking into account the maximum length of the lease agreements encumbering the properties. The materialisation of liquidity risk may have a negative impact on the FUND's financial performance and may reduce profits or lead to losses.

Custody risk is the risk that the depositary of the FUND may become insolvent, which may result in the loss of ownership of the assets held by the depositary, as well as the risk that assets may be destroyed or lost, or that misuse of assets (e.g. theft) may occur in any other way. The risk can be mitigated by continuous monitoring of the activities of partners and demanding reports. In addition, all investment properties of the Group will be insured. The Group's investment properties will be insured against various types of losses, but there may nevertheless be a risk that the insurance policies taken out do not cover all risks (limitation of insurance contracts), e.g. if the insurance risk is not insured or the premium payable is unreasonably high in relation to the probability of the risk occurring. The insurance procurements organised by the Management Company include the risks usually covered when investment properties are insured in the Group's area of activities, but this may still not be sufficient and may lead to a reduction in the value of the Group's assets, negatively affect financial performance or bring about the need to incur additional expenses.

Appraisal risk. The Group's real estate is appraised by an external real estate appraiser. The purpose of the appraisal of the Group's immovables is to find the market value. Appraisal reports are prepared on the basis of certain assumptions, which may prove to be incorrect and, in turn, may have a negative impact on the Group's financial performance, including the profitability of the FUND. For example, the exclusivity of the Group's investment properties or the SPV owning the investment property trading on an unregulated securities market may complicate the valuation. In addition, the market value of the Group's real estate may change in either direction after acquisition due to circumstances beyond the control of the FUND or the Management Company.

Risk of conflict of interest. A conflict of interest is a situation where the interests of a person (the Management Company, the Depositary, a client, etc.) conflict with the interests of the FUND or the SPVs, including the interests of the Subsidiaries. For example, transactions with persons related to the Management Company, conflicting incentive schemes of the Management Company's managers or employees, or the fact that an independent

custodian belongs to the same group as the Management Company may create a situation of conflict of interest. Viljar Arakas, a member of the Management Board of the FUND, is also a member of the Management Board of the Management Company. In order to mitigate the risk, the FUND's Articles of Association prohibit the FUND from acquiring assets from the Management Company, the members of its Management Board or Supervisory Board, its auditors, employees of the FUND or persons having a business interest in common with the aforementioned persons, or from other Funds managed by the Management Company. As an exception, the acquisition of assets from the Management Company and other Funds managed by the Management Company is permitted under the conditions provided by law and only with the approval of the Supervisory Board. The FUND may also not transfer its assets to the Management Company, the members of its Management Board or Supervisory Board, its auditors, the employees of the FUND or persons who have a common business interest with the aforementioned persons, or the other Funds managed by the Management Company. As an exception, the transfer of assets to the Management Company and other Funds managed by the Management Company is permitted under the conditions provided by law and only with the approval of the Supervisory Board. The FUND may not acquire or have a holding in the Management Company or its Subsidiary. The materialisation of a risk caused by a conflict of interest may result in a decrease in the return on the investment in the FUND's Shares.

Risk of dependence on key personnel. The success of the Group depends on the competence of the members of the Management Board and the Supervisory Board of the FUND, the managers of the SPVs and the key personnel of the Management Company, and their departure could have a negative impact on the financial performance. It is intended to mitigate this risk by sharing of important information and teamwork, training the next generation and knowledge sharing, and continuous monitoring of the activities of the Management Company.

Reputational risk is a risk to the Group's reputation that has an adverse impact on the Group in the eyes of the public, investors and partners, irrespective of whether such information is true, and thus may reduce the Group's competitiveness and earnings. It is intended to mitigate reputational risk through transparent, open and honest operation on the market, and giving the public adequate information.

IT risk is the risk to the Management Company's information systems, including attacks on email channels and technical failures. IT risk is mitigated by having in place adequate and necessary data security systems and alternative ways to continue operations in the event of a disruption of e-channels that correspond to the size of the company. The Group's day-to-day operations may be temporarily disrupted due to attacks or technical failures, which may have an adverse impact on the profitability of the Group's economic activities.

Environmental pollution risk is the risk that environmental pollution may be discovered on the properties acquired by the Group. According to environmental protection legislation, the owner is often liable even in cases where the immovable was polluted before acquisition and the owner was unaware of this at the time of acquisition. In order to mitigate the risk, it is intended to require the seller to provide the respective information when an audit is carried out in the preparation stage of the acquisition and to include a confirmation about the circumstances related to pollution in the sales contract. However, this may still not be sufficient and, if the pollution is discovered later, it may not be possible to realise the resulting claims against the seller.

3.2. POLITICAL, ECONOMIC AND LEGAL RISKS AFFECTING THE FUND'S ACTIVITIES

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 through the poorer accessibility of building materials or price increases (primarily having a negative impact on the financial performance of the FUND's investment properties still in the stage of development) and 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)

Legislative risk arises from possible changes in political decisions and/or the area of law, including tax law, investment legislation, which may change significantly and have an adverse impact on the value of the Group's assets or reduce the expectations of investors regarding the return on their investment. The FUND operates in a highly regulated sector. The activities of the FUND are governed by EU directives and regulations, national laws,

regulations, guidelines and policies. Thus, changes in the applicable legal regime and regulations may also bring about obligations for the FUND to amend the documentation of the FUND or bring about the obligation to follow additional rules. The FUND cannot predict changes or their extent or impact on the FUND's operations and financial performance.

Political risk is the risk that significant (political) events may occur in the country or region where the FUND's assets are invested or where the SPVs in which the FUND's assets are invested are located and operate, as a result of which the investments lose some or all of their value. The geographical target markets of the FUND are Estonia, Latvia and Lithuania, which are politically relatively stable. However, the external political factors affecting the Baltic States are relatively similar. In order to reduce political risk, the FUND's investments are diversified across countries and developments on target markets are constantly monitored. Nevertheless, the exact timing and extent of changes in the economic environment cannot be predicted and changes may lead to a material deterioration in the Group's financial performance.

Competition risk. The Group operates on the highly competitive real estate market, which may have an adverse impact on the Group's operations and profitability. In addition to the licensed market participants operating on the same geographic markets as the FUND, there are also those that are not subject to such onerous regulatory and capital requirements (e.g. crowdfunding companies) and may therefore have a competitive advantage on the relevant market.

Risk hedging risk. The principles of risk spreading laid down by law and the FUND's Articles of Association, including investing through SPVs and spreading investments between target market countries, are applied when the FUND's assets are invested. It must be kept in mind that, by law, closed-end funds are subject to fewer risk-spreading requirements than open-end funds.

Litigation risk. The Group constantly monitors the performance of contracts, but disagreements or situations where counterparties to transactions fail to perform their obligations may still arise, which cannot be resolved through negotiation and may result in litigation. The outcomes of such disputes are difficult to predict and their unfavourable results may cause costs for the Group.

Risk associated with health crises – In the early spring of 2020 and the following years, the world's economies, including the economies of the Baltic States, and the real estate sector were affected by the most widespread outbreak of a virus, COVID-19, in recent decades. Strict national restrictions were imposed in order to prevent the spread of the virus, which had an impact on the real estate market, in particular in the retail and hotel-oriented real estate segment. Although at the time of writing this Prospectus the outbreak has receded, a wide spread or pandemic of this or any other virus cannot be ruled out. Therefore, a very widespread acceleration of any virus outbreak and the reintroduction of restrictions could affect the Group's activities (in particular in the trade sector) and lead to lower than expected rental income, thereby negatively impacting the financial results and returns of the FUND.

3.3. RISKS ASSOCIATED WITH THE FUND'S SHARES AND THE OFFERING, ADMISSION TO TRADING AND LISTING

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 Shares of the FUND have been admitted to trading on the main list of Nasdaq Tallinn Stock Exchange since 1 December 2017 and the FUND will submit a request for listing and admission to trading of the Offered Shares after the subscription period. The relatively small market capitalisation and low liquidity of Nasdaq Tallinn Stock Exchange may adversely affect the ability of shareholders to sell the Shares on Nasdaq Tallinn Stock Exchange or may increase the volatility of the Share price. Low activity 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. As the FUND is a closed-end fund, the Shares are not redeemable at the request of the investor, which means that the FUND has no obligation to redeem the Shares, including the Offered Shares, at the net asset value of the Shares. Investors can only transfer the Shares by entering into a transaction on the Tallinn Stock Exchange or by an OTC transaction at a price agreed between the parties. This means 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 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). The General Meeting of the FUND may also decide not to pay dividends from the profit if it would be possible considering the financial status of the FUND.

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, subsequent issues, the FUND may raise capital as necessary, including 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.

Risk of cancellation of offering. Although the FUND and the Management Company will make every effort to ensure that the Offering is successful, the FUND cannot guarantee the success of the Offering. Investors may not receive the Offered Shares they subscribed for. In such a case, the FUND has the right to extend the subscription period, exercise the Right of Increase or cancel the Offering. In the event of undersubscription or cancellation of the Offering, it will be necessary to find alternative sources of funding for the planned investments disclosed in the Prospectus or to change the size, timing, etc. of the investments.

4. OFFERING

According to the resolution of the Supervisory Board of the FUND of 11 November 2024, which is based on the resolution of the General Meeting of 16 October 2024 and the authorisation received from the Supervisory Board for increasing the share capital of the FUND, the FUND will issue up to 1,000,000 Offered Shares. In doing so, the FUND reserves the Right of Increase to increase the Offering by 500,000 Offered Shares.

The FUND offers the 1,000,000 Offered Shares publicly only in Estonia, Latvia and Lithuania to natural and legal persons (which may be both non-professional and professional investors) and the Offered Shares will not be offered in any other jurisdiction. For more details on the conduct of the Offering, see point 4.2 "Conduct of the Offering" of the Prospectus. The existing shareholders of the FUND have pre-emptive subscription rights under the Articles of Association of the FUND in accordance with applicable law and the terms and conditions of the Offering, and this has not been precluded by a resolution of the General Meeting. The FUND is not aware of the possible intention of any major shareholder, member of a managing body of the FUND or a member of the managing body of the Management Company to subscribe for more than five percent of the volume of the Offering during the Offering.

The FUND is the organiser of the Offering. The Management Company represents the FUND in the administrative procedure for the registration of the Prospectus. In the marketing activities the FUND is represented by the Management Company in cooperation with the main distribution partner AS LHV Pank (registration code: 11532616; address Pärnu mnt 10, Tallinn 10148, Estonia, herein **LHV**) and co-partners in Estonia and Latvia AS Redgate Capital (registration code 11532616; address Pärnu mnt 10, Tallinn 10148, Estonia) and in Lithuania - UAB FMĮ "Orion securities" (registration code 122033915; address Antano Tumėno g. 4, Vilnius LT-01109). In addition to marketing LHV consults the FUND on starting the auction on stock exchange as well as consults and supports the FUND on technicalities regarding the distribution of Offered Shares. The Offered Shares of the FUND can be subscribed for through the custodians of Nasdaq CSD Estonia branch (hereinafter: **Nasdaq CSD**) and, in Latvia and Lithuania, through a financial institution that is a member of Nasdaq Baltic and manages the investor's securities account. None of these persons has any obligation to ensure the success of the Offering or the underwriting of the Offered Shares to a certain extent.

The FUND has the right to offer the Offered Shares of the FUND repeatedly during the term of the Prospectus. In such a case, a new prospectus will be prepared and registered with the Financial Supervision Authority, which may refer to this Prospectus. The following public offerings of the shares of the FUND to be organised under the Prospectus may take place in Estonia, Latvia and Lithuania, provided that the FUND complies with the conditions for the organisation of a public offering in the respective country. The FUND does not exclude the possibility of offering new Shares also non-publicly in the future only to professional investors in Estonia, Latvia and/or Lithuania. The precondition for offering new Shares of the FUND is a resolution of the General Meeting of shareholders of the FUND or, in accordance with the procedure laid down in the Articles of Association, of the Supervisory Board to issue such new Shares.

After the Offering Period, the FUND will submit an application for listing and admission to trading of the Offered Shares on the regulated market in the Baltic main list of Nasdaq Tallinn.

The Prospectus of the Offering has been approved by the Financial Supervision Authority, which is the relevant competent authority in Estonia.

4.1. OFFERED SHARES

Offered Shares and scope of Offering

Ordinary shares of the FUND, each with a nominal value of €10.

The FUND will issue up to 1,000,000 new shares, the total nominal value of which is €10,000,000. 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 (the Offered Shares); existing Shares will not be sold in the course of the Offering. The actual scope of the issue may be smaller. See sub-point "Undersubscription and Cancellation of Offering" of point 4.2 "Conduct of the Offering" of the Prospectus. 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 settlement day of Nasdaq CSD on 20 November 2024 have the pre-emptive right to subscribe for the Offered Shares within the scope, which equals the sum of the nominal values of the existing shares. This is without prejudice to the right of existing Shareholders to subscribe for more

	or fewer Offered Shares or not to subscribe at all. For more details on the preemptive right of shareholders, see point 4.2 “Conduct of the Offering”.
Offer price of the Shares	The offer price of one Offered Share is €19.00, of which €10,00 is the nominal value of the Offered Share and €9.00 is the issue premium.
Rights arising from the Offered Shares	The Offered Shares grant a shareholder the same rights that are attached to the existing Shares, including the right to attend the general meetings of the shareholders of the FUND and, from the financial year 2024, in the distribution of profits, and upon the termination of the FUND, in the distribution of the remaining assets of the FUND, as well as the other rights laid down by law and the Articles of Association. The rights arising from the Shares are described in detail in point 5.2 “Shares of the FUND and Related Rights” of the Prospectus.
Time of emerge of rights of the Offered Shares	The increase in the share capital of the FUND will enter into force upon its registration in the Estonian Commercial Register. From this date, all rights of the shareholder arising from the Offered Shares will also emerge, see point 5.2 “Rights attached to shares” of the Prospectus. The expected date of registration of the share capital increase is 23 December 2024 (which may change). The Offered Shares will grant the right to receive dividends from the financial year 2024. For further information on the taxation of dividends, see point 9.2 “Taxation of Dividends” of the Prospectus.
Registration of the Offered Shares	The Offered Shares will be registered with the Estonian Register of Securities.

4.2. CONDUCT OF THE OFFERING

Period of Offering (subscription for the Offered Shares) and schedule	The Offering period starts at 9:00 (Estonian time) on 21 November 2024 and ends at 15:30 (Estonian time) on 6 December 2024.	
	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
	If less than 1,000,000 shares Offered Shares are subscribed for during the Offering Period, the Management Board of the FUND has, in accordance with effective law and the resolution of the Supervisory Board, the right to extend the subscription period or to cancel the Offered Shares that were not subscribed for within the subscription period. If the FUND decides to exercise the right to extend the Offering Period, the FUND will give notice of the extension of the Offering Period at least one business day before the end of the Offering Period on the FUND’s website and via the Nasdaq Tallinn Information System.	
Right to participate in the Offering.	The public offering is aimed at all natural persons and legal entities in Estonia, Latvia and Lithuania. For the purposes of this Prospectus: (i) persons who have opened securities accounts in Nasdaq CSD are deemed to be ‘persons in Estonia’; (ii) persons who have securities accounts in a financial institution that is a member of the Nasdaq Baltic Stock Exchange in Latvia’; (iii) persons who have securities accounts in a financial institution that is a member of the Nasdaq Baltic Stock Exchange in Lithuania’.	
Description of a typical investor	The FUND is suitable for both professional and non-professional investors who want to make medium-risk passive investments in real estate. When investing in the FUND, an investor must be prepared to tolerate the cyclical nature of the real estate market and the risks associated with changes.	

	<p>An investor with no prior experience of investing in shares and/or closed-end alternative investment funds should consult a professional investment adviser to understand the risks involved in investing, including the relationship between risk and expected return.</p>								
<p>Quantitative subscription limits</p>	<p>An investor may subscribe for any number of the Offered Shares. The minimum and maximum number of the Offered Shares that can be subscribed for has not been established.</p>								
<p>Pre-emptive right to subscribe for the Offered Shares.</p>	<p>Upon the increase of share capital, the existing shareholders of the FUND, i.e. the persons who have been entered in the list of shareholders of the FUND as at 20 November 2024 COB of Nasdaq CSD, have a preemptive right to subscribe for the new Shares in proportion to the sum of the nominal values of their shares.</p> <p>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% x 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 ÷ 10,819,796).</p> <p>If all existing shareholders of the FUND decide to exercise the pre-emptive subscription right to the maximum, this would be more than the total scope of the Offering and in such case the Supervisory Board will decide on the allocation of the Offered Shares in accordance with the Articles of Association of the FUND.</p> <p>A Shareholder may to transfer their pre-emptive right to subscribe for the Offered Shares. The contract for transfer of the pre-emptive right to subscribe for the Offered Shares must be submitted to the FUND not later than by the end of the Offering Period, i.e. by 16:00 o'clock Estonian time on 6 December 2024.</p> <p>The pre-emptive right of existing shareholders under the law and the Articles of Association is without prejudice to the right of existing shareholders to subscribe for the Offered Shares, if they so wish, to a greater or, conversely, a lesser extent or not to subscribe for the Offered Shares at all.</p> <p>No other group of investors (incl. persons related to the FUND or the Management Company) has any advantages or special rights during the Offering.</p>								
<p>Procedure for subscription for shares</p>	<p>Investors may only submit subscription orders for the Offered Shares during the Offering Period. In order to subscribe for the Offered Shares in Estonia, the investor must have a securities account in Nasdaq CSD. In order to subscribe for the Offered Shares in Latvia or Lithuania, the investor must have a securities account with a financial institution that is a member of Nasdaq Baltic Stock Exchange.</p> <p>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. Subscription orders submitted through a nominee account will only be taken into account upon distribution if the holder of the nominee account has actually disclosed the identity of the investor and the address and identity or registration number of the investor in writing. An investor may submit a subscription order in person or through a representative whom the investor has authorised to submit a subscription order in the form prescribed by law.</p> <p>In order to submit subscription orders in Estonia, an investor should contact the custodian of the their securities account by contacting the client administrator by telephone or electronic channels or by any other method offered by the investor's custodian.</p> <p>The list of Nasdaq CSD custodians is available at Nasdaq CSD website: https://nasdaqcsd.com/estonia/et/list-of-participants/</p> <p>A subscription order in Estonia must include the following information:</p> <table border="1" data-bbox="563 1912 1461 2058"> <tr> <td data-bbox="563 1912 906 1951">Owner of securities account:</td> <td data-bbox="906 1912 1461 1951">Name of investor</td> </tr> <tr> <td data-bbox="563 1951 906 1989">Securities account:</td> <td data-bbox="906 1951 1461 1989">Investor's securities account number</td> </tr> <tr> <td data-bbox="563 1989 906 2027">Custodian:</td> <td data-bbox="906 1989 1461 2027">Name of investor's custodian</td> </tr> <tr> <td data-bbox="563 2027 906 2058">Security:</td> <td data-bbox="906 2027 1461 2058">EFTEN Real Estate Fund share additional 7</td> </tr> </table>	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
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 of the transaction:	Securities order 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**, 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 a financial institution and complies with the terms and conditions of the Prospectus.

In **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 a financial institution and complies with the terms and conditions of the Prospectus.

The list of Nasdaq Baltic members is on the Nasdaq Baltic website <https://nasdaqbaltic.com/statistics/et/members>

Each investor must ensure that the information included in their subscription order is correct, complete and unambiguous. The FUND reserves the right to reject an incomplete, incorrect or unclear subscription order.

By submitting a subscription order, the investor:

- 1) agrees to the terms and conditions of the Offering and confirms that the investor is resident in Estonia, Latvia or Lithuania, as required in the Prospectus, and is not subject to the laws of any other jurisdiction which would prohibit it from submitting a subscription order or acquiring or holding the Offered Shares;
- 2) agrees that the Offering does not constitute an offer to enter into a contract of sale of the Offered Shares and that the submission of a subscription order does not create a binding contract of sale between the FUND and the investor;
- 3) represents and warrants that they are aware of the investment risks associated with investing in alternative investment funds which may exceed their knowledge and experience;
- 4) represents and warrants that they have read the FUND's Key Investor Information;
- 5) confirms that they accept the Articles of Association of the FUND and agree to comply with its provisions as a shareholder of the FUND;
- 6) agrees that by submitting a Subscription Order, the investor undertakes to pay for the Offered Shares allocated to the investor up to the amount specified in the Subscription Order;
- 7) grants their consent to the transfer of the subscription order(s) to Nasdaq CSD and the FUND and to the exchange of their data between the FUND, Management Company, marketing partners, Nasdaq CSD and the custodians before the Offering, during the Offering Period and after the end of the Offering;
- 8) accepts and agrees that the FUND, Management Company and marketing partners have the right to receive daily information in respect of the subscription orders submitted to Nasdaq CSD;
- 9) agrees that the number of the Offered Shares allocated to them may be smaller than stated in the subscription order;

	<p>10) undertakes to acquire the number of the Offered Shares allocated to them and to pay for them in accordance with the terms and conditions specified in this Prospectus;</p> <p>11) authorises the custodian, FUND marketing partner, or financial institution through which the subscription order is submitted and Nasdaq CSD to change the data given in the investor's subscription order, if necessary, according to the result of the allocation of the Offered Shares, the number of the securities and/or the transaction amount according to the terms and conditions of the Offering; also to correct or clarify any obvious errors or inaccuracies, that may occur in the purchase order.</p>
Amendment and cancellation of subscription order	<p>The investor may change or cancel the subscription order at any time before the end of the Offering Period. The investor has to contact their custodian to do this. All costs incurred in connection with the amendment or cancellation of a subscription order will be borne by the investor. An amendment to a subscription order will take effect from the moment the relevant custodian modifies the investor's transaction order.</p>
Procedure and deadline for payment for Offered Shares	<p>By submitting a subscription order, the investor authorises their custodian to immediately block the amount of money in their account that corresponds to the total price of the Offered Shares the investor subscribed for.</p> <p>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 custodian or a financial institution that is member of the Nasdaq CSD Stock Exchange or a Nasdaq CSD custodian and manages the investor's securities account, at the moment the subscription order is submitted.</p>
Oversubscription and Exercise of the Right of Increase	<p>The public 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 €18,950,000. In this case, the FUND decides on the exercise of the Right of Increase (including its extent).</p>

<p>Distribution of Offered Shares</p>	<p>The Offered Shares are distributed between investors on the basis of the following principles:</p> <p>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 right of the respective shareholder to subscribe for the Offered Shares with the pre-emptive right. In respect of the part that exceeds the aforementioned quantity, the existing shareholders participate in the Offering equally with all other investors.</p> <p>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:</p> <ul style="list-style-type: none"> (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. <p>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.</p> <p>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.</p> <p>Oversubscribed Offered Shares will be cancelled in the part exceeding the Offering, unless the FUND exercises the Right of Increase.</p>
<p>Informing of the results of the Offering</p>	<p>The FUND will announce the initial results of the Offering without delay as they become available in market news, presumably at the end of the Offering Period and the final results in the Commercial Register as they become available after the share capital increase in market news presumably on 23 December 2024 (the date may also change).</p>
<p>Undersubscription and cancellation of part of the Offering</p>	<p>Undersubscription is not applied to the Offering.</p> <p>If fewer than 1,000,000 Offered Shares are subscribed for, the Management Board of the FUND will extend the Offering Period or cancel the Offered Shares that were not subscribed for within 15 days of the end of the Offering Period.</p> <p>In the case of undersubscription, i.e. cancellation of part of the offering in respect of the Offered Shares that were not subscribed for, the FUND will inform about this on the website of the FUND and via the information system of Nasdaq Tallinn.</p>
<p>Registration and transfer of the Offered Shares</p>	<p>The Offered Shares will be registered in the Nasdaq CSD 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.</p> <p>The increase of the share capital will be registered in the Commercial Register presumably on 23 December 2024 (this date may also change).</p>
<p>Expenses and fees of investors in relation to acquisition of the Offered Shares</p>	<p>The custodian may charge a fee for the receipt and settlement of subscription orders (which also applies to the existing shareholders and the subscription orders submitted during any subsequent offering), the amount of which can be obtained from the custodian. Said fee will be added to the price of the Offered Shares for which the investor subscribes and blocked on the investor's account at the moment the Offered Shares are subscribed for. The fee will be debited from the investor's account at the same time when the price of the Offered Shares is debited upon the</p>

	distribution of the Offered Shares, in proportion to the number of the Offered Shares actually distributed to the investor. Any costs or fees incurred by the investor when submitting, amending or cancelling a subscription order must be paid by the investor in accordance with the price list of the investor's custodian.
Cancellation or amendment of the Offering	The FUND reserves the right to cancel the Offering or to amend the terms and conditions of the Offering described in the Prospectus until the Shares offered during the Offering are registered and transferred. In the case of amendment or cancellation of the Offering, the FUND will inform about this on the website of the FUND and via the information system of Nasdaq Tallinn.
Trading in shares	Trading in the Offered Shares is expected to commence on Nasdaq Tallinn on 30 December 2024 (the date may change).
Special interests; conflict of interest	There is no situation of a conflict of interest in relation to the Prospectus as far as the FUND is aware. Neither does the FUND, the Management Company or the Shareholders have any special interests, other than the pre-emptive rights of the existing shareholders to subscribe for the Offered Shares. 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.
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, provided that the FUND does not use the Right of Increase. The share capital of the FUND after the registration of the increase of share capital will be €118,197,960, provided that the number of the Offered Shares will not be changed during the Offering. 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.

4.3. OBJECTIVE OF OFFERING AND USE OF PROCEEDS

The Offering allows the FUND to raise funds in order to continue the implementation of the investment policy of the FUND and the acquisition of suitable investments.

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 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 €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.

5. SHARES OF THE FUND AND RELATED RIGHTS

5.1. GENERAL INFORMATION ON THE SHARES OF THE FUND

The FUND has only one type of shares – ordinary shares. The nominal value of a Share is €10. The Shares of the FUND are registered in the Estonian Central Register of Securities with ISIN EE3100127242 in the form of an electronic registry entry in accordance with the law of the Republic of Estonia. No share certificates will be issued for the Shares.

The Shares of the FUND have been freely tradable on the main list of Nasdaq Tallinn Stock Exchange since 1 December 2017. The ticker of the Share of the FUND is EFT1T. After the subscription period, the FUND will submit a request for listing and admission to trading of the Offered Shares on the main list of Nasdaq Tallinn Stock Exchange as soon as possible after the registration of all Offered Shares in the ESR and the increase of the share capital in the Commercial Register. The FUND takes all necessary measures and makes every effort to act in accordance with the Rules of Nasdaq Tallinn Stock Exchange to ensure that the request of the FUND is approved. The presumed date of listing and admission to trading of the Offered Shares at Nasdaq Tallinn Stock Exchange is 30 December 2024, which may change.

The share capital of the FUND before the Offering is €108,197,960 and the FUND has 10,819,796 Shares. In the course of this Offering, the FUND will issue 1,000,000 Offered Shares at a price of €19.00. If the Offering is successfully completed, i.e. all Offered Shares have been subscribed for and the increase of share capital has been registered in the Commercial Register, the FUND will have a total of 11,819,796 Shares and the new amount of the share capital will be €118,197,960, provided that the FUND does not exercise the Right of Increase. The Offered Shares will be issued in euros.

The General Meeting of the FUND and, during the time determined by a resolution of the General Meeting, the Supervisory Board have the right to increase the share capital and issue new Shares according to the Articles of Association of the FUND. According to the resolution of the General Meeting of 16 October 2024, the General Meeting granted the Supervisory Board of the FUND, for a period of six months as of the adoption of the resolution of the General Meeting, the competence to decide on the increase of the share capital of the FUND, taking into account that the monetary volume of the additional capital to be raised does not exceed €30,000,000 and the existing shareholders keep their pre-emptive right.

The FUND may not issue preference shares or convertible bonds, or any other securities granting its holder rights similar to those arising from preference shares or convertible bonds. Switching the Shares of the FUND into shares or units of other funds managed by the Management Company is not permitted according to the Articles of Association of the FUND. The FUND will also not repurchase Shares, including Offered Shares, from shareholders.

The net asset value per Share is calculated in euros and is published to shareholders on a monthly basis. In addition to the net asset value per Share calculated in accordance with the IFRS mentioned above, the FUND also calculates and discloses the EPRA NAV in its monthly net asset value per Share announcements and other financial statements as of 2019. The EPRA net value reflects the long-term net value. This has been recommended by the European Public Real Estate Association (EPRA) and is widely used by listed European real estate companies. It is assumed that the real estate company has a long-term economic strategy, which is why temporary differences in a situation where the sale of assets in the foreseeable future is unlikely, blur the transparency of the fair value of the net assets of the FUND, and the deferred income tax expense and the fair value of financial instruments related to investment properties are therefore eliminated from the net asset value calculated in accordance with the IFRS to calculate the EPRA NAV.

5.2. RIGHTS ATTACHED TO SHARES

This section "Rights attached to shares" provides an overview of the important rights belonging to the shareholders of the FUND. Shareholders must exercise the rights attached to the Shares in good faith and in accordance with the law and the Articles of Association of the FUND. The purpose of exercising the rights of shareholders must not be to cause harm other shareholders, the FUND, the Management Company, the Depository or third parties.

A shareholder is not personally liable for the obligations of the FUND.

5.2.1. Transfer of shares

The Shares of the FUND may be freely transferred and pledged, considering the respective terms and conditions of the custodian of the securities account of the holder of the Shares, Nasdaq CSD and/or Nasdaq Tallinn Stock Exchange related to the transaction.

5.2.2. Right to attend the General Meeting, right to vote

Each Share grants one vote to a shareholder at the general meeting. A Share gives the shareholder the right to attend the General Meeting and participate in the distribution of the FUND's income and, upon the dissolution of the

FUND, in the distribution of the remaining assets in proportion to the shareholder's holding in the share capital of the FUND, as well as the other rights set forth by law and in the Articles of Association.

5.2.3. Dividend rights

The FUND distributes its income to shareholders as dividends. If the resolution to increase the share capital of the FUND does not set out the date from which the Shares grant the right to receive dividends, the right to receive a share of the distribution of the income of the FUND (dividend) arises in the financial year in which the entry about the share capital increase is made. If a deadline is specified in the resolution, the right to receive the dividend may not be later than for the financial year following the share capital increase.

A share of the profits (dividend) will be paid to a shareholder of the FUND each year in proportion to the nominal value of the shareholder's shares, if this is possible under the law and the General Meeting of the FUND so decides. 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.

The distribution of the income of the FUND is determined on the basis of the total net cash flow of rent payments of the cash-flow generating real estate 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. This policy may be deviated from if this is justified by developments in the economic environment or the outlooks of the economic activities of the FUND. The amount of dividends to be paid out will be approved by the creditors if necessary (e.g. if such a provision exists in the financing agreement). However, paying out dividends is not permitted if the net assets of the FUND presented in the annual report approved at the end of the last financial year of the FUND are or would be less than the total amount of share capital and reserves, the payment of which to shareholders is not permitted pursuant to law or the Articles of Association.

The distribution of the FUND's income is decided by the General Meeting of the FUND. The distribution of the FUND's income will be discussed at the General Meeting as a separate item on the agenda and a separate resolution will be adopted about this, which will determine the date by which the list of shareholders must be fixed for the payment of dividends, the amount of the dividend per Share and the conditions for paying out of the dividend. The resolution is adopted by the General Meeting if more than half of the shareholders present at the meeting are in favour. If the General Meeting decides to pay out dividends, this decision also applies to those shareholders who voted against this. A shareholder may dispute the resolution of the General Meeting to pay out dividends if the shareholder did not attend the General Meeting or, while attending the General Meeting, voted against and had the objection to the resolution recorded in the minutes. The Management Board or Supervisory Board of the FUND can also demand annulment of the resolution of the General Meeting. The claim for annulment of the General Meeting must be brought before a court within three months of the adoption of the resolution of the General Meeting. Such an action is brought against the FUND.

The dividend is paid out in money. Upon the consent of a shareholder, dividends may also be paid in other assets.

If the General Meeting of the FUND has decided to pay out the dividends but the FUND has not actually done so, the shareholder of the FUND has the right to take legal action within three years. Otherwise, the shareholder's claim expires and the FUND is not obliged to pay the dividend.

The restrictions or differences relating to dividends for residents and non-residents are set out in section 9 "Taxes" of the Prospectus.

The Offered Shares issued during the Offering will grant the right to receive dividends from the financial year 2024.

5.2.4. Preemptive right of subscription

As a general rule, upon the issue of new shares of the same class, a shareholder of the FUND has the pre-emptive right to subscribe for the new Offered Shares in proportion to the nominal value of the shareholder's shares. Pursuant to the resolution of the General Meeting of the FUND of 16 October 2024, the pre-emptive subscription rights of existing shareholders for the Offered Shares were not excluded. The existing shareholders of the FUND in relation to the Offering are 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 and who have the pre-emptive right to subscribe for the Offered

Shares in proportion to the sum of the nominal values of their shares, i.e. in proportion to their holding in the FUND. A Shareholder may to transfer their pre-emptive right to subscribe for the Offered Shares. 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. In relation to the Offering, see also point 4.2 “Conduct of the Offering” of the Prospectus.

5.2.5. Takeover

The Commercial Code stipulates that based on the application of a shareholder whose shares represent at least 9/10 of the share capital (majority shareholder), the general meeting of shareholders may decide in favour of the shares belonging to the remaining shareholders (minority shareholders) being taken over by the majority shareholder in return for fair monetary compensation. The amount of fair compensation is determined by the majority shareholder. The respective resolution of the general meeting of shareholders is adopted if at least 95/100 of the votes represented by shares are in favour of the resolution. The majority shareholder must submit a written report (takeover report) to the General Meeting explaining and justifying the conditions for the takeover of the shares held by minority shareholders and the basis for determining the amount of compensation to be paid for the shares. The takeover report must be audited by the auditor. The auditor prepares a written report on the audit, which must, above all, show whether the amount of compensation set by the majority shareholder is fair. A shareholder has the right to demand the annulment of a takeover resolution that is contrary to law, but a takeover resolution cannot be annulled on the grounds that the compensation to minority shareholders was set too low. If the compensation to be paid to minority shareholders was set too low, the court may, at the request of the minority shareholder, award a fair compensation.

There have been no takeover bids for the Shares of the FUND.

5.3. INFORMATION OBLIGATION

Subsection 185 (1) of the Securities Market Act stipulates that a shareholder must inform the FUND and the Financial Supervision Authority if the shareholder’s votes in the FUND comprise 5, 10, 15, 20, 25 or 50 per cent, or to 1/3 or 2/3 of all the votes represented by the shares issued by the FUND (information threshold), or exceeds any of the specified information thresholds either when increasing or decreasing.

5.4. SHAREHOLDERS

According to the FUND’s share register maintained by Nasdaq CSD, the FUND has 6,652 shareholders as of the date of this Prospectus. As of the date of the Prospectus, the persons holding more than 5% of the Shares of the FUND are:

Name of shareholder	Number of shares	Holding %	Person(s) having direct or indirect control over the shareholder
LHV Pensionifond L	1,210,475	11.19%	Madis Toomsalu (member of higher managing body, Chairman of the Supervisory Board)
REF Aktsiad OÜ	1,151,700	10.64%	Olav Miil, Member of the Supervisory Board of the FUND, and Toomas Vaher
OÜ Hoiukonto	1,145,192	10.58%	Marcel Vichmann and Ants Ratas
Altiuse KVI OÜ	1,092,845	10.10%	Arti Arakas, Chairman of the Supervisory Board of the FUND and Frank Õim
Vello Kunman	632,148	5.84%	Vello Kunman

The FUND has one class of shares and therefore there are no differences in the voting rights attached to the Shares.

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.

6. INFORMATION ON THE FUND

6.1. GENERAL INFORMATION

The FUND is a public closed-end investment fund (alternative investment fund) established on 6 May 2015 as a public limited company, which was incorporated and operates on the basis of the law applicable in Estonia. The FUND is supervised in Estonia by the Financial Supervision Authority. Financial Supervision Authority is located at Sakala 4, Tallinn, Estonia. Further information on the Financial Supervision Authority can be found at www.fi.ee.

The establishment of the FUND was approved by a resolution of the Management Board of the Financial Supervision Authority on 4 June 2015 and the FUND was entered in the Estonian Commercial Register on 10 June 2015 under registration number 12864036. The FUND was established for a term of ten (10) years and operated as a fixed-term fund until 30 November 2017. The FUND became indefinite when the General Meeting of the FUND decided to amend the Articles of Association and the shares of the FUND were listed and admitted to trading on Nasdaq Tallinn on 1 December 2017. The current Articles of Association of the FUND have been approved by a resolution of the General Meeting of the FUND of 18 June 2020 and are published and available to investors on the website of the FUND www.eref.ee. However, the information published on the FUND's website does not form part of the Prospectus, unless such information is presented by reference in the Prospectus.

The LEI of the FUND is 4851000008JBI71L7643. The LEI is an international identifier for data exchange, used to identify issuers on a pan-European basis. Since 1 January 2017, all issuers of securities are required to have an LEI to improve access to regulated information and since 3 January 2018, every legal entity wishing to carry out securities transactions will need an LEI, so that the company providing investment services can meet its reporting obligation.

The business name of the FUND is EFTEN Real Estate Fund AS. The former business name of the FUND is EFTEN Real Estate Fund III AS.

The contact details of the FUND are as follows:

Registered office: A. Lauteri 5, 10114 Tallinn, Estonia
Telephone: +372 655 9515
Email: info@efTEN.ee
Website: www.eref.ee

The FUND is publicly offered closed-end fund. The FUND is not a guaranteed fund. The Shares of the FUND are not redeemed from the shareholders.

The amount of the share capital of the FUND as at the date of the Prospectus is €108,197,960. The share capital may be increased to €168,901,400 without amending the Articles of Association. Therefore, the Articles of Association must be amended before the share capital is increased by more than the maximum amount mentioned in the previous sentence. Within the scope of this Offering, the Supervisory Board of the FUND adopted on 11 November 2024 the resolution to increase the share capital by €10,000,000 and, if the Offering is conducted successfully and provided that the FUND does not exercise the Right of Increase, the new amount of the share capital will be €118,197,960, which is smaller than the maximum share capital specified in the Articles of Association. Consequently, the Articles of Association were not amended in connection with the Offering and it was not necessary. The FUND may adopt the resolutions on amendment of the Articles of Association and increase of share capital at a single General Meeting. According to the Articles of Association, the Supervisory Board may also adopt a resolution to increase the share capital within the time limit set by the General Meeting, provided that only the share capital of the FUND is increased (without amending the Articles of Association) and the General Meeting has authorised the Supervisory Board to do so. As at the date of the Prospectus, the General Meeting has granted the Supervisory Board such authorities by the resolution of the General Meeting of 16 October 2024 for the adoption of the resolution to increase the share capital by the aforementioned resolution of the Supervisory Board.

The FUND is primarily intended for professional and non-professional investors who wish to make passive investments in real estate with a medium risk level. The description of a typical investor is given in section 4 "Investment Risks" of the Prospectus.

6.3. STRUCTURE OF THE FUND

6.3.1. Structure of the FUND

The FUND is the parent company of a consolidation group (the Group). As at the date of the Prospectus, the FUND has the SPVs shown in the table below, including 37 Subsidiaries, all owned by the FUND to 100%, and one 50% holding in an affiliate through which the FUND holds real estate investments.

Structure of the FUND and the real estate investments held by the SPVs:

Parent company:	EFTEN Real Estate Fund AS (FUND)				
SPVs:	Business name	Investment property	Country of location	Holding	Time of acquisition
	UAB "Saules Miestas"	Saules Miestas Shopping Centre, Šiauliai	Lithuania	100%	2015
	UAB "Verkių projektas"	Ulonu Office Building, Vilnius	Lithuania	100%	2015
	SIA "EFTEN Krustpils"	DSV Logistics Centre, Riga	Latvia	100%	2016
	EFTEN stasylu, UAB	DSV Logistics Centre, Vilnius	Lithuania	100%	2016
	EFTEN Tānassilma OÜ	DSV Logistics Centre, Saku Municipality, Harju County	Estonia	100%	2016
	EFTEN Laisves UAB	L3 Office Building, Vilnius	Lithuania	100%	2016
	EFTEN Seljaku OÜ		Estonia	100%	2017
	EFTEN Laagri OÜ	Hortes Garden Centre, Laagri, Saue Municipality, Harju County Laagri Selver Shopping Centre, Tallinn	Estonia	100%	2017
	EFTEN Evolution UAB	Evolution Office Building, Vilnius	Lithuania	100%	2018
	EFTEN Tāhesaju tee OÜ*	-	Estonia	100%	
	EFTEN Autokeskus OÜ	ABC Motors Car Centre, Tallinn	Estonia	100%	2019
	SIA "EFTEN Riga Airport"	airBaltic Head Office, Riga	Latvia	100%	2020
	SIA "EFTEN Piepilsētas"	Piepilsētas Logistics Centre, Riga	Latvia	100%	2020
	EFTEN Rutkauskos UAB	Rutkauskos Office Building, Vilnius	Lithuania	100%	2020
	EFTEN Pirita OÜ	Pirita Nursing Home, Tallinn	Estonia	100%	2020
	EFTEN Ramygalos UAB	Ramygalos Logistics Centre, Panevėžys	Lithuania	100%	2021
	EFTEN Valkla OÜ	Valkla Sūdamekodu Nursing Home, Valkla, Harju County	Estonia	100%	2022
	EFTEN Ermi OÜ	Tartu Sūdamekodu Nursing Home, Tartu	Estonia	100%	2022
	EFTEN SPV2 OÜ	Lauteri 5 Office Building, Tallinn	Estonia	100%	2023***
	EFTEN SPV3 OÜ	Uku Centre, Viljandi	Estonia	100%	2023***
	EFTEN SPV4 OÜ	Rakvere Joint Police and Rescue Building, Rakvere	Estonia	100%	2023***
	EFTEN SPV5 OÜ	Pärnu mnt 105 Office Building, Tallinn	Estonia	100%	2023***
	EFTEN SPV7 OÜ	Pärnu mnt 102 Office Building, Tallinn	Estonia	100%	2023***
	EFTEN SPV8 OÜ (subsidiary of EFTEN SPV7 OÜ)	Mustika Centre, Tallinn	Estonia	100%	2023***
	EFTEN SPV11 OÜ	Hotel Palace	Estonia	50%	2023***
	EFTEN SPV12 OÜ	Tammsaare tee Rautakesko, Tallinn Kuuli 10 Logistics Centre, Tallinn	Estonia	100%	2023***
	EFTEN SPV14 OÜ	Võru Rautakesko, Võru	Estonia	100%	2023***
	EFTEN SPV15 OÜ	Premia Cold Store, Tallinn	Estonia	100%	2023***
	EFTEN SPV17 OÜ	Betooni 1A and Betooni 6 logistics building, Tallinn	Estonia	100%	2023***
	EFTEN Jūrkane SIA	Jurkalne Technology Park, Riga	Latvia	100%	2023***
	EFTEN Jelgava SIA	RAF Centrs, Jelgava	Latvia	100%	2023***
	EFTEN Terbata SIA	Terbata Office Building, Riga	Latvia	100%	2023***
	EFTEN Menulio UAB	Menulio 11 Office Building, Vilnius	Lithuania	100%	2023***
	EFTEN ABC SIA**	-	Latvia	100%	2023***

Auras Centrs SIA	Jelgava development project (under development), Jelgava	Latvia	100%	2023***
EFTEN Härgmäe OÜ	Härgmäe Logistics Centre, Tallinn	Estonia	100%	2024
EFTEN Paemurru OÜ	Paemurru Logistics Centre, Laabi Village, Harku Municipality, Harju County	Estonia	100%	2024****

* EFTEN Tāhesaju tee OÜ owned the Hortes Garden Centre in Tallinn; the property was sold in September 2024.

** EFTEN ABC SIA does not own any investment properties.

*** As at the balance sheet date of 01.01.2023, the FUND (the acquiring fund) merged with EFTEN Kinnisvarafond AS (the fund being acquired). In the merger, the FUND acquired, among other things, all subsidiaries of EFTEN Kinnisvarafond AS and a holding in the joint venture, as well as the investment properties owned by the subsidiaries and the joint venture, respectively.

**** The acquisition contracts under the law of obligations have been entered into, but the real right contract for transfer of ownership has not been signed yet.

The FUND has no holdings in companies other than the SPVs mentioned above. One of the FUND's Subsidiaries (EFTEN SPV7 OÜ) has a holding in another company, i.e. EFTEN SPV7 OÜ has a 100% holding in EFTEN SPV8 OÜ. EFTEN SPV7 OÜ and EFTEN SPV8 OÜ jointly own the Mustika Centre in Tallinn, Estonia.

The shares of none of the SPVs of the FUND are listed on any stock exchange.

The financial year of the FUND and all SPVs is the calendar year.

6.3.2. SPVs

UAB "Saules Miestas" (previous business name UAB "Titvesta") is a private limited liability company, which was established and operates indefinitely pursuant to the laws of Lithuania. UAB "Saules Miestas" was entered into the Lithuanian Commercial Register on 13.12.2004 under registry code 300073193. The FUND acquired a share in UAB "Saules Miestas" on the basis of the contract for sale of a share signed on 12.08.2015. The place of business of UAB "Saules Miestas" is Šiauliai, Lithuania, the location of the Saules Miestas Shopping Centre, the management of which is the economic activity of UAB "Saules Miestas". UAB "Saules Miestas" has been consolidated in the financial statements of the FUND since 01.08.2015.

UAB "Verkių Projektas" was established indefinitely on 02.05.2006. UAB "Verkių Projektas" is a private limited liability company, which was established and operates pursuant to the laws of Lithuania. UAB "Verkių Projektas" is registered in the Commercial Register of the Republic of Lithuania under registry code 300564413. The FUND acquired a share in UAB "Verkių Projektas" on the basis of the contract for sale of a share signed on 18.12.2015. The place of business of UAB "Verkių Projektas" is Vilnius, Lithuania, the location of the Ulonu Office Building, the management of which is the economic activity of the SPV. UAB "Verkių Projektas" has been consolidated in the financial statements of the FUND since 01.12.2015.

SIA "EFTEN Krustpils" (former business name SIA "ERF Maritim") is a private limited liability company established by the FUND on 12.08.2015 and operating indefinitely on the basis of Latvian law. SIA "EFTEN Krustpils" is registered in the Register of Enterprises of Latvia under registration number 40103921371. In 2016, SIA "EFTEN Krustpils" acquired the DSV Logistics Centre in Riga, the management of which is the economic activity of the SPV. SIA "EFTEN Krustpils" has been consolidated in the financial statements of the FUND since 12.08.2015.

EFTEN Tānassilma OÜ (business name upon establishment EFTEN Projekt OÜ) is a private limited liability company established by the FUND on 30.05.2016 and operating indefinitely on the basis of Estonian law. EFTEN Tānassilma OÜ is registered in the Estonian Commercial Register under registry code 14057883. The list of shareholders of EFTEN Tānassilma OÜ is kept by the Management Board. In 2016, EFTEN Tānassilma OÜ acquired the DSV Logistics Centre in Tallinn, the management of which is the economic activity of the SPV. EFTEN Tānassilma OÜ has been consolidated in the financial statements of the FUND since 30.05.2016.

EFTEN stasyļu, UAB (former business name EFTEN Projektas UAB) is a private limited liability company established by the FUND on 26.05.2016 and operating indefinitely on the basis of Lithuanian law. EFTEN stasyļu, UAB is registered in the Lithuanian Commercial Register under registry code 304277453. EFTEN stasyļu, UAB acquired the DSV Logistics Centre in Vilnius, the management of which is the economic activity of the SPV. EFTEN stasyļu, UAB has been consolidated in the financial statements of the FUND since 26.05.2016.

EFTEN Laisves UAB is a private limited liability company established by the FUND on 30.09.2016 and operating indefinitely on the basis of Lithuanian law. EFTEN Laisves UAB is registered in the Lithuanian Commercial Register

under registry code 304413063. In 2016, the SPV acquired the Laisves 3 Office Building in Vilnius, the management of which is the economic activity of the SPV. EFTEN Laisves UAB has been consolidated in the financial statements of the FUND since 20.10.2016.

EFTEN Seljaku OÜ is a private limited liability company established by the FUND on 19.05.2017 and operating indefinitely on the basis of Estonian law. EFTEN Seljaku OÜ is registered in the Estonian Commercial Register under registry code 14244007. In 2017, EFTEN Seljaku OÜ acquired the Hortes Garden Centre in Laagri, the management of which is the economic activity of the SPV. EFTEN Seljaku OÜ has been consolidated in the financial statements of the FUND since 31.05.2017.

EFTEN Laagri OÜ (former business name Projekt 554 OÜ) is a private limited liability company established on 31.05.2016 and operating indefinitely on the basis of Estonian law. On 19.05.2017, the FUND acquired the share of the EFTEN Laagri OÜ, which comprised 100% of the share capital of EFTEN Laagri OÜ in order to acquire the Laagri Selver Shopping Centre. EFTEN Laagri OÜ is registered in the Estonian Commercial Register under registry code 14058888. EFTEN Laagri OÜ owns the Laagri Selver Shopping Centre, the management of which is the economic activity of the SPV. EFTEN Laagri OÜ has been consolidated in the financial statements of the FUND since 31.05.2017.

EFTEN UAB (former business name SPV Saladus UAB) is a private limited liability company established on 15.05.2018 and operating indefinitely on the basis of Lithuanian law. The FUND acquired 100% of the shares of EFTEN Evolution UAB, a company established specifically for the purpose of acquiring the Evolution Business Centre, on 30.05.2018. EFTEN Evolution UAB is registered in the Lithuanian Commercial Register under registry code 304842002. In 2018, EFTEN Evolution UAB acquired the Evolution Business Centre in Vilnius, the management of which is the economic activity of the SPV. EFTEN Evolution UAB has been consolidated in the financial statements of the FUND since 01.06.2018.

EFTEN Tāhesaju tee OÜ is a private limited liability company established on 19.04.2018 and operating indefinitely on the basis of Estonian law. EFTEN Tāhesaju tee OÜ is registered in the Estonian Commercial Register under registry code 14472760. In 2018, EFTEN Tāhesaju tee OÜ acquired the Hortes Garden Centre located in Tāhesaju Retail Park, Tallinn, the management of which was the economic activity of the SPV until September 2024, when the Hortes Garden Centre was sold. As at the date of the Prospectus, EFTEN Tāhesaju tee OÜ does not have any active economic activities. EFTEN Tāhesaju tee OÜ has been consolidated in the financial statements of the FUND since 31.05.2018.

EFTEN Autokeskus OÜ (former business name EFTEN Kolmas OÜ) is a private limited liability company established by the FUND on 13.12.2018 and operating indefinitely on the basis of Estonian law. EFTEN Autokeskus OÜ is registered in the Estonian Commercial Register under registry code 14626157. In 2019, EFTEN Autokeskus OÜ acquired the properties of ABC Motors at Paldiski mnt 105, Tallinn, the management of which is the economic activity of the SPV. EFTEN Autokeskus OÜ has been consolidated in the financial statements of the FUND since 07.02.2019.

SIA "EFTEN Rīga Airport" (former business names SIA "NHC 1", SIA "Pillar Investment 1", SIA "Pillar 10", SIA "Transform 10" and SIA "AB.LV Transform 10") is a private limited liability company established on 09.09.2009 and operating indefinitely on the basis of Latvian law. On 10.01.2020, the FUND acquired, on the basis of a share acquisition contract, the share of SIA "EFTEN Rīga Airport", which comprised 100% of the company's share capital, in order to acquire the investment property belonging to the SPV: the headquarters of airBaltic in Riga. SIA "EFTEN Rīga Airport" is registered in the Register of Enterprises of Latvia under registration number 50103247681. SIA "EFTEN Rīga Airport" owns the headquarters of airBaltic in Riga, the management of which is the economic activity of the SPV. SIA "EFTEN Rīga Airport" has been consolidated in the financial statements of the FUND since 03.03.2020.

SIA "EFTEN Piepilsētas" (former business names SIA "NHC3" and SIA "Pillar Investment 3") is a private limited liability company established on 20.05.2016 and operating indefinitely on the basis of Latvian law. On 10.01.2020, the FUND acquired, on the basis of a share acquisition contract, the share of SIA "EFTEN Piepilsētas", which comprised 100% of the share capital, in order to acquire the investment property belonging to the SPV, the Piepilsētas Logistics Centre in Riga. SIA "EFTEN Piepilsētas" is registered in the Register of Enterprises of Latvia under registration number 50103994841. SIA "EFTEN Piepilsētas" owns the Piepilsētas Logistics Centre in Riga, the management of which is the economic activity of the SPV. SIA "EFTEN Piepilsētas" has been consolidated in the financial statements of the FUND since 03.03.2020.

EFTEN Rutkauskio UAB is a private limited liability company established by the FUND on 06.08.2020 and operating indefinitely on the basis of Lithuanian law. EFTEN Rutkauskio UAB is registered in the Lithuanian Commercial Register under registry code 305599382. In 2020, EFTEN Rutkauskio UAB acquired the Rutkauskio Office Building in Vilnius, the management of which is the economic activity of the SPV. EFTEN Rutkauskio UAB has been consolidated in the financial statements of the FUND since 14.08.2020.

EFTEN Pirita OÜ (former business name EFTEN SPV19 OÜ) is a private limited liability company established by the FUND on 19.11.2020 and operating indefinitely on the basis of Estonian law. EFTEN Pirita OÜ is registered in the Estonian Commercial Register under registry code 16101878. In 2020, EFTEN Pirita OÜ acquired the property of Pirita Nursing Home in Tallinn, the management of which is the economic activity of the SPV. EFTEN Pirita OÜ has been consolidated in the financial statements of the FUND since 17.12.2020.

EFTEN Ramygalos UAB is a private limited liability company established by the FUND on 08.06.2021 and operating indefinitely on the basis of Lithuanian law. EFTEN Ramygalos UAB is registered in the Lithuanian Commercial Register under registry code 305791781. In 2021, EFTEN Ramygalos UAB acquired the properties of industrial and warehouse buildings at Ramygalos 19E and Ramygalos 190E in Panevėžys, Lithuania, the management of which is the economic activity of the SPV. EFTEN Ramygalos UAB has been consolidated in the financial statements of the FUND since 08.06.2021.

EFTEN Valkla OÜ is a private limited liability company established by the FUND on 16.03.2022 and operating indefinitely on the basis of Estonian law. EFTEN Valkla OÜ is registered in the Estonian Commercial Register under registry code 16461772. In 2022, EFTEN Valkla OÜ acquired the property at Valklaranna tee 36, Valkla Village, Kuusalu Municipality, Harju County, the management of which is the economic activity of the SPV. EFTEN Valkla OÜ has been consolidated in the financial statements of the FUND since 16.03.2022.

EFTEN Ermi OÜ is a private limited liability company established by the FUND on 16.03.2022 and operating indefinitely on the basis of Estonian law. EFTEN Ermi OÜ is registered in the Estonian Commercial Register under registry code 16461819. In 2022, EFTEN Ermi OÜ acquired the right of superficies on Ermi tn 13, Tila Village, Tartu Municipality, Tartu County, and the management of this immovable is the economic activity of the SPV. EFTEN Ermi OÜ has been consolidated in the financial statements of the FUND since 16.03.2022.

EFTEN SPV2 OÜ is a private limited liability company established on 05.05.2010 and operating indefinitely on the basis of Estonian law. EFTEN SPV2 OÜ is registered in the Estonian Commercial Register under registry code 11936816. The FUND acquired the share of EFTEN SPV2 OÜ, which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. In 2010, EFTEN SPV2 OÜ acquired the property of A. Lauteri 5 in Tallinn, and the management of this immovable is the economic activity of the SPV. EFTEN SPV2 OÜ has been consolidated in the financial statements of the FUND since 01.01.2023.

EFTEN SPV3 OÜ (former business names EFTEN SPV16 OÜ, Osaühing Shenon Kinnisvara) is a private limited liability company established on 17.04.2004 and operating indefinitely on the basis of Estonian law. EFTEN SPV3 OÜ is registered in the Estonian Commercial Register under registry code 11027166. The FUND acquired the share of EFTEN SPV3 OÜ, which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. EFTEN SPV3 OÜ (former business name before the merger EFTEN SPV16 OÜ) acquired the property of the UKU Centre in Viljandi upon the merger with EFTEN SPV3 OÜ on 21.06.2021, and the management of the immovable is the economic activity of the SPV. EFTEN SPV3 OÜ has been consolidated in the financial statements of the FUND since 01.01.2023.

EFTEN SPV4 OÜ (former business name OÜ Superficarius) is a private limited liability company established on 20.05.2009 and operating indefinitely on the basis of Estonian law. EFTEN SPV4 OÜ is registered in the Estonian Commercial Register under registry code 11647934. The FUND acquired the share of EFTEN SPV4 OÜ, which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. In 2010, EFTEN SPV4 OÜ acquired the right of superficies on which the Rakvere Joint Police and Rescue Building is located, and the management of this immovable is the economic activity of the SPV. EFTEN SPV4 OÜ has been consolidated in the financial statements of the FUND since 01.01.2023.

EFTEN SPV5 OÜ is a private limited liability company established on 20.12.2011 and operating indefinitely on the basis of Estonian law. EFTEN SPV5 OÜ is registered in the Estonian Commercial Register under registry code 12208421. The FUND acquired the share of EFTEN SPV5 OÜ, which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. In 2010, EFTEN SPV5 OÜ acquired the property of Pärnu mnt 105 in Tallinn, and the management of this immovable is the economic activity of the SPV. EFTEN SPV5 OÜ has been consolidated in the financial statements of the FUND since 01.01.2023.

EFTEN SPV6 OÜ is a private limited liability company established on 21.12.2011 and operating indefinitely on the basis of Estonian law. EFTEN SPV6 OÜ is registered in the Estonian Commercial Register under registry code 12208705. The FUND acquired the share of EFTEN SPV6 OÜ, which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. In 2010, EFTEN SPV6 OÜ acquired the property of Pärnu mnt 102c in Tallinn, and the management of this immovable is the economic activity of the SPV. EFTEN SPV6 OÜ has been consolidated in the financial statements of the FUND since 01.01.2023.

EFTEN SPV7 OÜ is a private limited liability company established on 29.06.2012 and operating indefinitely on the basis of Estonian law. EFTEN SPV7 OÜ is registered in the Estonian Commercial Register under registry code 12307838. The FUND acquired the share of EFTEN SPV7 OÜ, which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. In 2012, EFTEN SPV7 OÜ acquired a part of the Mustika Centre property at Karjavälja tn 4, Tallinn, and the management of this immovable is the economic activity of the SPV. EFTEN SPV7 OÜ has been consolidated in the financial statements of the FUND since 01.01.2023.

EFTEN SPV8 OÜ is a private limited liability company established on 02.07.2012 and operating indefinitely on the basis of Estonian law. EFTEN SPV8 OÜ is registered in the Estonian Commercial Register under registry code 12308499. The FUND holds the share of EFTEN SPV8 OÜ, which comprises 100% of the company's share capital, through EFTEN SPV7 OÜ, which the FUND acquired on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. In 2012, EFTEN SPV8 OÜ acquired a part of the Mustika Centre property at Karjavälja tn 4, Tallinn, and the management of this immovable is the economic activity of the SPV. EFTEN SPV7 OÜ has been consolidated in the financial statements of the FUND since 01.01.2023.

EFTEN SPV11 OÜ is a private limited liability company established on 06.02.2013 and operating indefinitely on the basis of Estonian law. EFTEN SPV11 OÜ is registered in the Estonian Commercial Register under registry code 12417099. The FUND acquired a share of EFTEN SPV11 OÜ, which comprises 50% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. In 2013, EFTEN SPV11 OÜ acquired the property of Hotel Palace in Tallinn, and the management of this immovable is the economic activity of the SPV. The financial results of EFTEN SPV11 OÜ have been recognised in the financial statements of the FUND since 01.01.2023.

EFTEN SPV12 OÜ is a private limited liability company established on 06.06.2013 and operating indefinitely on the basis of Estonian law. EFTEN SPV12 OÜ is registered in the Estonian Commercial Register under registry code 12486048. The FUND acquired the share of EFTEN SPV12 OÜ, which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. In 2013, EFTEN SPV12 OÜ acquired the properties of Tammsaare tee 49 and Kuuli tn 10 in Tallinn, and the management of these immovables is the economic activity of the SPV. EFTEN SPV12 OÜ has been consolidated in the financial statements of the FUND since 01.01.2023.

EFTEN SPV14 OÜ is a private limited liability company established on 28.08.2013 and operating indefinitely on the basis of Estonian law. EFTEN SPV14 OÜ is registered in the Estonian Commercial Register under registry code 12526629. The FUND acquired the share of EFTEN SPV14 OÜ, which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. In 2013, EFTEN SPV14 OÜ acquired the properties of Rautakesko in Võru, and the management of these immovables is the economic activity of the SPV. EFTEN SPV12 OÜ has been consolidated in the financial statements of the FUND since 01.01.2023.

EFTEN SPV15 OÜ is a private limited liability company established on 13.09.2013 and operating indefinitely on the basis of Estonian law. EFTEN SPV15 OÜ is registered in the Estonian Commercial Register under registry code

12536622. The FUND acquired the share of EFTEN SPV15 OÜ, which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. In 2013, EFTEN SPV15 OÜ acquired the property of Premia Cold Storage and the management of this immovable is the economic activity of the SPV. EFTEN SPV15 OÜ has been consolidated in the financial statements of the FUND since 01.01.2023.

EFTEN SPV17 OÜ is a private limited liability company established on 12.05.2014 and operating indefinitely on the basis of Estonian law. EFTEN SPV17 OÜ is registered in the Estonian Commercial Register under registry code 12659537. The FUND acquired the share of EFTEN SPV17 OÜ, which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. In 2014, EFTEN SPV17 OÜ acquired the properties of the Betooni 1A and Betooni 6 logistics centres in Tallinn, and the management of these immovables is the economic activity of the SPV. EFTEN SPV17 OÜ has been consolidated in the financial statements of the FUND since 01.01.2023.

SIA "EFTEN JŪRKALNE" is a private limited liability company established on 15.05.2014 and operating indefinitely on the basis of Latvian law. SIA "EFTEN Jūrkalne" is registered in the Register of Enterprises of Latvia under registration number 40103789226. In 2014, SIA "EFTEN Jūrkalne" acquired the property of the Jūrkalne Commercial and Industrial Park in Riga, the management of which is the economic activity of the SPV. The FUND acquired the share of SIA "EFTEN Jūrkalne", which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. SIA "EFTEN Jūrkalne" has been consolidated in the financial statements of the FUND since 01.01.2023.

SIA "EFTEN Jelgava" is a private limited liability company established on 21.11.2012 and operating indefinitely on the basis of Latvian law. SIA "EFTEN Jelgava" is registered in the Register of Enterprises of Latvia under registration number 45403035382. In 2013, SIA "EFTEN Jelgava" acquired the RAF Centrs Shopping Centre in Jelgava, the management of which is the economic activity of the SPV. The FUND acquired the share of SIA "EFTEN Jelgava", which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. SIA "EFTEN Jelgava" has been consolidated in the financial statements of the FUND since 01.01.2023.

SIA "EFTEN Tērbata" is a private limited liability company established on 01.12.2014 and operating indefinitely on the basis of Latvian law. SIA "EFTEN Tērbata" is registered in the Register of Enterprises of Latvia under registration number 40103850204. In 2014, SIA "EFTEN Tērbata" acquired the Tērbata Office Building in Riga, the management of which is the economic activity of the SPV. The FUND acquired the share of SIA "EFTEN Tērbata", which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. SIA "EFTEN Tērbata" has been consolidated in the financial statements of the FUND since 01.01.2023.

EFTEN Menulio UAB is a private limited liability company established on 01.10.2015 and operating indefinitely on the basis of Lithuanian law. EFTEN Menulio UAB is registered in the Lithuanian Commercial Register under registry code 304102984. In 2015, EFTEN Menulio UAB acquired the Menulio Office Building in Vilnius, the management of which is the economic activity of the SPV. The FUND acquired the share of EFTEN Menulio UAB, which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. EFTEN Menulio UAB has been consolidated in the financial statements of the FUND since 01.01.2023.

SIA "EFTEN ABC" is a private limited liability company established on 07.07.2022 and operating indefinitely on the basis of Latvian law. SIA "EFTEN ABC" is registered in the Register of Enterprises of Latvia under registration number 40203411727. SIA "EFTEN ABC" does not own any real estate and there are no active economic activities. The FUND acquired the share of SIA "EFTEN Tērbata", which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the merger) on 19.09.2022. SIA "EFTEN Tērbata" has been consolidated in the financial statements of the FUND since 01.01.2023.

SIA "AURAS CENTRS" is a private limited liability company established on 12.12.2013 and operating indefinitely on the basis of Latvian law. SIA "Auras Centrs" is registered in the Register of Enterprises of Latvia under registration number 45403038800. SIA "Auras Centrs" owns a property in Jelgava that is in the development stage. The FUND acquired the share of SIA "Auras Centrs", which comprises 100% of the company's share capital, on the basis of the merger agreement entered into with EFTEN Kinnisvarafond AS (the fund being acquired, dissolved upon the

merger) on 19.09.2022. SIA “Auras Centrs” has been consolidated in the financial statements of the FUND since 01.01.2023.

EFTEN Härgmäe OÜ is a private limited liability company established by the FUND on 18.09.2024 and operating indefinitely on the basis of Estonian law. EFTEN Härgmäe OÜ is registered in the Estonian Commercial Register under registry code 17072044. In 2024, EFTEN Härgmäe OÜ acquired the Härgmäe 8 / Piimamehe 7 logistics centre in Tallinn, and the management of this immovable is the economic activity of the SPV. EFTEN Härgmäe OÜ has been consolidated in the financial statements of the FUND since 18.09.2024.

EFTEN Paemurru OÜ is a private limited liability company established by the FUND on 26.09.2024 and operating indefinitely on the basis of Estonian law. EFTEN Paemurru OÜ is registered in the Estonian Commercial Register under registry code 17078041. In 2024, EFTEN Paemurru OÜ acquired the Paemurru Logistics Centre in Laabi Village, Harku Municipality, Harju County, and the management of this immovable is the economic activity of the SPV. EFTEN Paemurru OÜ has been consolidated in the financial statements of the FUND since 26.09.2024.

6.4. INVESTMENT POLICY OF THE FUND AND INVESTMENT OF ASSETS

6.4.1. Investment policy

The objectives and investment policy of the FUND are regulated in the Articles of Association of the FUND, which are added to the Prospectus by reference in section 1.10 “Information Incorporated by Reference”. The investment objects of the FUND are commercial cash-flow generating investment properties (properties) or related securities, which means that investing in the securities of the company operating an investment property is also permitted. Developed trade, production, warehouse and office buildings in various Baltic cities are preferred. The FUND specialises in investment properties in the commercial and mixed-use real estate segment. The FUND does not invest in residential real estate or in companies owning real estate whose sole purpose is the development of residential real estate (dwellings).

The FUND’s investment policy is conservative and low-risk, i.e. the FUND does not invest in properties that are not covered by detailed plans or are undeveloped, and does not purchase properties solely for the purpose of speculation. Nevertheless, the FUND selects investment properties in accordance with the strategy characteristic of a value-added fund as described above and takes medium or higher business risks according to this.

The FUND invests in commercial and mixed-use real estate located in Estonia, Latvia and Lithuania, or in securities of companies owning this type of real estate, whereby the issuers are located in Estonia, Latvia or Lithuania. The FUND’s geographic focus on the Baltics is underpinned by the generally stable macroeconomic situation in the region. All three Baltic States are members of the European Union and the currency used is the euro. The FUND may also invest in or otherwise participate in investment firms (including joint ventures, special purpose vehicles (SPVs), other real estate funds, etc.) which may be registered in any country of the European Economic Area, provided that the strategy of such investment firms is not inconsistent with the investment strategy of the FUND and that the principal source of income of such investment firms is the acquisition, holding, operation, sale or management of real estate. The activities of the FUND must be targeted at:

- operating with cash-flow generating commercial and mixed-use real estate (i.e. operating with industrial, warehouse, logistics, retail and office buildings and hotels);
- development projects for commercial real estate development, the primary objective of which is to strengthen the future cash flows of the commercial real estate being developed;
- the acquisition of land suitable for commercial real estate development, which are covered by detailed plans. The FUND does not acquire undeveloped properties for speculative purposes, but only for the purpose of property development for future cash flow generation.

Investments may be made directly or through the SPVs established by the FUND, by investing in securities of other funds with similar investment objectives and other investment firms.

6.4.2. Amendment of investment policy

The Supervisory Board of the FUND has the competency to give the Management Company guidelines in determining the asset and issuer type and the region when making investments within the scope of everyday activities as well as determining the weight of an investment in the FUND's assets. The Supervisory Board of the FUND thereby proceeds from the investment objective and restrictions set in the Articles of Association of the FUND. The guidelines of the Supervisory Board are communicated to the Management Company through the Management Board of the FUND.

Insofar as it is not the responsibility of the Supervisory Board as described above, the General Meeting of the FUND is competent to change the investment policy of the FUND, i.e. the General Meeting of shareholders has the competency to change the investment objectives and restrictions.

6.4.3. Investment restrictions

The assets of the FUND are managed and administered by the Management Company to the extent set forth by law and the management contract, and the activities of the Management Company are supervised by the Management Board of the FUND. The following restrictions set forth in the Articles of Association of the FUND apply when the investments of the FUND are made:

- at least 80% (eighty per cent) of the value of the assets of the FUND is invested in real estate and/or securities related to real estate;
- the assets of the FUND that must not be invested in real estate or securities related to real estate may only be invested in deposits or derivatives of credit institutions in the European Economic Area. In doing so, the FUND does not invest in derivatives for the purpose of investing or speculating, but only for the purpose of reducing, transferring or hedging the investment risks associated with the underlying investments of the FUND;
- in accordance with the investment objective and restrictions set out in the Articles of Association of the FUND, the Supervisory Board of the FUND will review the asset allocation of the FUND on a regular basis, once a year and when each new investment is made;
- the FUND may not acquire or have a holding in the Management Company or its subsidiary;
- the FUND does not make direct investments in fungible assets (e.g. precious metals, energy carriers, etc.). Notwithstanding the foregoing, objects necessary for the management of the immovables may also be acquired on behalf of the FUND;
- The FUND may not acquire assets from the Management Company, the members of its management board or supervisory board, its auditors or employees, the members of the Management Board or Supervisory Board of the FUND, its auditors or employees, companies belonging to the same group as the Management Company or persons having a common business interest with the aforementioned persons, or from other funds managed by the Management Company. The acquisition of assets from the Management Company and other funds managed by the Management Company is permitted by way of an exception under the conditions provided by law and only with the approval of the Supervisory Board of the FUND.
- The FUND may not transfer assets to the Management Company, the members of its management board or supervisory board, its auditors or employees, the members of the Management Board or Supervisory Board of the FUND, its auditors or employees, companies belonging to the same group as the Management Company or persons having a common business interest with the aforementioned persons, or to other funds managed by the Management Company. The transfer of assets to the Management Company and other funds managed by the Management Company is permitted by way of an exception under the conditions provided by law and only with the approval of the Supervisory Board;
- the FUND may use leverage in accordance with the following principles. The FUND may borrow or otherwise involve financing in an amount up to 65% of the value of the respective investment at the time 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's financing policy requires that loan agreements for raising external capital are entered into as long-term agreements, taking into account the maximum length of the leases encumbering the properties;
- no more than 30% of the value of the assets of the FUND may be invested in the shares or units of any one issuer or in any one property within three years of the establishment of the FUND. The Management Company is also obliged to comply with all mandatory investment restrictions and risk spreading requirements established by legislation.

The risk spreading restrictions stipulated in the Articles of Association of the FUND or by law did not have to be complied with for 24 months of the registration of the FUND in the Commercial Register. Temporary non-compliance with the risk spreading restrictions is permitted after the end of said period for reasons independent of the Management Company. Exercising a right of preemption to acquire securities, a bonus issue, a change in the market value of securities and other such reasons are deemed to be reasons independent of a management company pursuant to the Investment Funds Act if the objective of the transactions performed on behalf of a fund is to start complying with the aforementioned restrictions, taking into account the interests of the shareholders or unit-holders of the fund. If a breach of the investment restrictions occurs, including in the case of a breach committed by the investment manager, the Management Company will immediately take measures to remedy the breach. The Management Company will inform the investors of the FUND of measures taken to remedy the breaches without delay in accordance with section 6.13 "Disclosure of Information Concerning the FUND" of the Prospectus.

6.5. DIVIDEND POLICY AND DIVIDEND

A share of the profits (dividend) will be paid to a shareholder of the FUND each year in proportion to the number of the shareholder's Shares (for dividend rights, see also section 5.2.3 "Dividend Rights" of the Prospectus), if this is possible under the law and the General Meeting of the FUND adopts such a resolution. The FUND does not have different classes of shares or the resulting different rights upon the distribution of profits. 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. A dividend is determined on the basis of the total net cash flow of rent payments of the cash-flow generating real estate 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. The above policy may be deviated from 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 FUND's dividend policy is to pay 80% of its free cash flow to shareholders as (gross) dividends in each financial year, but the FUND cannot guarantee the payment of dividends in the future or the amount of dividends to be paid.

€12,471, i.e. €1.1526 per Share, was paid out in total as net dividends for 2022 according to the resolution of the General Meeting of 20 April 2023. €10,820, i.e. €1 per Share, was paid out in total as net dividends for 2023 according to the resolution of the General Meeting of 2 April 2024. The dividends for both 2022 and 2023 have been fully paid out to the shareholders.

The Offered Shares issued during the Offering will grant the right to receive dividends from the financial year 2024.

The SPVs of the FUND are controlled by the FUND and do not have their separate investment or dividend policies. The dividend decisions of the Subsidiaries are adopted by the FUND as the sole shareholder of the Subsidiaries according to the FUND's dividend policy and the financial performance of the Subsidiary and, if necessary, are approved by the respective creditors or other contractual partners of the Subsidiary (e.g. if such a provision exists in the financing agreement). The dividend decisions of EFTEN SPV11 OÜ are adopted at the General Meeting of shareholders according to the FUND's dividend policy and the company's financial performance and, if necessary, are also approved by the respective creditors or other contractual partners of EFTEN SPV11 OÜ (e.g. if such a provision exists in the financing agreement).

6.6. OVERVIEW OF ACTIVITIES AND FINANCIAL POSITION OF GROUP

6.6.1. Overview of activities and financial position

The FUND was established on 6 May 2015 and started operating thereafter. The FUND is an operating real estate fund as at the date of the Prospectus. The activities of the FUND comply with the requirements of Estonian legislation. The FUND did not comply with the Good Corporate Governance Code until the Shares were listed at the Tallinn Stock Exchange, as the FUND is an investment fund established as a public limited company and compliance with the Good Corporate Governance Code was mandatory for the FUND. The obligation to disclose a Corporate Governance Statement applies to the FUND since the Shares of the FUND were listed at Nasdaq Tallinn Stock Exchange. The FUND has added a Corporate Governance Statement to the management report of the FUND as a separate subdivision since the approval of its annual report for 2017 as required by the Accounting Act.

The FUND made its first two real estate investments in Lithuania in 2015, acquiring the Saules Miestas shopping centre in Šiauliai and the Ulonu Office Building in Vilnius through its Subsidiaries. The investment activities of the FUND continued in 2016 and it acquired four investment properties through its Subsidiaries: the DSV Logistics Centres in Tallinn, Riga and Vilnius, and the Laisves 3 Office Building in Vilnius. In 2017, the FUND acquired two investment properties in Estonia through its Subsidiaries: the Hortes Garden Centre in Laagri and the development project of the Pääsküla Selver Shopping Centre in Tallinn. The expansion of the DSV Logistics Centre in Latvia also started. Two investment properties were acquired in 2018: The property in Tähesaju Retail Park on which the Hortes Garden Centre was built (completed and opened in November 2019) was acquired through a Subsidiary in Estonia and the Evolution Business Centre was acquired through a Subsidiary in Lithuania. The FUND continued its investment activities in early 2019 and acquired another four properties, on which the ABC Motors car showroom and service centre is located, by way of a single investment through a Subsidiary and completed the privatisation of the neighbouring properties acquired with a sales contract. The merger of the FUND and EFTEN Kinnisvarafond AS was planned in early 2020 and the merger agreement was entered into in January, but it was decided to suspend the merger in relation to the unexpected arrival and spread of the coronavirus in February, and the merger was postponed until the economic environment of the Baltic States had stabilised. The virus outbreak that reached the Baltic States in February 2020 closed the economy and put significant pressure on the cash flows of the FUND, but only for a short term. In response to the COVID-19 outbreak, the FUND applied measures for the management of the risks arising from the pandemic and the protection of health and safety. The Management Company and the management of the FUND also found solutions for the tenants, which were mostly in the form of temporary agreements on the reduction of rent with temporary rental incentives and equivalent extensions of the lease periods. The second stage of the virus outbreak, which was considerably worse than the one in spring based on medical indicators, started in autumn 2020, but companies were much calmer about the second outbreak. As there were no investments in the hotel and entertainment sector in the FUND's portfolio, the economic impact of COVID-19 on the cash flows of the FUND was modest. The temporary setback was evident mainly in the decrease of the fair value of the FUND's investment properties. Despite the turmoil caused by corona, the FUND made four new investments in 2020: in February, it completed two deals in Latvia, acquiring the Piepilsētas logistics and production centre in Kekava, on the outskirts of Riga, and the building housing the headquarters of airBaltic on the territory of Riga Airport. In August 2020, the FUND invested in the Rutkauskos Office Building in Vilnius via a Subsidiary. In the last month of the year, the FUND acquired its first nursing home building in Pirita, Tallinn. The nursing home segment has very good growth prospects in the Baltic States and the FUND acquired two more properties in the nursing home sector in Estonia later in 2022. Before that, however, in 2021, the FUND acquired two industrial buildings on the outskirts of Panevėžys, next to Via Baltica, through its Lithuanian Subsidiary. In 2022, the FUND started the conversion of a nursing home in Valkla, which needed renovation, into a general nursing home, the first stage of which was completed in 2023, and the development project of a new nursing home in Tartu County, the first stage of which was completed in August 2024. In September 2022, the merger agreement between the FUND and EFTEN Kinnisvarafond AS was signed for the second time and it was approved by the shareholders of both funds in December of the same year. The balance sheet date of the merger was 01.01.2023 and the merger was completed (registered) in February 2023. Following the merger, the consolidated assets of the FUND more than doubled. With the merger, the FUND acquired the following investment properties through the SPVs: Lauteri 5 Office Building in Tallinn, Uku Centre in Viljandi, Rakvere Joint Police and Rescue Building in Rakvere, Pärnu mnt 105 Office Building and Pärnu mnt 102 Office Building in Tallinn, Mustika Centre in Tallinn, 50% holding in Hotel Palace, Tammsaare tee Rautakesko DIY Centre in Tallinn, Kuuli 10 Logistics Centre in Tallinn, Võru Rautakesko in Võru, Premia Cold Store building in Tallinn, Betooni 1A and Betooni 6 logistics building in Tallinn, Jurkalne Technology Park in Riga, RAF Centrs Centre in Jelgava, Terbata Office Building in Riga, Menulio 11 Office Building in Vilnius and a development project in Jelgava. 2023 was marked by the fastest interest rate rise in the 25-year history of the eurozone, and the FUND's consolidated interest expenses also almost doubled year-on-year in relation to EBITDA, with a direct impact on the FUND's free cash flow, but without exceeding the critical threshold in respect of any of its investment properties. This was possible thanks to the FUND's conservative financing policy, stable cash flow from investments, consistently low vacancy rates and generally good payment behaviour by tenants. In the first half of 2024, the vacancy rate in rental properties has remained below 3% of the total portfolio of the FUND, and the payment behaviour of the tenants is generally good, with the exception of the tenant's payment difficulties related to the Hortes Garden Centre properties and the opening of a reorganisation procedure in respect of a tenant. The search for workable solutions for both garden centre properties was also immediately launched, and in September 2024 a buyer was found for the property in Tähesaju Retail Park, Tallinn. The lease with Hortes AS was terminated and the property was sold. In the Hortes Garden Centre in Laagri, the tenant under reorganisation, AS Hortes, has complied with the agreement and all current invoices have been paid. In the broader economic environment, interest rates have turned downwards, which has started to boost real estate transaction activity in all Baltic States in the second half of 2024. Using the proceeds from the sale of the Tähesaju property and the Group's bridge financing,

the FUND signed purchase agreements for the acquisition of the Paemurru and Härgmäe Logistics Centres in Estonia, and in August started the renovation of the last wing of the Valkla nursing home, which is scheduled to be completed by the end of 2024. All in all, the management of the FUND and the Management Company are satisfied with the performance of the FUND. FUND's Net Asset Value as at 31.10.2024 €219 402 thousand and Net Asset Value (NAV) of Share as at 31.10.2024 €20,28. From the end of the last financial period for which the FUND has disclosed financial information until the date of this Prospectus, there have been no material changes in the financial performance of the Group.

Detailed information on the Group's financial condition and operating results is set out in the consolidated annual report of the FUND for 2023 and in the interim report of the FUND for Q3 2024 incorporated by reference in point 1.10 "Information Incorporated by Reference" of the Prospectus.

6.6.2. Investments

At the date of the Prospectus, the Group has 35 investment properties. The property of the Tähesaju Hortes Garden Centre was sold and purchase agreements under the law of obligation for the acquisition of the Paemurru and Härgmäe Logistics Centres were signed in September 2024. As at the date of the Prospectus, the acquisition of the Härgmäe Logistics Centre has been completed and the acquisition of the Paemurru Logistics Centre is expected to be completed by 31.12.2024 at the latest.

Detailed information on the Group's investment properties is set out in the interim report of the FUND for Q3 incorporated by reference in point 1.10 "Information Incorporated by Reference" of the Prospectus.

The Management Company arranges a valuation of the investment properties of the SPVs of the FUND twice a year, as at 31 December and 30 June. The main inputs to the valuation of the fair value of the investment properties are the cash flow generated by the investment properties, vacancy forecasts, the discount rate (WACC) and the exit yield. For further information on the valuation of the FUND's investment properties as at 30.06.2024, please refer also to the Summary Valuation Report of Colliers International, which is an annex to the Prospectus.

6.6.3. Capitalisation and debt

The table below shows the Group's consolidated capitalisation as at 30 September 2024. The information is taken from the unaudited Q3 interim report of the FUND, which is incorporated by reference into this Prospectus.

Capitalisation statement	30.09.2024
<i>€ thousand, unaudited</i>	
Total short-term debt (including percentage of current portion in long-term debt), including	16,919
Guaranteed	0
Secured	13,859
Unguaranteed and unsecured	3,060
Total long-term debt (excluding the percentage of current portion of long-term debt), including	142,822
Guaranteed	0
Secured	132,177
Unguaranteed and unsecured	10,645
Total equity, including	217,982
Share capital	108,198
Issue premium	84,721
Legal reserves	2,799
Other reserves	0

Retained earnings	22,264
Total	377,723

There have been no material changes from the date of the capitalisation statement to the date of the Prospectus.

The table below shows the Group's consolidated debt as at 30 September 2024. The information is taken from the unaudited Q3 interim report of the FUND, which is incorporated by reference into this Prospectus.

Debt statement	30.09.2024
<i>€ thousand, unaudited</i>	
Cash	10,637
Cash equivalents	0
Other short-term financial assets	2,142
Liquidity	12,779
Short-term financial liability (excluding current portion of long-term financial debt)	0
Current portion of long-term financial liability	13,859
Short-term financial liability	13,859
Net amount of short-term financial liability	1,080
Long-term financial liability (excluding current portion and debt instruments)	132,177
Debt instruments	0
Long-term trade and other payables	0
Long-term financial liability	132,177
Total financial liability	133,257

6.6.4. Working capital

As at 30 September 2024, the consolidated working capital of the FUND was negative by €2,337 thousand. Working capital is negative due to the loan agreements of two Subsidiaries, which are due for repayment within the next 12 months – EFTEN Riga Airport SIA and EFTEN Rutkauskos UAB, with a total outstanding balance of €8,025 thousand as at 30 September 2024. The LSTs of the maturing loan agreements are 28.3% and 46.5%, and both investment properties have stable cash flow from rent, which means that the management of the FUND believes that there will be no obstacles to the renewal of the loan agreements and the FUND confirms that the Group's working capital is sufficient to cover its short-term liabilities.

6.6.5. Significant negative changes

There have been no material adverse changes in the Group's financial position after 30 September 2024.

6.7. KEY CONTRACTS AND AGREEMENTS

When the memorandum of association of the FUND was signed, the founders approved:

- the management contract, which was signed with the Management Company after the registration of the FUND in the Commercial Register on 11 June 2015;
- the depositary contract, which was signed trilaterally with the Management Company and the Depositary after the registration of the FUND in the Commercial Register on 11 June 2015.

The management contract with the Management Company was amended by the decision of the General Meeting of the FUND held on 27 September 2017. The amendments to the management contract entered into force when the agreement on amendment of the management contract was signed. The depositary contract was amended in 2019 and the amendments entered into force on 1 March 2019. For further information on the management contract, please refer to point 7.2 “Management Company” of the Prospectus and for further information on the depositary contract, please refer to point 7.3 “Depositary” of the Prospectus. These contracts are in force and have not been amended more than indicated above.

Detailed information on the loan and security agreements entered into within the scope of the Group’s economic activities is set out in the financial statements incorporated by reference in point 1.10 “Information Incorporated by Reference” of the Prospectus.

The FUND and the SPVs have not entered into any significant contracts outside the ordinary course of business (management and development of investment properties) that would give the FUND or the SPVs rights or impose obligations that would materially affect the ability of the Group companies to meet their obligations or that would have a material adverse effect on the Group’s operations or financial condition, other than the contracts related to UAB “Verkių Projektas” specified below: 1) the parking area, which is registered in the property register under number 4400-2474-1791, was built by UAB “Verkių projektas” according to the Agreement on the Development of the Territory entered into with the Vilnius City Government on 14.09.2007 and the Agreement on the Conditions to the Connection to the Transport and Communications No A326-52(2.9.4.1-UK4) entered into on 27.11.2011. According to the contracts, UAB “Verkių projektas” is obliged to transfer the ownership of the parking area to the City of Vilnius. As compensation, the City of Vilnius is obliged to give the parking area in the use of UAB “Verkių projektas” for a specified term free of charge; 2) UAB “Verkių projektas” is obliged to design and build a parking area next to the piece of land rented by UAB “Verkių projektas” on the basis of the Agreement on the Design of the Transport and Communications and its Engineering Networks No A326-111-(2.9.4.2-UK4) entered into with the Vilnius City Government on 16.10.2012 and the Agreement on the Construction of the Transport and Communications and its Engineering Networks No A326-88(2.9.4.2-UK4) entered into on 30.08.2013. The design of the parking area has been prepared and approved by the Vilnius City Government, but no construction works have been carried out. The Vilnius City Government has the right to demand the fulfilment of this obligation.

6.8. LEGAL AND ARBITRATION PROCEEDINGS

The FUND is not involved in any legal or arbitration proceedings and the FUND is not aware of the initiation of any civil, administrative or criminal proceedings against the FUND. The SPVs belonging to the Group are parties to disputes, including legal and administrative proceedings, in the ordinary course of their business. The SPVs are mainly in the role of plaintiffs in legal proceedings, claiming debts from tenants or other clients.

To the knowledge of the FUND, the SPVs have not been involved in any legal or arbitration proceedings in the previous 12 months that would have a material impact on the financial position or profitability of the Group or the SPV itself, except for the legal disputes between EFTEN Seljaku and EFTEN Tāhesaju tee OÜ, and AS Hortes (the tenant) in relation to the initiation of the reorganisation of the tenant, but agreements were reached in these disagreements (both reorganisation and performance of leases) as a result of negotiations and the disputes have been resolved. EFTEN Tāhesaju tee OÜ and AS Hortes terminated the lease by agreement of the parties, and EFTEN Tāhesaju tee OÜ sold the property at Tāhesaju tee 5, Tallinn, in September 2024. The legal dispute between EFTEN Seljaku OÜ as the landlord and AS Hortes was also settled by agreement of the parties and AS Hortes is fulfilling its obligations under both the agreement and the lease as agreed.

6.9. TRANSACTIONS WITH RELATED PARTIES

The Group (the FUND together with its Subsidiaries) applies IAS 24 to transactions with related party. Detailed information on transactions with related parties is set out in the FUND’s consolidated annual report for 2023 and the interim report for Q3 2024 incorporated by reference in point 1.10 “Information Incorporated by Reference” of the Prospectus. From the last interim report, i.e. the one for Q3 2024, until the date of this Prospectus, the FUND has not purchased from or sold to related parties any goods or services other than the management fee described in section 8.2.1 “Management Fee”.

The FUND has not paid any remuneration to the members of the Supervisory Board and the members of the Management Board of the FUND. The members of the Management Board of the FUND are employed by the Management Company, which provides management services to the Group, and the expenses related to the activities of a member of the Management Board are included in the management service.

6.10. MANAGEMENT

The managing bodies of the FUND are the General Meeting, 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 Management Company on the basis of a management contract. To the knowledge of the FUND, there are no persons who are not members of the administrative, managing or supervisory bodies of the FUND or of the Management Company and who nevertheless directly or indirectly hold an interest in the capital of the FUND or have the right to vote or the right of discretion when any resolutions are adopted.

The FUND assesses the existence of the possible conflicts of interest of the management and supervisory bodies of the FUND, the probability of their occurrence, the associated risks and their significance regularly in the course of its everyday operations. The management and supervisory bodies of the FUND refrain from conflicts of interest and the Management Board informs the Management Company and the Supervisory Board of the FUND of any known conflicts of interest and potential conflicts of interest. A member of the Management Board only continues to engage in professional activities related to a conflict of interest on the basis of the relevant decision of the Supervisory Board. A member of the Supervisory Board is obliged to inform all members of the Supervisory Board before making the decision of the Supervisory Board if the Supervisory Board member concerned has a conflict of interest or a potential conflict of interest in relation to such a decision. Before making the decision to invest in a potential investment property or to conclude another transaction, or before concluding another transaction, each member of the Supervisory Board or the Management Board (who participates in making the relevant decision or transaction) is obliged to ensure that they have no conflict of interest in relation to the making of the relevant decision. If it does exist, the respective member of the Supervisory Board or the Management Board is obliged to inform the supervisory board and management board of the Management Company and the internal auditor about this, and not participate when the relevant decision or transaction is made. The following restrictions for the prevention of conflicts of interest are set in the Articles of Association of the FUND apply when the assets of the FUND are invested:

- the FUND may not acquire or have a holding in the Management Company or its subsidiary;
- the FUND may not acquire assets from the Management Company, the members of its management board or supervisory board, its auditors, the fund managers or employees of the FUND or persons who have a common business interest with the aforementioned persons, or the other Funds managed by the Management Company. The acquisition of assets from the Management Company and other funds managed by the Management Company is permitted by way of an exception under the conditions provided by law and only with the approval of the Supervisory Board of the FUND;
- the FUND may not transfer its assets to the Management Company, the members of its Management Board or Supervisory Board, its auditors, the fund managers or employees of the FUND or persons who have a common business interest with the aforementioned persons, or the other funds managed by the Management Company. The transfer of assets to the Management Company and other funds managed by the Management Company is permitted by way of an exception under the conditions provided by law and only with the approval of the Supervisory Board;

6.10.1. General Meeting of the FUND

The highest managing body of the FUND is the general meeting of shareholders (**General Meeting**). An annual General Meeting is called at least once within four months of the end of the financial year of the FUND. Notice of an annual General Meeting must be given to shareholders at least three weeks in advance. A special General Meeting will be called if the Management Company or the Management Board of the FUND considers it necessary or if this is demanded by the FUND's Supervisory Board, auditor, the Management Company, the Financial Supervision Authority or the Depository of the FUND. In addition to the persons set forth by law, the shareholders whose shares represent at least 1/20 (one-twentieth) of the share capital may demand that a general meeting be called and that items be included on the agenda of the general meeting. The request to call a special General Meeting must be submitted to the Management Board of the FUND in writing, indicating the reason for calling the meeting. The

shareholders must be notified of a special General Meeting at least three weeks in advance, as the FUND is listed at the stock exchange. The notice calling the General Meeting is published on the FUND's website. The Management Board will send the notice of the General Meeting to all shareholders to the postal address indicated in the share register, unless the FUND has more than 50 shareholders, in which case the Management Board will publish the notice of the General Meeting in a national newspaper. The notice calling the General Meeting may also be sent to the shareholders by ordinary letter or fax or electronically pursuant to subsection 294 (1') of the Commercial Code. After listing, the FUND also publishes the notices calling the General Meeting as stock exchange announcements.

In order to ensure that a shareholder of the FUND can attend the General Meeting, the shares must be registered in the ESR in the name of the shareholder at the latest as at the end of the working day of the registrar's office on the seventh day before the General Meeting. A General Meeting has a quorum if over one-half of the votes determined by the shares are represented therein. If the number of votes represented in the General Meeting is not sufficient, the Management Board will call a new General Meeting with the same agenda within three (3) weeks, but not earlier than in seven (7) days. The General Meeting called for the second time is authorised to adopt resolutions, irrespective of the number of votes represented at the meeting. A resolution of the General Meeting is adopted if over one-half of the votes represented at the General Meeting are in favour of the resolution unless the law or the provisions Articles of Association prescribe a greater majority requirement.

The adoption of the resolutions specified in points (i) and (ix) of the competence of the General Meeting of the FUND requires 2/3 (two-thirds) of the votes represented at the meeting. The adoption of the resolution specified in point (iii) requires 2/3 (two-thirds) of all votes represented by Shares.

Competence of the General Meeting of the FUND:

- (i) amendment of the Articles of Association of the FUND, including amendment in such a way that the right to make the resolutions that are within the competence of the general meeting, which was placed within the competence of the Supervisory Board or the Management Board, are placed back within the competence of the General Meeting;
- (ii) increasing and reducing the share capital, insofar as this has not been placed within the competence of the Supervisory Board of the FUND with the Articles of Association;
- (iii) deciding on the conclusion, amendment and termination of the management contract;
- (iv) amendment of the procedure for making payouts to shareholders on account of the income of the FUND;
- (v) amendment of the investment policy of the FUND insofar as this is not within the competence of the Supervisory Board according to article 3.4 of the Articles of Association;
- (vi) election and removal of the members of the Supervisory Board, renewal of their authorities, and determination of the procedure for remuneration of the members of the Supervisory Board and the amount of the remuneration;
- (vii) designation of special audit;
- (viii) approval of the annual report and distribute profit;
- (ix) deciding on the dissolution of the FUND, including the liquidation or merger of the FUND;
- (x) deciding on the conclusion and terms and conditions of transactions with members of the Supervisory Board, deciding on the conduct of legal disputes with members of the Supervisory Board and appointing a representative of the FUND in such transactions or disputes;
- (xi) deciding on other matters placed within the competence of the General Meeting by legislation.

The FUND was established by eleven (11) persons who, upon registration of the FUND in the Commercial Register, became shareholders of the FUND who have no special rights or special classes of shares. The FUND has previously organised six public offerings of shares. All Shares issued by the FUND have been fully paid for and there are no Shares for which payment has not been made or which are not entered in the register maintained by Nasdaq CSD. None of the founders and current shareholders of the FUND whose holding exceeds 5% or 10% have control over the FUND. To the knowledge of the FUND, no shareholders agreements or other agreements that could give control of the FUND later, have been entered into between the shareholders.

The FUND has registered shares of one class with a nominal value of €10 per share, each of which grants a shareholder of the FUND one (1) vote. A share grants the shareholder the right to participate in the General Meeting and in the distribution of profit and of the remaining assets of the FUND upon dissolution of the FUND, and other rights prescribed in law and the Articles of Association. There are no differences that would give shareholders different voting or other rights.

6.10.2. Supervisory Board of the FUND

The Supervisory Board of the FUND consists of three to five members. The work of the Supervisory Board is organised by the chairman of the Supervisory Board, who is elected by the members of the Supervisory Board from amongst themselves. Meetings of the supervisory board are held as necessary but not less frequently than once every three months. The Supervisory Board may also adopt resolutions without calling a meeting. A resolution of the Supervisory Board is adopted if more than half of the members of the Supervisory Board who attended the meeting were in favour, unless legislation or the Articles of Association of the FUND prescribe a greater majority requirement. Upon an equal division of votes, the chairman of the Supervisory Board does not have the deciding vote.

At present, the Supervisory Board has four members. Arti Arakas, Olav Miil, Siive Penu and Sander Rebane, have been members of the Supervisory Board since establishment and they are still members of the Supervisory Board (their authorities have been extended) and their authorities are valid until 18 June 2025. According to the Articles of Association of the FUND, the re-election of the members of the Supervisory Board (extension of authorities) is allowed.

Arti Arakas (born in 1968; place of residence Estonia) – Chairman of the Supervisory Board of the FUND. In addition to participation in the Supervisory Board of the FUND, Arti Arakas is currently chairman of the Supervisory Board of EFTEN Kinnisvarafond II AS and Arco Color AS, member of the Supervisory Board of EFTEN Capital AS, Aktsiaselts KE INFRA and member of the management boards of OÜ Greatway, Euro Houses Development OÜ, Altius Capital OÜ, OÜ Arco Metal, OÜ Heltul and Altiuse KVI OÜ. Arti Arakas holds a degree in psychology from the University of Tartu and has many years of experience in the real estate industry, including as chairman of the supervisory board of Arco Vara AS. To the knowledge of the FUND, Arti Arakas is not subject to any criminal convictions or sanctions (including sanctions imposed by professional bodies), any business prohibitions or restrictions and there are no other circumstances that would disqualify him from acting as a member of the supervisory board.

Olav Miil (born in 1967; place of residence in Estonia). In addition to participation in the Supervisory Board of the FUND, Olav Miil is currently a member of the supervisory boards of EFTEN Capital AS, EFTEN Kinnisvarafond II AS, Hotell Jurmala OÜ, OÜ Derivaat NH3 and the management boards of OÜ Reyna Trade (bankrupt), OÜ Dagenhart (bankrupt), OÜ Paxton Assets (bankrupt), M&V Laevad OÜ, V&M Laevad OÜ, Maakri Kvartal OÜ, OÜ Nordic Stream Group, REF Aktsiad OÜ. Companies and associations where Olav Miil has been a member of the managing bodies in addition to those mentioned above during the last five years are as follows: Boodio Investeeringud OÜ, PrefabEU OÜ and AS Pärnu Metsamajand (liquidated). Olav Miil has secondary education (graduated from Tallinn Nõmme Upper Secondary School) and extensive experience in the area of real estate and company management. To the knowledge of the FUND, Olav Miil is not subject to any criminal convictions or sanctions (including sanctions imposed by professional bodies), any business prohibitions or restrictions and there are no other circumstances that would disqualify him from acting as a member of the supervisory board. We hereby clarify that through Taali Grupp OÜ, Olav Miil is the biggest creditor in the bankruptcy proceedings of the aforementioned Dagenhart OÜ, Paxton Assets OÜ and Reyna Trade OÜ (hereinafter jointly referred to as DPR) and also one of the three members of the management board. The ferries *Hiumaa*, *Saaremaa* and *Muumaa* were chartered (leased) through DPR, and Aktsiaselts Saaremaa Laevakompanii (SLK) group in turn chartered them from DPR to operate ferry services between the mainland and the big islands. The DPR companies went bankrupt in 2017, because SLK did not pay the charter fees agreed in the charter contracts to DPR, and then SLK itself went bankrupt in 2018. The operations of Dagenhart OÜ, Paxton Assets OÜ and Reyna Trade OÜ are not related to the operations of the FUND or the Management Company.

Siive Penu (born in 1967; place of residence in Estonia). In addition to participation in the supervisory board of the FUND, Siive Penu is currently a member of the supervisory boards of EFTEN Kinnisvarafond II AS, Sunly Innovation 2 OÜ and Andrus Reinsoo Foundation, and the management boards of HTB INVESTEERINGUD OÜ, Puupank OÜ, Airforced Systems OÜ, Risiktu 91 KÜ, Brass Holding OÜ, Salvei OÜ, Esna Manor OÜ, Koda Park OÜ, and VHRH OÜ, and is the liquidator of OÜ Tro Holding. Companies and associations where Siive Penu has been a member of the managing bodies in addition to those mentioned above during the last five years are as follows: Kodasema OÜ, RH2O OÜ, RHEV OÜ. Siive Penu graduated from Tallinn University of Technology with a degree in technology engineering and has extensive experience in finance and company management. To the knowledge of the FUND, Siive Penu is not subject to any criminal convictions or sanctions (including sanctions imposed by professional bodies), any business prohibitions or restrictions and there are no other circumstances that would disqualify her from acting as a member of the supervisory board.

Sander Rebane (born in 1974; place of residence in Estonia). In addition to participation in the supervisory board of the FUND, Sander Rebane is currently a member of the supervisory boards of EFTEN Kinnisvarafond II AS, AS Wellman Invesco, Sunly AS, Sunly Innovation OÜ, Sunly Innovation 2 OÜ and AS Betooneimeister, and a member of the management boards of OÜ Sannu Investeeringud and the Männikabi Apartment Association of Treimani Village, Häädemeeste Municipality. Companies and associations where Sander Rebane has been a member of the managing bodies in addition to those mentioned above during the last five years are as follows: OÜ Sagro, Balti Kinnisvaraportfell AS, Nelja Energia AS, OÜ 4E BioFond, AS Alandia Trading, AS Betooneimeister Marble Invest OÜ, OÜ Risingsun, OÜ FEDS Investeeringud, MTÜ Kiirassaare Küla Arenduse Selts, Trio Holding OÜ, Aleviku tee OÜ, OÜ Piirimäe, AS Betooneimeister and OÜ Jurmill. Sander Rebane graduated from the Faculty of Law of the University of Tartu and has extensive experience in finance and company management. To the knowledge of the FUND, Sander Rebane is not subject to any criminal convictions or sanctions (including sanctions imposed by professional bodies), any business prohibitions or restrictions and there are no other circumstances that would disqualify him from acting as a member of the supervisory board.

No contracts have been entered into with members of the Supervisory Board. No remuneration has been paid to the members of the Supervisory Board and no decisions have been made to pay any remuneration or benefits (including non-monetary) to the members of the Supervisory Board in the future. Considering the restrictions established in the Articles of Association of the FUND, the Supervisory Board of the FUND is competent to:

- (i) appoint and remove procurators;
- (ii) appoint the audit firm;
- (iii) amend the terms and conditions of the depositary contract;
- (iv) approve the registrar of the share register;
- (v) decide on the conclusion of transactions with members of the Management Board and the conditions of the transactions, also decide on holding legal disputes, and appoint the representative of the FUND for the conclusion of these transactions and holding the legal disputes;
- (vi) approve the semi-annual report;
- (vii) approve the opening balance sheet of liquidation and the annual report;
- (viii) supervise the work of the management board and give orders for the organisation of management;
- (ix) increase the share capital according to the provisions of the Articles of Association.

The Management Board requires the consent of the Supervisory Board for the conclusion of transactions, which are beyond the scope of everyday economic activities, including for the conclusion of the following transactions:

- (i) the acquisition or termination of holdings in other companies;
- (ii) the foundation or dissolution of subsidiaries;
- (iii) approval and amendment of the operating strategy of the FUND;
- (iv) significant changes in the activities of the FUND or the involvement of the FUND in business activities that are not related to the objectives of the FUND's current economic activities;
- (v) transactions exceeding €250,000.

The FUND does not have a separate audit or remuneration committee. The functions of the audit and remuneration committee are performed by the Supervisory Board.

6.10.3. Management board of the FUND

According to the Articles of Association, the management board of the FUND may have one to three members who are elected for a term of five years. The management board of the FUND does not manage the assets of the FUND to the extent arising from effective legislation, the Articles of Association of the FUND and the management contract. The management board supervises the Management Company's activities in relation to the FUND, i.e. monitors the performance of the obligations of the Management Company under the management contract and, to the extent and pursuant to the procedure set forth in the depositary contract, supervises the performance of the activities of the depositary and other outsourced functions related to the management of the FUND by third parties. For further information on the management service provided by the Management Company under management contract, please refer to point 7.2 "Management Company" of the Prospectus. The members of the management board are accountable to the supervisory board of the FUND for the performance of their duties. The members of the management board are liable pursuant to the procedure and to the extent stipulated by legislation.

At present, the management board of the FUND has two members: Viljar Arakas and Tõnu Uustalu, whose authorities expire on 6 May 2025. According to the Articles of Association of the FUND, the re-election of the members of the management board (extension of authorities) is allowed.

No contracts have been entered into with members of the management board. No remuneration has been paid to the members of the management board and no decisions have been made to pay any remuneration or benefits (including non-monetary) to the members of the management board in the future. Viljar Arakas, a member of the management board of the FUND, is a member of the management board of the Management Company at the same time and a contract of a management board member has been entered into with him. Tõnu Uustalu, a member of the management board of the FUND, is the head of the Investment Department of the Management Company at the same time, and an employment contract has been entered into with him. Detailed information on the members of the management board with regard to the related companies is given below.

Viljar Arakas (born in 1979; place of residence Estonia) – member of the management board. Viljar Arakas is a founding member of EFTEN Capital AS and is currently a member of the Management Board of EFTEN Capital AS, EFTEN KinnisvaraFond II AS, a member of the management board of the SPVs of these Funds in Estonia, a member of the management board of the general partners of the trust funds managed by EFTEN Capital AS, a member of the management board of Miemma Holding OÜ and a member of the supervisory board of Coop Pank AS and Bestair Group OÜ. Viljar Arakas is also a member of the Budget Council. Before the establishment of EFTEN Capital AS, he was the chairman of the management board of Arco Vara AS until January 2008. The listing of Arco Vara shares and a share issue of €65 million was organised under the leadership of Viljar Arakas in June 2007. From 2000 to 2002, Viljar Arakas was the Chairman of the Management Board of OÜ Haagisekeskus and from 1999 to 2002 Chairman of the Management Board of AS Arco Transport. From 1998 to 2001, Viljar Arakas worked as the sales manager at Arco Transport AS. Viljar Arakas was a member of the supervisory board of AS EVR Cargo from 2012–2015, a member of the supervisory board of AS Tallinna Lennujaam from 2007–2011, chairman of the supervisory board of Eesti Raudtee AS from 2011–2012, and chairman of the supervisory board of Lennuliiklusteeninduse AS from 2017–2020. In addition to being in the managing bodies of companies, Viljar Arakas is a member of the management board of Estonian Private Equity & Venture Capital Association. Viljar Arakas was also a member of the management of MTÜ Teenusmajandus from 2010–2014, including chairman of the management board from 2011–2013, and a member of the supervisory board of the State Reform Foundation. Viljar Arakas graduated from the Tallinn Polytechnic in 1999 with a degree in Telecommunications and in 2003 he obtained a Bachelor's degree in Business Administration from the Estonian Business School (EBS). In addition, Viljar Arakas studied at Hogeschool NOVI in the Netherlands from 2002–2003, obtaining a double Bachelor's degree, and completed the EBS Executive Master's programme, obtaining a Master's degree. To the knowledge of the FUND, Viljar Arakas is not subject to any criminal convictions or sanctions (including sanctions imposed by professional bodies), any business prohibitions or restrictions and there are no other circumstances that would disqualify him from acting as a member of the management board of the FUND.

Tõnu Uustalu (born in 1975; place of residence Estonia) – member of the management board. In addition, Tõnu Uustalu is currently a member of the management board of EFTEN Kinnisvarafond II AS and the Estonian-based SPVs of these Funds, and a member of the management board of the general partners of the trust funds managed by EFTEN Capital AS, chairman of the supervisory board of Arendusmaa OÜ, EFTEN Kinnisvarateenused OÜ, and Hotell Jurmala OÜ. Tõnu Uustalu has been working at EFTEN Capital AS since January 2009. Previously, from 2006 to June 2008, he worked as a member of the management board and head of investments at East Capital Baltics AS (former business name AS AVEC Asset Management). From 2001 to 2006, Tõnu Uustalu worked in the Real Estate Finance and Corporate Banking Department of SEB Bank. From 1999 to 2001, Tõnu Uustalu worked as the manager of the Estonian office of Latio Kinnisvara AS and from 1997 to 1999 as the manager of the Tallinn office of Kaanon Kinnisvara AS. From 1994 to 1997, Tõnu Uustalu worked as an appraiser for AS Lutsu Kinnisvara, obtaining a real estate appraiser license from the Estonian Association of Appraisers. Companies and associations where Tõnu Uustalu has been a member of the managing bodies in addition to those mentioned above during the last five years are as follows: Aleviku tee OÜ. To the knowledge of the FUND, Tõnu Uustalu is not subject to any criminal convictions or sanctions (including sanctions imposed by professional bodies), any business prohibitions or restrictions and there are no other circumstances that would disqualify him from acting as a member of the management board of the FUND. In 1998, Tõnu Uustalu graduated from the Estonian University of Agriculture in the speciality of economics, and from Tallinn Technical College in the speciality of law. In addition, Tõnu Uustalu has previously attended various legal training courses and several real estate related training courses.

Management structure and principles of subsidiaries

The FUND and the Subsidiary owned 100% by the FUND form a consolidation group (the Group). The FUND also has an affiliate – EFTEN SPV11 OÜ, where the FUND holds 50% of share capital. The FUND has direct influence over the SPVs. For each direct investment in real estate, the Fund establishes a separate special purpose limited liability vehicle (SPV) under the company law of the country of location. In Estonia, an osaühing (OÜ), in Latvia a sabiedrība ar ierobežotu atbildību (SIA) and in Lithuania an uždaroji akcinė bendrovė (UAB). The management boards of the SPVs generally have two to three members appointed by the Management Board of the FUND, who acts as sole shareholder of the Subsidiaries and as shareholder in EFTEN SPV11 OÜ. The members of the Management Board of the FUND belong to the management boards of the SPVs in Estonia, and in Latvia and Lithuania, generally at least one person appointed as a member of the management board on the proposal of the Management Company. A member of the management board of an SPV may belong to the same group as the Management Company. The day-to-day management of an SPV is generally the responsibility of the members of the management board or the director in cooperation with the Management Company, based on the principle that the assets of the FUND are managed and administered by the Management Company to the extent set forth by law and the management contract. The members of the management board of the FUND are kept informed of the activities of the SPVs through their weekly meetings and, where necessary, provide the managers of the SPVs with the necessary instructions from the FUND. If the FUND acquires an investment property by acquiring a holding in a company, a resolution will be adopted without delay and in accordance with the agreements concluded during the acquisition transaction to remove the previous members of the management board and to appoint new members of the management board or director.

The management board members of the SPVs do not receive any remuneration unless such an obligation is provided for by local law. If remuneration is mandatory under local legislation, the members of the management board will be paid the minimum wage set forth by law. No compensation is provided for the termination of the employment relationship or removal of members of the management board and they will not receive any compensation in this case.

The SPVs of the FUND do not have audit or remuneration committees. The SPVs of the FUND do not operate in licenced areas of activity.

6.10.4. No conflict of interest

Viljar Arakas, a member of the Management Board of the FUND, is a member of the management board of the Management Company at the same time. The remuneration of a member of the Management Company's management board does not depend on the outcome of the Offering or the listing of the FUND.

As far as the FUND is aware, there are no conflicts of interest between the shareholders of the FUND and the members of the managing bodies or representatives of the Group in relation to the Offering as at the date of this Prospectus.

6.10.5. Corporate Governance Statement

In its corporate governance, the FUND complies with the legal provisions applicable in Estonia. The FUND did not comply with the principles set out in the "Good Corporate Governance Code" guidelines adopted by the Financial Supervision Authority until the listing and admission of the Shares to trading (01.12.2017), as it was not mandatory for a Fund established as a public limited company. The obligation to disclose a Corporate Governance Statement applies to the FUND since the FUND was listed at Nasdaq Tallinn Stock Exchange and the FUND adds a Corporate Governance Statement to the management report of the FUND as a separate subdivision as required by the Accounting Act.

6.11. HUMAN RESOURCES POLICY OF THE GROUP AND OUTSOURCING

The FUND has not had any employees since its establishment. The FUND purchases services from the Management Company under the management contract, or from third parties with the assistance of the Management Company under the management contract and the outsourcing procedure of the Management Company (e.g. auditing services, brokerage services if required, depositary service, etc.). For further information on outsourcing, see also point 7.2 "Management Company" of the Prospectus. The SPVs may have employees where this is more practical according to the specific nature of the assets and the interest of the FUND (for example, the need of the FUND to have daily representation on site in shopping centres); and where required by applicable law.

As at 30 September 2024, the Group had a total of 13 employees, and the total remuneration including taxes calculated for them in nine months 2024 amounted to €358 thousand.

6.12. CALCULATION OF NET ASSET VALUE OF THE FUND

The net asset value of the FUND and the Shares is calculated by the Management Company on the basis of the following key principles:

- (i) The value of the FUND's assets is determined primarily on the basis of market value. If the market value cannot be ascertained, the value of the FUND's assets is determined on the basis of another fair value determination method.
- (ii) The value of an immovable owned by FUND is determined on the basis of its market value and is recognised either as an investment property or as property, plant and equipment, depending on the purpose for which the property is used. The market value of immovables is determined in accordance with the International Valuation Standards IVS 2022 (<http://www.ivsc.org>) with possible amendments, which give the following common definition of market value: market value is the amount based on appraisal for which an asset should be transferred at the time of the appraisal from the seller wishing to carry out the transaction to the buyer wishing to carry out the transaction in a transaction that is independent and effected on an equal basis after a sales transaction that conforms to all requirements, wherein the parties have acted in an informed and balanced way without any coercion. The market value of immovables is determined using the comparative method or the discounted cash flow method.
- (iii) The immovables of the FUND are valued by a recognised real estate appraiser in the countries where the real estate of the FUND is located.
- (iv) The Management Company ensures the regular and, if necessary, ad hoc appraisal of immovables. Regular appraisals are carried out twice a year: 1) as at the end of the financial year and prior to the audit of the annual report of the FUND, and 2) as at 30 June and prior to the approval of the semi-annual report by the Supervisory Board. If the immovable was acquired less than two months before the regular appraisal date, i.e. between 1 May to 30 June or 1 November to 31 December, and if during this period the inputs for the appraisal of the real estate or the market information concerning the appraisal have not changed significantly, the first appraisal of the immovable will be carried out at the time of the next regular appraisal.
- (v) Ad hoc appraisals, which may be necessary due to a significant change in the market situation, a significant drop in rental income forecasts, etc., are carried out on the basis of the respective resolutions of the Supervisory Board.
- (vi) The net asset value (NAV) of all Shares of the FUND is determined on the basis of the value of the FUND's assets minus the value of the FUND's liabilities.
- (vii) The NAV of each Share of the FUND is calculated by dividing the NAV of all Shares of the FUND by the number of Shares of the FUND.
- (viii) The NAV of a Share of the FUND is established to the accuracy of two decimal places.

In the case of funds established as public limited companies, the part of the profit to be distributed to the shareholders on the basis of the approved profit distribution resolution and not yet paid out (dividend) is recognised as a liability of the FUND and a reduction of the undistributed profit at the time of declaration. When the dividend resolution is adopted, the NAV of the FUND established as a public limited company decreases by the approved amount of dividends. Making the payouts does not have an impact on the NAV of the FUND established as a public limited company.

The NAV of the assets of the FUND is calculated on a monthly basis by the 20th of the following month at the latest.

In the event of a miscalculation in the determination of the NAV, the FUND will calculate the new correct NAV of a Share if the NAV of the Share would change by more than 1% of the NAV per Share as a result of the recalculation. The Management Company of the FUND will immediately inform the management board of the Management Company and the FUND of any errors found in the calculation of the NAV. If the error made in the calculation of the NAV of a Share of the FUND unit exceeds 5%, the error made in the calculation of the NAV is deemed to be a significant error and the Management Company will also inform the Financial Supervision Authority, the shareholders of the FUND and the internal auditor of the Management Company about the error.

If a shareholder has suffered a loss due to the incorrect NAV of the Share of the FUND, a set-off will be carried out to the extent of the calculated surplus of the FUND on the account of the FUND by transferring the corresponding amount to the shareholder. The Management Company informs the shareholder of such a set-off as soon as possible.

If the FUND suffers a loss due to the incorrect NAV of the Share of the FUND resulting from the under-valuation of the assets upon subscription for the Shares, the Management Company will compensate the FUND for the amount of money not received upon the issue of the Shares. The Management Company pays the expenses related to processing the compensation of the loss. In the cases where losses are compensated, the Management Company has the right to claim the losses from the parties related to causing the losses. In the financial years 2023 and 2024, there have been no material errors or omissions that would have resulted in the obligation to recalculate the value of the FUND or the assets of the FUND and to compensate for losses.

In addition to the NAV of a Share calculated in accordance with the aforementioned IFRS, the Management Company has, since the beginning of 2019, calculated and disclosed to investors the NAV of the Share recommended by the European Public Real Estate Association (EPRA) as the most relevant fair value of the net assets of the FUND. The optional guideline of the EPRA assumes that real estate companies have long-term economic strategies, which is why any temporary differences in a situation where the sale of assets is not likely to occur in the near future make the fair value of the net assets of the FUND less transparent. Therefore, the deferred income tax expenses related to investment properties and the fair value of financial instruments (interest rate swaps) is eliminated from the NAV calculate according to the IFRS in order to calculate the EPRA NAV.

6.13. DISCLOSURES

The FUND discloses the following information to the shareholders through the information system of Nasdaq Tallinn Stock Exchange in accordance with the law and the Rules of Nasdaq Tallinn Stock Exchange:

- (i) the NAV of the assets of the FUND as at month end by the 20th day of the next month at the latest; also information on the possible suspension of the NAV calculation;
- (ii) monthly fact sheets containing general information on the FUND and overviews of the real estate portfolio and borrowings of the FUND;
- (iii) semi-annual and annual reports;
- (iv) information on the investments made;
- (v) changes in the managing bodies of the FUND;
- (vi) information on any breaches of investment restrictions and the measures taken to remedy them;
- (vii) any other material information which, in the opinion of the management, may affect the NAV of the FUND and the immediate disclose of which to shareholders is reasonable;
- (viii) the time and place of the general meeting of the FUND.

Stock exchange announcements are also published on the FUND's website www.eref.ee. The disclosures of the FUND fall into three categories: (i) announcements relating to the financial performance of the FUND; (ii) announcements relating to acquisitions, developments, disposals, etc.; (iii) other corporate events. The FUND has disclosed the following information in the last 12 months in accordance with Regulation (EU) 596/2014:

Date	Published announcement
<u>Announcements related to the financial performance of the FUND</u>	
12.11.2024	The net asset value of EFTEN Real Estate Fund AS shares as of 31.10.2024
30.10.2024	LHV Pank updated the share analysis of EFTEN Real Estate Fund AS
24.10.2024	Unaudited financial results of EFTEN Real Estate Fund AS for Q3 and 9 months of 2024
10.10.2024	NAV of EFTEN Real Estate Fund AS share as at 30.09.2024
10.09.2024	NAV of EFTEN Real Estate Fund AS share as at 31.08.2024
02.09.2024	Enlight Research updated the share analysis of EFTEN Real Estate Fund AS
09.08.2024	NAV of EFTEN Real Estate Fund AS share as at 31.07.2024
31.07.2024	Unaudited financial results of EFTEN Real Estate Fund AS for Q2 and first half-year of 2024
10.07.2024	NAV of EFTEN Real Estate Fund AS share as at 30.06.2024
11.06.2024	NAV of EFTEN Real Estate Fund AS share as at 31.05.2024
10.05.2024	NAV of EFTEN Real Estate Fund AS share as at 30.04.2024
02.05.2024	LHV Pank updated the share analysis of EFTEN Real Estate Fund AS
25.04.2024	Unaudited financial results of EFTEN Real Estate Fund AS for Q1 2024

10.04.2024	NAV of EFTEN Real Estate Fund AS share as at 31.03.2024
11.03.2024	NAV of EFTEN Real Estate Fund AS share as at 29.02.2024
29.02.2024	Audited annual report 2023 of EFTEN Real Estate Fund AS
14.02.2024	Enlight Research updated the share analysis of EFTEN Real Estate Fund AS
12.02.2024	NAV of EFTEN Real Estate Fund AS share as at 31.01.2024
02.02.2024	LHV Pank updated the share analysis of EFTEN Real Estate Fund AS
01.02.2024	Unaudited financial results of EFTEN Real Estate Fund AS for Q4 and 12 months of 2023
11.01.2024	NAV of EFTEN Real Estate Fund AS share as at 31.12.2023 and preliminary financial results for 2023
12.12.2023	NAV of EFTEN Real Estate Fund AS share as at 30.11.2024
<u>Announcements related to acquisitions, developments and disposals of assets, etc.</u>	
18.10.2024	Subsidiary of EFTEN Real Estate Fund AS acquired the logistics centre of ELP Logistics OÜ
30.09.2024	Establishment of a subsidiary and purchase of the ICONFIT production and warehouse building under construction from the RESTATE group
20.09.2024	Establishment of a subsidiary and conclusion of contract under law of obligations of ELP Logistics OÜ logistics centre properties
17.09.2024	Subsidiary of EFTEN Real Estate Fund AS completed the sale of a property in Tähesaju Retail Park
15.08.2024	Subsidiary of EFTEN Real Estate Fund AS sold Tähesaju property
06.08.2024	Completion of Tartu Südamekodu nursing home in Tartu County and start of renovation of Block C of Valkla nursing home
09.07.2024	Cancellation of lease with tenant of two of subsidiaries of the Fund and reorganisation of the tenant
<u>Other corporate events</u>	
16.10.2024	Resolutions of the special general meeting of EFTEN Real Estate Fund AS
24.09.2024	Notice calling a special general meeting of shareholders of EFTEN Real Estate Fund III AS
05.09.2024	EFTEN Real Estate Fund AS plans a public issue of new shares
18.04.2024	Change in majority holding
15.04.2024	Ex-date for dividend payment of EFTEN Real Estate Fund AS
02.04.2024	Resolutions of the annual general meeting of EFTEN Real Estate Fund AS 02.04.2024
29.02.2024	Notice calling an annual general meeting of shareholders of EFTEN Real Estate Fund III AS
05.12.2024	Financial calendar 2024 of EFTEN Real Estate Fund AS

The information to be disclosed about the FUND under the Investment Funds Act is published on the FUND's website www.eref.ee. The annual reports of the Management Company and the FUND are made public within four months of the end of the financial year, and the semi-annual report of the FUND is made public within two months of the end of the half-year on the website referred to in the previous sentence.

In addition to the Prospectus and its Annexes, the following information and documents can be reviewed on the website of the FUND and at the registered office of the Management Company (A. Lauteri 5, Tallinn) during ordinary business hours (i.e. Monday to Friday, 9:00-17:00):

- (i) notice on significant amendment of the Prospectus;
- (ii) announcement of the results of the issue and offering of shares;
- (iii) announcement of suspension of the offering of shares;
- (iv) notices calling the general meeting of the FUND;
- (v) minutes of the general meeting of the FUND;
- (vi) return for at least the last 12 months;
- (vii) average return of the FUND for the last two, three and five calendar or financial years, according to the emergence of operating history;
- (viii) internal rules of the Management Company for determining the NAV of the assets and a share of the FUND;
- (ix) internal rules on property appraisal;
- (x) notice of amendment of the Articles of Association;
- (xi) notice on the transfer of the management of the FUND;
- (xii) announcement of receipt of authorisation for merger;
- (xiii) liquidation notice.

(xiv) Memorandum of Association of the FUND.

6.14. LIQUIDATION, TRANSFORMATION, MERGER AND DIVISION OF THE FUND

The liquidation, transformation, merger and division of the FUND takes place on the basis of the resolution of the General Meeting of the FUND pursuant to law.

7. SERVICE PROVIDERS OF THE FUND

7.1. GENERAL

The main service providers of the FUND are the Management Company, the Depositary, the auditor and the registrar of the Register of Securities (Nasdaq CSD). The FUND does not have an investment adviser or similar service providers.

The FUND is not aware of any circumstances that would create a conflict of interest situation in respect of any of the key service providers of the FUND. Investment restrictions have been established in order to avoid conflicts of interest, e.g. the restriction according to which the FUND may not invest in the other Funds of the Management Company. The Management Company has established the Procedure for Prevention of Conflicts of Interest and Conflicts of Personal Financial Interest of Managers and Employees, which the Management Company complies with in its activities, including in the provision of management services to the FUND.

7.2. MANAGEMENT COMPANY

The Management Company of the FUND is, on the basis of a management contract, EFTEN Capital AS, registry code 11505542, located at A. Lauteri tn 5, Tallinn. The management contract has been approved by the founders of the FUND at the time of the conclusion of the contract and signed after the registration of the FUND in the Companies Register on 11 June 2015. The management contract was amended in 2017 on the basis of the resolution of the General Meeting of the Fund held on 27 September 2017 in connection with the entry into force of the new Investment Funds Act on 1 October 2017 and the intention to list the Shares on the Tallinn Stock Exchange.

EFTEN Capital AS is a management company established in 2008 whose objective is to professionally manage the assets of the investment funds managed by EFTEN Capital AS and to ensure maximum returns for investors, taking into account the terms and conditions of the managed investment funds. EFTEN Capital AS has been granted the authorisation of a management board by the decision of the management board of the Financial Supervision Authority of 14 January 2009 and the authorisation of the management company of an alternative fund by the decision of 20 November 2014.

The Management Company manages the following alternative investment funds: FUND, EFTEN Kinnisvarafond II AS, Trust Fund EFTEN Real Estate Fund 4, Trust Fund EFTEN Real Estate Fund 5, PE FoF Trust Fund (in liquidation), EFTEN Residential Fund Trust Fund, EFTEN United Property Fund and Trust Fund EFTEN Special Opportunities Fund. The Management Company is the largest manager of commercial property funds in the Baltic States based on the volume of managed assets.

EFTEN Kinnisvarateenuste OÜ, a subsidiary of the Management Company, manages commercial investment properties on the basis of a private mandate. The Management Company has the capacity and offices to manage the investment properties to be acquired for the FUND in all three Baltic States. All investment decisions of the FUND are made in Estonia. In 2013, EFTEN Capital SIA was established in Latvia with Viktors Savins in order to better ensure the organisation of the management of the assets to be acquired for the real estate fund in Latvia and the acquisition of the market information on the properties purchased/sold on the Latvian real estate market. EFTEN Capital SIA provides services to the Management Company on the basis of the outsourcing procedure. In 2015, the Management Company started cooperating with Laurynas Žilys in order to better ensure the organisation of the management of the assets to be acquired for the real estate fund in Latvia and the acquisition of the market information on the properties purchased/sold on the Lithuanian real estate market. The subsidiary EFTEN Capital Lietuva UAB, which provides services to the Management Company on the basis of the outsourcing procedure, was established in August 2015. The restructuring of the Management Company's group was carried out in 2024. The Management Company acquired the shares held by Viktors Savins and Laurynas Žilys in EFTEN Capital SIA and EFTEN Capital Lietuva UAB, respectively, and thereby increased the share capital and issued a total of 28,821 new shares. The new shares were issued by way of a private placement to Viktors Savins, who acquired 16,290 shares

in the Management Company, which comprise 10.40% of the share capital, and to Laurynas Žilys, who acquired 12,531 shares in the Management Company, which comprise 8% of the share capital.

The members of the supervisory board of the Management Company are Hannes Tamjärv (Chairman of the Supervisory Board), Arti Arakas, Peeter Mänd, Olav Miil and Jaan Pillesaar.

Hannes Tamjärv (born in 1961, place of residence in Estonia) is the Chairman of the Supervisory Board of EFTEN Capital AS at present. Companies and associations where Hannes Tamjärv is a member of the managing bodies in addition to those mentioned above: HTB INVESTEERINGUTE OÜ, Center for Environmental Investments, OÜ KaiQ, KODA Park OÜ, Kodasema international OÜ, Kodasema OÜ, KODAstay OÜ, Kodea OÜ, Rocca al Mare Kooli AS, Rocca al Mare Kooli SA. Companies and associations where Hannes Tamjärv has been a member of the managing bodies in addition to those mentioned above during the last five years are as follows: Nelja Energia AS, AS LHV Group, AS LHV Pank, Stigo OÜ, AS Finest Grupp, AS Sencel, Estonian Institute of Historical Memory and the Good Deed Foundation, Estonian Foundation for the Investigation of Crimes Against Humanity, Estonian Drama Theatre Foundation, Creative Generation Foundation. To the knowledge of the FUND, Hannes Tamjärv is not subject to any criminal convictions or sanctions (including sanctions imposed by professional bodies), any business prohibitions or restrictions and there are no other circumstances that would disqualify him from acting as the chairman of the supervisory board of the Management Company. Hannes Tamjärv has extensive experience in the financial sector.

Jaan Pillesaar (born in 1967, place of residence in Estonia) is a member of the supervisory board of EFTEN Capital AS at present. Companies and associations where Jaan Pillesaar is a member of the managing bodies in addition to those mentioned above are the following: DSVH OÜ, Helmes CA OÜ, AS Helmes, Helmes Group AS, Helmes Investments OÜ and Teenusmajanduse Koda. Companies and associations where Jaan Pillesaar has been a member of the managing bodies in addition to those mentioned above during the last five years are as follows: OÜ JPF Holdings, OÜ REM Valdus, AS MarkIT Holding, OÜ FiveYear Capital, Bulgaaria Völakirjade OÜ, OÜ Kakumäe Jahisadam, 4D Capital Management OÜ, 1Home Group AS, Haven Kakumäe OÜ, Haven Management OÜ, Aleviku tee OÜ, JPF Valdus OÜ, OÜ Piirimäe 8. To the knowledge of the FUND, Jaan Pillesaar is not subject to any criminal convictions or sanctions (including sanctions imposed by professional bodies), any business prohibitions or restrictions and there are no other circumstances that would disqualify him from acting as a member of the supervisory board of the Management Company.

Peeter Mänd (born in 1957, place of residence in Estonia) is a member of the supervisory board of EFTEN Capital AS at present. Companies and associations where Peeter Mänd is a member of the managing bodies in addition to those mentioned above: AS ALOVILI, Halsi Kinnisvara OÜ, OÜ Ivard, OÜ Kerme Investeeringud, MTÜ Kiirassaare Village Development Society, AS LAATRE PIIM, Liven AS, AS Maasu, Metsatervenduse OÜ, AS Sagro, Stigo OÜ, Vigrelle AS and AS Wellman Invesco. In addition to the aforementioned, Peeter Mänd has been a member of the managing body of the Estonian Canoe Federation for the past five years. To the knowledge of the FUND, Peeter Mänd is not subject to any criminal convictions or sanctions (including sanctions imposed by professional bodies), any business prohibitions or restrictions and there are no other circumstances that would disqualify him from acting as a member of the supervisory board of the Management Company.

Olav Miil, Arti Arakas: members of the management board of the Management Company whose data are presented above in point 6.10.

The members of the Management Company are Viljar Arakas, Kristjan Tamla and Maie Talts. The data of Viljar Arakas are presented above in point 6.10.

Maie Talts (born in 1974, place of residence in Estonia) is a founding member and the lawyer of EFTEN Capital AS since spring 2008. She has been a member of the management board of EFTEN Capital AS since October 2008. She worked as the lawyer of the supervisory board of Arco Vara and the head of the Legal Department of Arco Vara AS from 2006–2008. In 2007, Maie Talts participated in the Arco Vara Listing Working Group as the company's project manager in the legal audit and the listing of shares. She was the lawyer of Arco Kinnisvarahooduse AS from 1998–2006 and the lawyer of the AS Arco Vara Tallinn Office from 1996–1998. She worked as an assistant of a real estate agent in AS Laine in 1995, before joining the Arco Vara group. Maie Talts was a member of the Estonian Court of Honour of the Association of Estonian Real Estate Companies from 1997–2000. Companies and associations where Maie Talts is a member of the managing bodies in addition to those mentioned above: OÜ Loogika. Maie Talts is also the custodian of the documents of Balti Kinnisvaraportfell AS (deleted), a member of the bankruptcy committees of OÜ Danhart (bankrupt) and OÜ Paxton Asset (bankrupt) a member of Building Association Kadakas. In addition to the above, Maie Talts has been a member of the supervisory board of Magistral

Kaubanduskeskuse OÜ, a member of the management board of EFTEN K141 OÜ, and the liquidator of subsidiaries of the funds managed by the Management Companies, whose activities have been terminated, during the last five years. These SPVs were liquidated in accordance with the strategy of the respective fund. To the knowledge of the FUND, Maie Talts is not subject to any criminal convictions or sanctions (including sanctions imposed by professional bodies), any business prohibitions or restrictions and there are no other circumstances that would disqualify her from acting as a member of the management board of the Management Company. Maie Talts graduated from the Faculty of Law of the University of Tartu in 1996 and continued her studies in 2004 at the Faculty of Social Sciences, Department of Psychology, University of Tartu, graduating in 2008.

Kristjan Tamla, (born in 1976; place of residence in Estonia) joined EFTEN Capital in January 2021 and has been a member of the management board of the Management Company since May 2023. He is a member of management board of the subsidiary Tohvri-Kivi OÜ. Previously, he worked for 15 years in various positions in Swedbank Group, including as chairman of the management board of Swedbank Investment Funds AS from 2014–2020. Kristjan has worked as an economic analyst at Eesti Pank (1999–2006) and at the Ministry of Finance (1998–1999). To the knowledge of the Management Company, Kristjan Tamla is not subject to any criminal convictions or sanctions (including sanctions imposed by professional bodies), any business prohibitions or restrictions and there are no other circumstances that would disqualify him from acting as a member of the business line of the Management Company. Kristjan holds a Master's degree in Economic Theory from the University of Exeter (2005) and a Bachelor's degree in National Economy from Tallinn University of Technology (1999).

Content of the management service provided by the Management Company to the FUND:

Management of the FUND means investing the assets of the FUND, including managing the risks related to investing the assets of the FUND. The content of the investment services is:

- (i) searching for investees in Estonia, Latvia and Lithuania that correspond to the Articles of Association of the FUND;
- (ii) carrying out the necessary due diligence (value analysis, analysis of tenants or lessees, analysis of potential, structural analysis, legal and environmental analysis, etc.) on the properties that meet the investment criteria, with due diligence being carried out in at least the following three main areas:
 - a) technical – a structural survey to make sure that the buildings and facilities are in a suitable condition for purchasing and further operation, and to determine the need for further investment, necessary improvements;
 - b) legal – a legal audit, to make sure that the information provided about the property, the buildings and structures on the property, the encumbrances and the contracts relating to the property is correct;
 - c) commercial and financial – an audit to make sure that the information in the sale prospectus or similar document is accurate and to check that the property meets the rules of the FUND;
- (iii) risk assessment and making investment decision;
- (iv) negotiating the purchase and sale of investees and concluding the necessary contracts and transactions on behalf of the FUND.

The Management Company also provides the following services to the FUND in connection with the management of the FUND:

- (i) organisation of the issue and redemption or repurchase of the Shares (provided that the Management Company does not organise the Offering under this Prospectus and the marketing of the Shares in the course of this);
- (ii) issue of documentation proving the right of ownership to the shareholders of the FUND, if necessary;
- (iii) communication of necessary information to the shareholders of the FUND and the general public, and provision of other customer service;
- (iv) organisation of the marketing of the Shares of the FUND (provided that the Management Company does not organise the Offering under this Prospectus and the marketing of the Shares in the course of this);
- (v) keeping account of the assets of the FUND;
- (vi) accounting of the companies belonging to the FUND. The accounting service is provided on the basis of the market price and is not included in the management fee;
- (vii) calculation of the NAV of the FUND's assets and the FUND's Share;
- (viii) organisation of maintenance of a register of the shares of the FUND, if necessary;
- (ix) calculation of the FUND's income and distribution of income between the FUND's shareholders;
- (x) supervision of the compliance of the activities of the Management Company and the FUND with legislation, including application of an adequate internal control system;

- (xi) retention of the documents of the FUND;
- (xii) activities directly related to the activities specified above;
- (xiii) provision of legal services related to the management of the FUND. The provision of legal services by the Management Company is not included in the management fee. The service is provided on the basis of the market price or outsourced to a service provider with the relevant competence;
- (xiv) activities related to the management of the assets in which the FUND invests, including property management, advice on capital structure, business strategy, mergers and acquisitions, and other matters related to the management of the FUND and the assets in which it invests.

7.3. DEPOSITARY

The Depositary of the FUND is Swedbank AS, registry code 10060701, located at Liivalaia 8, Tallinn. The depositary contract was entered into between the FUND, the Management Company and the Depositary on 11 June 2015 and amended by an agreement of 18 March 2019 with effect from 1 March 2019. Swedbank AS is a credit institution registered in Estonia, which is supervised by the Financial Supervision Authority. Swedbank AS was registered in the Estonian Commercial Register on 11 July 1996 and has been founded for an unspecified term.

Content of the service provided by the Depositary to the FUND:

the Depositary holds the FUND's assets and performs other duties imposed on it by law according to the depositary contract. The depositary's obligation to hold assets is, in the case of securities, limited to securities that can be held in a securities account opened in the name of the FUND or the Management Company or that can be physically transferred to the depositary. The requirements set out in § 88¹ of the Securities Market Act apply to the holding of securities. In the case of other assets, the Depositary's obligation to hold assets consists of regularly assessing the ownership of the assets and keeping account of the assets. When assessing ownership, the Depositary relies on the information and documents provided by the Management Company and, where possible, other external evidence. The record of ownership of the assets must be consistent with the information and documents provided by the Management Company and other external evidence.

The Depositary has the right to outsource the functions of holding the assets of the FUND to third parties in accordance with § 297 of the Investment Funds Act. According to the aforementioned provision, outsourcing the functions of the Depositary is only allowed if the following conditions are met: 1) outsourcing of functions must be justified and its purpose cannot be to circumvent compliance with the requirements provided for by law; 2) the depositary chooses a third party which holds the assets of a fund with due diligence in order to ensure reliability of the third party; 3) before outsourcing of the functions and thereafter, the depositary is required to verify whether the level of the organisational and technical administration and the financial situation of the third party are sufficient to ensure performance of its contractual obligations; 4) outsourcing of the functions of holding assets is permitted only to a person over whom efficient supervision is exercised and who is subject to prudential requirements, including minimum capital requirements; 5) an audit firm audits at least once a year whether the securities belonging to the FUND or the Management Company are in the possession of the third party; 6) the third party complies with the principles of separation of assets.

In addition to the above, the Depositary of the FUND:

- 1) checks the receipt of payments made for the subscription of Shares in the current account of the FUND opened in the name of the FUND, the Management Company or the Depositary with a central bank or a credit institution of a Contracting State or a credit institution of a third country, provided that the law of the country of location of such credit institution gives it the right to provide services equivalent to those specified in subsection 44 (1) of the Securities Market Act and the effectiveness of its supervision is equivalent to that of the supervision of credit institutions of the European Union;
- 2) ensures that payouts from the income of the FUND are made to the shareholders in accordance with the provisions of the legislation and the Rules or Articles of Association of the FUND.

Depositary may make transfers of securities belonging to the FUND and perform any other operations in with them (e.g. exercise the rights arising from them), as well as dispose of the money held in the accounts of the FUND generally only on the basis of the prior instructions of the Management Company.

7.4. AUDITOR

The auditor of the FUND is Aktsiaselts PricewaterhouseCoopers, registry code 10142876, located at Pärnu mnt 15, Tallinn, Republic of Estonia. Further information about the auditor of the FUND can be found on the auditor's website

at <http://www.pwc.com/ee/et.Aktsiaselts> PricewaterhouseCoopers is a member of the Estonian Auditors Association (website <https://audiitorkogu.ee/>).

The auditor of the Subsidiaries of the FUND located in Estonia is the aforementioned auditor of the FUND – Aktsiaselts PricewaterhouseCoopers, registry code 10142876, located at Pärnu mnt 15, Tallinn, Republic of Estonia.

The auditor of the Subsidiaries of the FUND located in Lithuania is PricewaterhouseCoopers UAB, registry code 111473315, located at J. Jasinskio g. 16B, Vilnius, Republic of Lithuania. Further information about the auditor can be found on the auditor's website at <http://www.pwc.com/lt/en>. PricewaterhouseCoopers UAB is a member of the Lithuanian Chamber of Auditors (Lietuvos Auditoriu Rumai; website www.lar.lt).

The auditor of the Subsidiaries of the FUND located in Latvia is SIA "POTAPOVIČA UN ANDERSONE", registration number 40003612562, located at Ūdens 12–45, Riga, Republic of Latvia. Further information about the auditor can be found on the auditor's website at <http://www.p-a.lv>. SIA "POTAPOVIČA UN ANDERSONE" is a member of the Latvian Association of Certified Auditors (<https://lzra.lv>).

7.5. REGISTRAR OF SECURITIES REGISTER

The Shares of the FUND are registered in the Estonian Securities Register (ESR) kept by the Estonian branch of Nasdaq CSD SE. Further information on Nasdaq CSD can be found at <https://nasdaqcsd.com/et/>.

The Shares of the FUND are registered in the ESR under ISIN EE3100127242.

7.6. REAL ESTATE APPRAISER

The Summary Report on Real Estate Portfolio Valuation regarding the valuation of the investment properties belonging to the SPVs of the FUND, which was prepared by Colliers International Advisors OÜ, registry code 11330404, address Lõdtsa 2a, Tallinn, Estonia, at the request of the FUND, is attached to the Prospectus (as Annex 1). The Summary Report on Real Estate Portfolio Valuation of the FUND has been added to the Prospectus with the consent of Colliers International, which has approved the content of this part for the Prospectus. Further information can be found on the website of Colliers International at www.colliers.com. Neither Colliers International Advisors OÜ, nor the persons who signed the Summary Valuation Report, have a holding in the Fund.

8. FEES AND EXPENSES OF THE FUND

The fees and costs to be paid by the FUND are set out in this Chapter of the Prospectus. No service provider of the FUND receives any fees or other benefits from third parties for the performance of its functions in relation to the FUND.

8.1. FEES AND COSTS PAID OUT OF THE FUND

The following fees and expenses may be paid out of the FUND:

- (i) the fees and expenses directly related to the management of the FUND to the Management Company;
- (ii) the fee payable to the Depositary for the services provided;
- (iii) the transfer costs and service charges (including notary fees, state fees) directly related to the conclusion of a transaction on the account of the FUND;
- (iv) costs incurred by the owner of an immovable, including the costs of management, maintenance and upkeep of the property, marketing costs, land taxes, and damages payable in connection with the property;
- (v) fees and costs related to insurance;
- (vi) fees for audit services;
- (vii) fees and costs related to accounting services;
- (viii) service charges and costs of advisory services related to the activities of the FUND (including those related to external due diligence partners);
- (ix) costs of raising capital (including the costs of concluding loan agreements, provision of collateral, organisation of share issues);
- (x) remuneration of members of the supervisory board (if the general meeting of shareholders of the FUND decides to pay remuneration to members of the supervisory board);
- (xi) remuneration of members of the management board (if the supervisory board of the FUND decides to pay remuneration to members of the management board);
- (xii) costs of liability insurance for members of the supervisory board and the management board;
- (xiii) remuneration of employees (if the management board of the FUND decides to employ staff);
- (xiv) internal control fee (if an internal control is designated);
- (xv) costs of legal or arbitration proceedings;
- (xvi) costs related to the translation of documents, including reports;
- (xvii) costs related to appraisal of investment properties;
- (xviii) fees of real estate agents (if the assets acquired for the FUND are purchased or the purchased assets are given on lease or rent via an agent, and the sales manager of the Management Company, whose duty is to give the FUND's assets on lease or rent, is equalised with the activities of the Management Company, among other things);
- (xix) fees related to the listing, registration and holding of shares, including fees related to the opening and maintenance of a deposit account;
- (xx) interest and financial expenses and taxes payable under applicable law;
- (xxi) expenses related to the conduct and organisation of the general meeting;
- (xxii) costs related to the amendment of the Articles of Association;
- (xxiii) bank charges, commissions, depositing fees, postal charges, representation fees, state fees and procedural fees of authorities;
- (xxiv) fees related to communication of necessary information to the shareholders of the FUND and the general public, and provision of other customer service (including the publication and management of information in databases);
- (xxv) other minor expenses incurred in everyday activities for the objectives of the FUND;
- (xxvi) liquidation costs to the extent set forth in the Investment Funds Act.

These fees, charges, costs and expenses paid out of the FUND may also be paid directly out of the SPVs in relation to which they have been incurred.

The FUND also covers the investment costs related to increasing and maintaining the value of the real estate (including, but not limited to, costs related to improvements and repairs), which are not considered expenses, but investments of the FUND. Investment costs include, among others, construction costs, development costs and fees, the fees of architects and costs of other consultants.

8.2. RATES OF FEES, CHARGES, COSTS AND EXPENSES

8.2.1. Management fee

The management fee payable to the Management Company consists of two parts: the basic fee and the performance fee.

The basic fee is 2% (two percent) of the invested capital of the FUND per year. The basic fee is paid by the last date of the accounting month. The calculation of the basic fee starts from the moment the specific investment property is acquired (i.e. payment for the investment property is made).

Performance fee is an additional management fee that depends on the performance of the FUND. The Management Company has the right to receive the performance fee if:

- (i) an investee of the FUND is sold and the selling price of the investee is higher than the sum of the purchasing price and purchase-related costs of the investee;
- (ii) if there is a combined sale of the investees of the FUND and the total selling price of the investees to be sold is higher than the sum of the purchasing prices and purchase-related costs of the investees to be sold.

The amount of the performance fee is 20% (twenty percent) of the amount that is the difference between the selling price of the investee (or the sum of the selling prices of the investees in the case of a combined sale) and the purchasing price of the respective investee, the purchase-related costs and improvement costs (or, in the case of a combined sale, the sum of the purchasing prices of the investees, the purchase-related costs and the improvement costs) and the hurdle rate of the invested capital. The hurdle rate of the invested capital (of the investee of the FUND (or the sum of the investees or values in the case of a combined sale)) is 10% (ten percent) per year.

The Management Company is entitled to receive the performance fee if the FUND's adjusted closing price on the last trading day of the financial year exceeds the highest adjusted closing price for all previous financial years at the time the FUND is listed at the stock exchange. The closing price is adjusted:

- (i) the sum of dividends paid out in earlier periods and the income tax on dividends per share is added to the closing price of the last trading day of the financial year;
- (ii) The minimum return for the previous periods of the trading period, which equals 10% of the closing price of the last trading day of each of the preceding reporting years, will be subtracted from the closing price, whilst for the first reporting year of the trading period, the minimum return is calculated in proportion to the ratio of the days between the first trading day and the closing date of the reporting year to the total number of days in the accounting year.

The performance fee is equal to 20% of the difference between the adjusted closing price on the last trading day of the reporting year and the adjusted closing price on the last trading day of the previous reporting year multiplied by the number of shares at the end of the reporting period.

The performance fee is paid out within thirty days of the approval of the annual report of the FUND in the year following the reporting year. In addition to the periodic management service, the Group calculated a performance fee for the Management Company for 2022 and no performance fee was calculated for the Management Company for 2023.

If the service provided by the Management Company to the FUND is subject to income tax pursuant to law, VAT will be added to the management fee.

In respect of the management fee payable by the FUND to the Management Company under the management contract, the Management Company may, by notifying the FUND in advance, also invoice the FUND in instalments by allocating the fee pro rata to the proportion of the investments between the Subsidiaries of the FUND, in which case the SPVs of the FUND pay the relevant portion of the management fee directly to the Management Company.

8.2.2. Depositary fee

As long as the volume of the assets of the FUND is less than €33,300,000, a minimum annual fee of €10,000 applies and it is calculated and invoiced monthly. Upon the increase of the volume the assets above this rate, the amount

of the fee until the end of February this year was 0.03% of the volume of the FUND's assets per year. As of 1 March 2019, the amount of the fee is 0.025% of the volume of the FUND's assets per year.

A transaction fee of €1,000 per transaction will apply upon the conclusion of an asset acquisition transaction for the FUND.

In addition to the above fees, the FUND is obliged to reimburse the depositary for any reasonable expenses incurred in the course of providing the service.

8.2.3. Ceiling of fees, charges, costs and expenses

The consolidated fees, charges, costs and expenses of the FUND may not exceed 30% of the FUND's equity per year.

8.3. PAYMENT OF FEES, CHARGES, COSTS AND EXPENSES

The fees, charges, costs and expenses payable by the FUND are paid to the service provider on the basis of the relevant invoice or according to law or the decision of an administrative authority (e.g. no invoice is submitted for a state fee or the procedural fee for an act of an administrative body). The management fee and the depositary fee may not be paid in advance.

The fees, charges, costs and expenses subject to be paid out of the FUND may also be paid directly out of the SPVs in relation to which they have been incurred.

9. TAXES

Below is a summary of the general and sectoral taxation principles of the FUND. The purpose of the summary is to provide an overview of the taxation principles that apply to the FUND and its shareholders, including the taxation of dividends and capital gains on the payment of dividends and the issue of shares. The summary below does not constitute a comprehensive, exhaustive or detailed tax overview and should in no way be construed as professional tax advice.

The tax laws of the investor's Member State and the country in which the FUND is located may affect the income earned on the securities.

Each investor should consult professional tax advisers in relation to any tax issues arising from the Offering or the acquisition of Offered Shares.

9.1. CORPORATION TAX

The current system of corporate income taxation in Estonia differs from traditional corporate income taxation in that corporate taxation is postponed from the time when income is earned to the time when it is distributed. Therefore, a company will only become liable to pay corporation tax when the profits are distributed, with the reinvested profits remaining untaxed until they are paid out.

The liability to pay corporation tax arises on the payment of dividends, the reduction of share capital and the repurchase of own shares, as well as on the indirect distribution of profits, i.e. among other things, income tax must also be paid on fringe benefits, gifts, donations and non-business expenses.

All of the above distributions of profits are taxed at a rate of 20/80 (25%) of the net amount until 31 December 2024, i.e. 20% of the gross amount of the distributable profit, and profit distributions regularly made on certain conditions are taxed at the reduced rate of 14%. As of 1 January 2025, the aforementioned profit distributions will be taxed at the rate of 22/78 (28.2%) and the option to use the lower tax rate will disappear. This corporation tax is payable only at the company level, i.e. the company itself is responsible for accounting, declaring and paying the tax. The corporation tax on distributable profits is not a withholding tax and therefore the provisions of international tax treaties on the taxation of dividends do not apply.

Payouts made upon the decrease of share capital and on the repurchase of own shares are taxable at the company level only if the amount of such payouts exceeds the amount of previous monetary or non-monetary contributions made by shareholders into the company.

In addition to the above, we note that there are exceptions to the payout of dividends where legal entities resident in Estonia are exempt from paying corporation tax. More specifically, dividend payments made by an Estonian legal entity are not subject to income tax if the dividends paid out are received from a taxpayer in another EU member state or Switzerland (excluding tax-free areas) and the Estonian company holds at least 10% of the voting rights in the company paying the dividends at the time the dividends are paid out. The same exception applies to dividends received from third countries where corporation tax has been withheld when the dividends are paid out.

The provisions on the taxation of resident legal entities apply to a fund that is a public limited liability company with two exceptions:

- 1) instead of the FUND, the shareholder pays the tax on the income generated by the repurchase of shares;
- 2) funds that are public limited companies pay tax on real estate income on an ongoing basis, i.e. not at the moment profits are distributed.

Regarding the taxation of profits earned by the **Latvian subsidiaries of the FUND**, we note that Latvia has a similar corporate income tax system to Estonia, where corporate income is not taxed before the distribution of income. Reinvested profit is therefore not taxed (deferred corporation tax). In Latvia, corporation tax is levied on direct distributions of profits such as dividends, but also on indirect distributions, including non-business expenses, interest in excess of limits, loans granted to related parties under certain conditions, transfer pricing adjustments and other indirect payouts. Corporation tax is applicable at the level of the company at the time such a payout is made. Profit distributions are taxed at the rate of 20% on the gross amount of the distributable profit. Redistribution of a dividend received is not subject to corporation tax in Latvia if (i) the company is subject to corporation tax in the country of residence; (ii) such dividend was subject to corporation tax or was subject to tax in the jurisdiction where it was paid

out. Both exceptions apply if the person is not from a low tax rate territory and the dividend is not treated as a tax-deductible expense in the person's country of residence. Withholding tax on dividends, interest or charges for use is not required in Latvia, except for residents of low tax rate territories. As a result, the FUND is not subject to Latvian corporation tax on dividends distributed to the FUND from its Latvian subsidiaries. The redistribution of such a dividend is also exempt from tax in Estonia, as such a dividend is received from a subsidiary based in a Contracting State to the EEA Agreement and the FUND owns more than 10% of this subsidiary.

Regarding the taxation of profits earned by the **Lithuanian Subsidiaries of the FUND**, we note that the profits of the Lithuanian Subsidiaries of the Fund are subject to corporation tax at a rate of 15% (16% from 1 January 2025). The taxable profit of a Lithuanian company is calculated by subtracting non-taxable income and non-taxable expenses from the total economic result of the Lithuanian company. Losses arising from ordinary economic activities can be carried forward indefinitely, but such carry forward must cease when the Lithuanian company terminates the activities that gave rise to the loss. Up to 70% of the current year's taxable profits can be offset against the income tax liability carried forward. Losses on the realisation of securities or derivatives can be carried forward for five years and can only be used to offset gains on the realisation of securities or derivatives. Under certain conditions, operating losses for the current year can be transferred to another legal entity within the same group. Corporation tax is declared on an annual basis and paid in quarterly prepayments (if required) during the tax period. The distribution of dividends by a Lithuanian company to a non-resident shareholder is exempt from tax if the non-resident shareholder holds at least 10% of the share capital of the Lithuanian company for at least 12 months (holding exemption). Such holding exemption may also apply if the shareholder has held the shares for less than 12 months at the time when the dividends are distributed, but intends to hold them for at least 12 months and actually complies with this requirement later. However, this benefit does not apply if the foreign company (recipient) is registered in or otherwise connected to a territory included in the blacklist maintained by the Lithuanian Ministry of Finance. If the criteria for the holding exemption are not met, the ordinary income tax rate of 15% (16% from 1 January 2025) will apply as a general rule, in some cases 5% or 10%. The Lithuanian tax rate on interest payments of a company to the actual recipients of interest income that are resident in a country that is a Contracting State to the EEA Agreement or a country with which a double tax agreement has been concluded is 0%. In other cases, the tax rate on interest payments is 10%. As a result, the FUND is not subject to Lithuanian corporation tax on dividends distributed to the FUND from its Lithuanian Subsidiaries. The redistribution of such a dividend is also exempt from tax in Estonia, as such a dividend is received from a subsidiary based in a Contracting State to the EEA Agreement and the FUND owns more than 10% of this subsidiary.

9.2. TAXATION OF DIVIDENDS

According to the effective Income Tax Act, the recipient of dividends is generally not liable to pay income tax in Estonia on the dividends received, regardless of the legal status of the recipient or whether the recipient is resident in Estonia or another country. Therefore, income tax is generally not withheld on dividend payments made to the dividend recipient and profit distributions in the form of dividends are subject to income tax only at the level of the Estonian company as described above. Non-resident recipients of dividends may still be required to declare and pay income tax in their country of residence. Therefore, each investor must find out themselves in which country they are a tax resident in and, if necessary, contact their tax adviser.

Dividend payouts made to natural persons (both residents and non-residents) until 31 December 2024 in a situation where the Estonian company distributing dividends has made regular dividend payouts or other profit distributions will be taxed at the reduced income tax rate of 14%. If an Estonian company has made regular dividend payments, an additional 7% income tax must be withheld on the dividend paid to the shareholder who is a natural person. A regular profit distribution is an amount that is less than or equal to the company's average distributed profits taxable in Estonia over the previous three years. The option to use the lower tax rate will disappear as of 1 January 2025.

9.3. CAPITAL GAINS ON THE SALE OR SWITCH OF SHARES

The gains received by an Estonian legal entity from the sale of shares are taxed at a rate of 20%. Since all profits earned by a legal entity, including capital gains, are taxed only on distribution, the profit earned on the sale or switch of shares are not taxed when they are received but when they are distributed.

A resident natural person pays income tax on the gains arising on the sale or switch of shares, as well as on the part of the payout received on the redemption of a share of a fund that is a public limited company and on the liquidation of a fund that is a public limited that exceeds the acquisition cost of the share.

The capital gains received by non-residents on the sale or switch of shares are only taxed in limited cases. Specifically, non-residents are liable to pay income tax in Estonia at a rate of 20% only if the shares sold or switched were those of a company which, at the time of the transaction or in any period within the two years preceding the transaction, directly or indirectly owned more than 50% of all the investment properties or buildings registered as movable property in Estonia and if, at the time of the transaction, the non-resident owned more than 10% of the shares in the company.

As the FUND is a real estate fund, non-residents holding more than 10% of the shares of the FUND must take into account the potential income tax liability arising from the sale or switch of the shares.

Capital gains are taxed on the difference between the selling and purchasing price of the shares. The profit earned on a switch of shares is taxed in the amount that is the difference between the market value of the shares and their acquisition cost at the time of the transaction. The expenses directly related to a switch of shares may be subtracted from the shareholder's profit.

Natural persons who are Estonian residents and non-residents are obliged to pay income tax at the rate of 20% on the profit earned on the reduction of share capital, repurchase of shares or liquidation of the company. The taxable income in this case is calculated on the difference between the payments received and the acquisition cost paid by the shareholder, excluding the part of the profit that is already taxed at the company level.

9.4. INVESTMENT ACCOUNT

Persons resident in Estonia may, according to the Income Tax Act, defer the income tax liability by using an investment account. In order to defer the income tax liability, financial assets must be acquired only for the funds held in a cash account opened for this purpose in a credit institution or a permanent business establishment of a credit institution (hereinafter the **investment account**) and the income earned on financial assets must be immediately transferred to the investment account. An investment account may be opened in a resident credit institution of a member state of the Organisation for Economic Co-operation and Development (OECD) or a permanent business establishment of a credit institution located in said state. The income tax liability is deferred until payouts are made from the investment account. When payouts are made from an investment account, the amount by which the payouts made from all investment accounts exceed the balance of contributions made into all investment accounts after such a payout is made will be taxed. The assets held in the investment account can therefore be reinvested tax-free.

10. ANNEXES

The following annexes are attached to the Prospectus on the following pages:

1. Summary Investment Property Appraisal Report

EFTEN Real Estate Fund

Portfolio Valuation
Condensed Report

June 30, 2024

Prepared by: Colliers International

- ❖ The Market Value of EfTEN Real Estate Fund portfolio is 362,359,000 (three hundred sixty-two million and three hundred fifty-nine thousand) Euros as of the date of valuation June 30, 2024.
- ❖ The portfolio under valuation consists of 34 properties - 20 in Estonia, 6 in Latvia and 8 in Lithuania.
- ❖ The total increase in Market Value of the properties in the fund resulting from the valuation compared to December 31, 2023, corresponds to 0.1%.

BRIEF SUMMARY OF THE VALUATION RESULT

	Sector	Quantity	Market Value, €	Market Value, €/sqm	WA Initial Yield
Estonia	Mixed-use	20	188,030,000	1,011	7.7%
Latvia	Mixed-use	6	65,169,000	692	8.5%
Lithuania	Mixed-use	8	109,160,000	947	7.6%
Total/ Average	Mixed-use	34	362,359,000	916	7.8%

BRIEF SUMMARY OF THE VALUATION RESULT

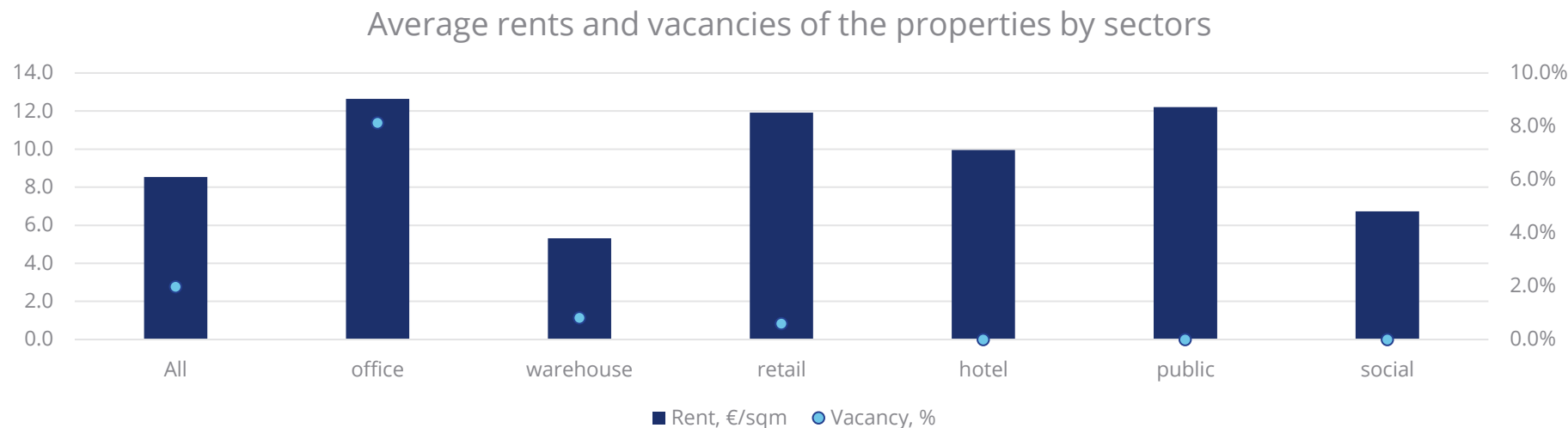
No	Property	Sector	Date of Valuation	Market Value, €	Market Value, €/sqm	Initial Yield
1	Jelgava, RAF, Latvia	Retail	30.06.2024	9,379,000	1,247	8.23%
2	NTP Jurkalnes, Latvia	Warehouse	30.06.2024	23,660,000	498	9.00%
3	Lacplesa 20a, Latvia	Office	30.06.2024	8,270,000	1,290	7.53%
4	Krustpils iela 31 / DSV, Latvia	Warehouse	30.06.2024	8,380,000	689	9.04%
5	Air Baltic office building, Latvia	Office	30.06.2024	7,180,000	1,096	8.55%
6	Piepilsetas, Latvia	Warehouse	30.06.2024	8,300,000	591	7.92%
7	Tilžės 109, Šiauliai (SC Saules Miestas), Lithuania	Retail	30.06.2024	39,040,000	951	8.18%
8	Menulio 11, Vilnius (BC Menulio), Lithuania	Office	30.06.2024	7,350,000	833	5.66%
9	Verkiu street 25C, Vilnius (BC Ulonu), Lithuania	Office	30.06.2024	8,700,000	1,288	9.15%
10	Stasyļu 21, Vilnius (LC DSV), Lithuania	Warehouse	30.06.2024	9,320,000	793	7.93%
11	Laisves 3, Vilnius (BC L3), Lithuania	Office	30.06.2024	10,370,000	1,525	7.38%
12	Ukmerges 223, Vilnius (BC Evolution), Lithuania	Office	30.06.2024	11,110,000	855	6.41%
13	J. Rutkausko 6, Vilnius (BC Rutkausko, ATEA), Lithuania	Office	30.06.2024	12,630,000	1,818	6.78%
14	Ramygalos 194E, 190E, Panevėžys (Adax), Lithuania	Warehouse	30.06.2024	10,640,000	528	7.96%
15	Lauteri 5, Tallinn, Estonia	Office	30.06.2024	5,060,000	1,024	6.04%
16	Pärnu mnt 102c/ Jalgpalli 1, Tallinn, Estonia	Office	30.06.2024	12,810,000	1,160	3.03%
17	Pärnu mnt 105, Tallinn, Estonia	Office	30.06.2024	6,600,000	1,088	8.51%
18	Betooni tn 1a, Tallinn, Estonia	Warehouse	30.06.2024	9,270,000	863	7.20%

BRIEF SUMMARY OF THE VALUATION RESULT

No	Property	Sector	Date of Valuation	Market Value, €	Market Value, €/sqm	Initial Yield
19	Betooni tn 4, Tallinn, Estonia	Warehouse	30.06.2024	6,530,000	900	7.95%
20	Betooni tn 6, Tallinn, Estonia	Warehouse	30.06.2024	9,730,000	524	7.93%
21	Punane 73/ Kuuli 10, Tallinn, Estonia	Warehouse	30.06.2024	11,580,000	762	7.17%
22	Pärnu mnt 535, Jälgimäe, Estonia	Warehouse	30.06.2024	13,250,000	827	7.82%
23	Pärnu mnt 554, Tallinn, Estonia	Retail	30.06.2024	7,680,000	2,107	6.89%
24	A. H. Tammsaare tee 116/Karjavälja 4, Tallinn, Estonia	Retail	30.06.2024	37,060,000	1,140	7.58%
25	Vabaduse väljak 3, Tallinn, Estonia	Hotel	30.06.2024	8,540,000	1,749	5.86%
26	Seljaku 4b, 4a, 2a, Laagri, Estonia	Retail	30.06.2024	3,570,000	1,029	7.55%
27	Tähesaju tee 5, Tallinn, Estonia	Retail	30.06.2024	5,090,000	1,199	7.49%
28	Hunditubaka tee 12, Tallinn, Estonia	Social	30.06.2024	5,820,000	973	8.80%
29	F. R. Kreutzwaldi tn 5a, Rakvere, Estonia	Public	30.06.2024	7,160,000	1,134	9.78%
30	Paldiski mnt 105, Tallinn, Estonia	Retail	30.06.2024	3,150,000	1,430	9.07%
31	F. R. Kreutzwaldi tn 89 (DIY), Võru, Estonia	Retail	30.06.2024	2,670,000	676	9.26%
32	A. H. Tammsaare tee 49 (DIY), Tallinn, Estonia	Retail	30.06.2024	15,580,000	1,707	8.06%
33	Tallinna tn 41 (UKU), Viljandi, Estonia	Retail	30.06.2024	13,530,000	1,124	7.92%
34	Valklaranna rd 36, Valkla, Estonia	Social	30.06.2024	3,350,000	427	8.46%
TOTAL / average				362,359,000	916	7.8%

BRIEF SUMMARY OF THE VALUATION RESULT

- ❖ The average **Effective rent** (EUR/sqm/month) – In Estonia is **8.1 EUR/sqm**, in Latvia **8.5 EUR/sqm** and in Lithuania **9.5 EUR/sqm**.
- ❖ The average **Vacancy rates** are **1.8%**, **1.8%** and **2.6%** in Estonia, Latvia and Lithuania accordingly.



BRIEF SUMMARY OF THE VALUATION RESULT

The increase in the Market Value is mainly resulting from the better performance and implemented investments in specific properties, although the adjustments regarding discount rates and exit yields, also vacancy have been upwards.

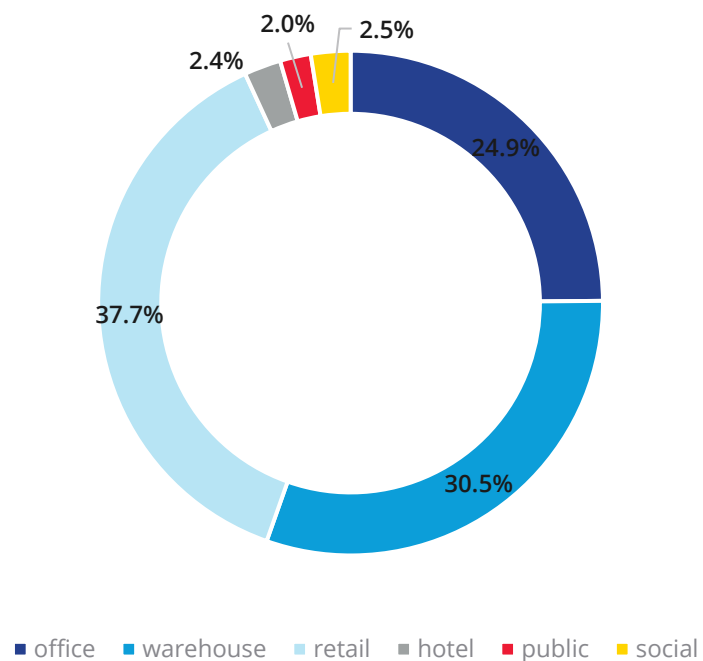
No	Property	Market Value, €	Change compared to Year End 2023	Comments
1	Jelgava, RAF, Latvia	9,379,000	+0.2%	(+) higher rent rates, new tenant with higher rent rate, (-) lower expense recovery
2	NTP Jurkalnes, Latvia	23,660,000	+0.9%	(+) Livonia lease agreement prolongation until 2035; agreements with new tenants (-) higher vacancy
3	Lacplesa 20a, Latvia	8,270,000	+1.0%	(+) indexation; (-) vacant 6th floor premises
4	Krustpils iela 31 / DSV, Latvia	8,380,000	+0.7%	(+) lease agreement prolongation: 2026.11.25 -> 2029.11.25
5	Air Baltic office building, Latvia	7,180,000	+4.2%	(+) lease agreement prolongation: 2026.02.23 -> 2029.02.24; (+) additional income from the tenant regarding energy savings after the renovation (50% from reduction of the energy consumption for heating; until lease term)
6	Piepilsetas, Latvia	8,300,000	+0.1%	(+) new tenants; (-) The rent level for new tenants is lower than the assumed market rent in previous valuations.
7	Tilžės 109, Šiauliai (SC Saules Miestas), Lithuania	39,040,000	+1.6%	(+) EY (8.00% vs 8.25%)
8	Menulio 11, Vilnius (BC Menulio), Lithuania	7,350,000	-1.9%	(-) higher vacancy
9	Verkiu street 25C, Vilnius (BC Ulonu), Lithuania	8,700,000	0%	No change in Market Value
10	Stasyļu 21, Vilnius (LC DSV), Lithuania	9,320,000	+2.2%	(+) minimal change in MV due to indexation (capped)
11	Laisves 3, Vilnius (BC L3), Lithuania	10,370,000	0%	No change in Market Value
12	Ukmerges 223, Vilnius (BC Evolution), Lithuania	11,110,000	-0.2%	(-) minimal change in MV due to lower indexation
13	J. Rutkauskos 6, Vilnius (BC Rutkauskos, ATEA), Lithuania	12,630,000	+0.1%	(+) minimal change in MV due to indexation (capped)
14	Ramygalos 194E, 190E, Panevėžys (Adax), Lithuania	10,640,000	+0.5%	(+) minimal change in MV due to indexation (capped)
15	Lauteri 5, Tallinn, Estonia	5,060,000	-0.8%	(-) increased vacancy, one of the bigger tenants didn't renew the contract.
16	Pärnu mnt 102c/ Jalgpalli 1, Tallinn, Estonia	12,810,000	-2.9%	(-) increased EY, one of the anchor tenants extended the contract only until the end of the year. The tenant rents about 2,600 m2 or 30% of the NLA.

BRIEF SUMMARY OF THE VALUATION RESULT

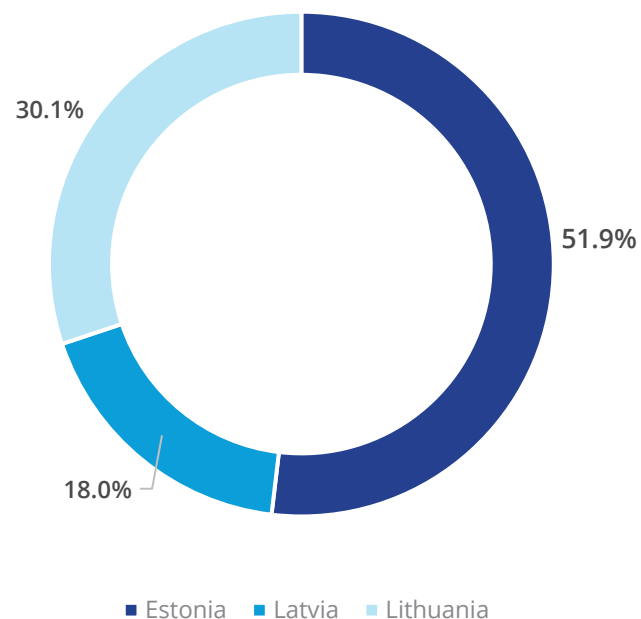
No	Property	Market Value, €	Change compared to Year End 2023	Comments
17	Pärnu mnt 105, Tallinn, Estonia	6,600,000	-2.7%	(-) increased EY, increased vacancy rates, as the average lease term is quite short. We also see an increasing vacancy of similar classes of space on the market, as well as increasing competition.
18	Betooni tn 1a, Tallinn, Estonia	9,270,000	+1.4%	(+) rental income has been indexed (+) costs have been indexed with lower CPI
19	Betooni tn 4, Tallinn, Estonia	6,530,000	0%	No change in Market Value
20	Betooni tn 6, Tallinn, Estonia	9,730,000	+1.1%	(+) investments are implemented
21	Punane 73/ Kuuli 10, Tallinn, Estonia	11,580,000	+0.6%	(+) Indexation
22	Pärnu mnt 535, Jälgimäe, Estonia	13,250,000	-0.4%	(-) Lower indexation than prognosed
23	Pärnu mnt 554, Tallinn, Estonia	7,680,000	-0.3%	(-) Indexation has been lower than prognosed
24	A. H. Tammsaare tee 116/Karjavälja 4, Tallinn, Estonia	37,060,000	+0.7%	(+) Indexation and increase in cash flow (-) Change in NBIA (corrected)
25	Vabaduse väljak 3, Tallinn, Estonia	8,540,000	-5.5%	(-) increased exit yield, lower performance prognose due to the last year's actual performance
26	Seljaku 4b, 4a, 2a, Laagri, Estonia	3,570,000	+0.6%	No significant change in Market Value
27	Tähesaju tee 5, Tallinn, Estonia	5,090,000	-4.7%	(-) decrease in rental income (-) higher vacancy estimations due to the payment difficulties
28	Hunditubaka tee 12, Tallinn, Estonia	5,820,000	0%	(+) rent indexation; (-) the tenant's obligation will end soon
29	F. R. Kreutzwaldi tn 5a, Rakvere, Estonia	7,160,000	-0.8%	(-) minor change in Market Value as the end of contract is near and vacancy applies, also additional payments by tenant will end
30	Paldiski mnt 105, Tallinn, Estonia	3,150,000	0%	No change in Market Value
31	F. R. Kreutzwaldi tn 89 (DIY), Võru, Estonia	2,670,000	0%	No change in Market Value
32	A. H. Tammsaare tee 49 (DIY), Tallinn, Estonia	15,580,000	0%	No change in Market Value
33	Tallinna tn 41 (UKU), Viljandi, Estonia	13,530,000	-0.7%	(-) minimal change in MV as the previous anchor's rent was over-indexed in our DCF and correction caused some loss
34	Valklaranna rd 36, Valkla, Estonia	3,350,000	+0.3%	No significant change in Market Value

BRIEF SUMMARY OF THE VALUATION RESULT

Portfolio Market Value by sectors



Portfolio Market Value division by regions



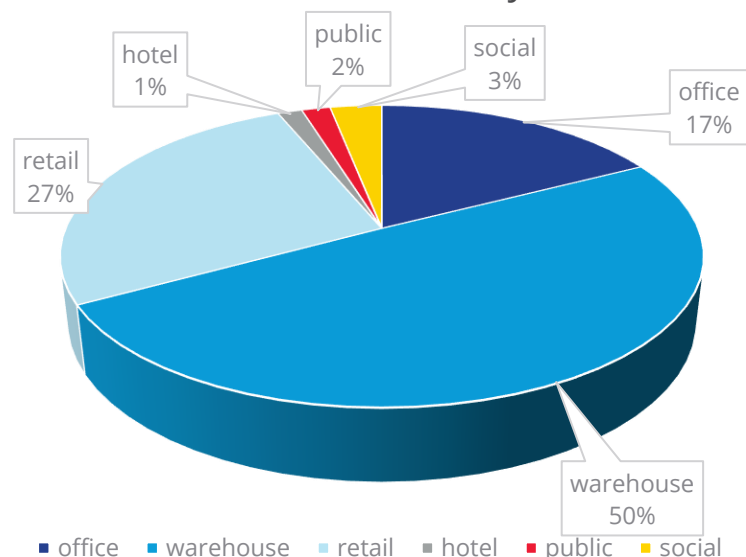
❖ **The largest share (38%) of the total Market Value** is in the retail sector, which has remained one of the more liquid sectors.

❖ **The largest share (52%) of the total Market Value** are forming properties located in Estonia, whereas properties with 77% of the total Market Value are located in Tallinn, which is the dominant region of Estonian property market, having also the highest liquidity on the market.

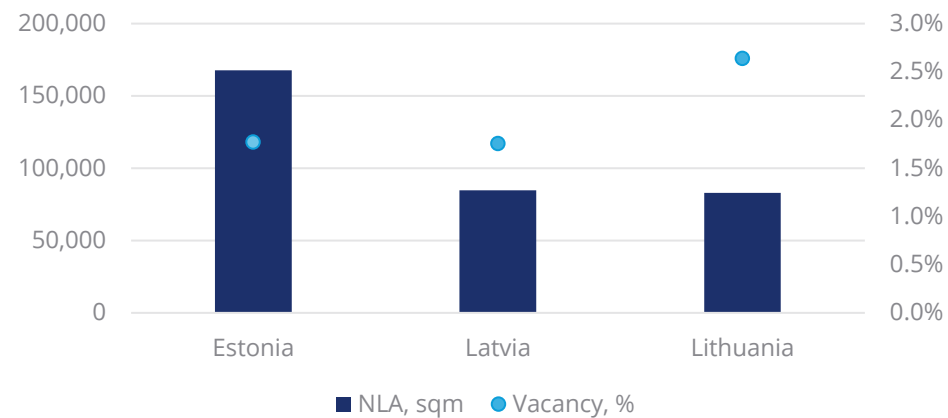
BRIEF SUMMARY OF THE VALUATION RESULT

- ❖ The object of the valuation was the **portfolio of EfTEN Real Estate Fund**, consisting of **34 properties**.
- ❖ **20 objects** are located in Estonia (14 in Tallinn, 1 in Rakvere, 1 in Võru, 1 in Viljandi, 3 in Harju County), 6 in Latvia (5 Riga, 1 in Jelgava) and 8 in Lithuania (6 in Vilnius, 1 in Panevėžys and 1 in Šiauliai).
- ❖ The total **net building internal area** of the portfolio is **395,537 sqm** and total **leasable area 335,515 sqm**.
- ❖ The **dominant objects** of the portfolio are **Jurkalne Technology Park** in Riga (13.2% of the total NLA) **Mustika Keskus in Tallinn** (8.2% of the total leasable area) and **Saules Miestas Shopping Centre in Šiauliai** (6.1% of the total leasable area).

Portfolio leasable area by sectors



Portfolio leasable area and vacancy division by regions



INITIAL TASK AND MAIN PRINCIPLES

- 1** The **Client** of the valuation is **EfTEN Real Estate Fund** (hereinafter **EfTEN**) and the **executor Colliers International Advisors OÜ** (hereinafter **Colliers**) together with Colliers Latvia and Lithuania
- 2** The **objective** of the valuation was to determine the **Market Value of EfTEN Real estate Fund portfolio's relevant properties** (hereinafter **Object**) **as of June 30, 2024**
- 3** The valuation process was carried out according to the initial task in **June 2024**
- 4** The valuation process was carried out by the **valuation experts (incl. experts with local or international certification) of Colliers' Estonia, Latvia and Lithuania**
- 5** In determining the Market Value, the main principles (incl. the unambiguous definition of Market Value) of **Estonian** standards EVS 875, **Latvian** standards LVS 401:2013, **Lithuanian** regulations and **International Valuation Standards** IVS 2022, RICS Valuation – Global Standards 2022 and European Valuation Standards EVS 2021 were taken into account
- 6** Colliers assures that it has performed the valuation process as an **independent external valuer**, without any direct or indirect interests related to the valued Object

INITIAL TASK AND MAIN PRINCIPLES

- 7 Colliers assures that it has the **essential experience, competence and market information** to determine adequately the market value of the Object
- 8 The valuation was based on the **aggregated data of the Object** presented by EfTEN – incl. aggregated lease data, area data of the Object (incl. gross area and leasable area), cost information, implemented and planned investments and other relevant data that can influence the Market Value
- 9 Colliers did not perform any measuring, constructional examinations, surveys of possible hidden defects or threats (e.g., pollution) of the Object. Nor did Colliers perform legal or economic in-depth analysis of the lease agreements
- 10 All inputs and the determined Market Values are **without VAT**
- 11 For mid-year period, valuation is indicative and was not formalized in Valuation reports but connected to the previous reports: Estonia: No 4/E/24 (as of January 17, 2024) and No 5/E/24 as of January 23, 2024; Latvia: 3591/VD/23-LV01, 3591/VD/23-LV02, 3591/VD/23-LV04, 3591/VD/23-LV07, 3591/VD/23-LV08, 3591/VD/23-LV09 (as of December 31, 2023); Lithuania: No. VD/603-01/24, VD/603-02/24, VD/603-03/24, VD/603-04/24, VD/603-05/24, VD/603-07/24, VD/603-10/24, VD/552-13/24 (as of January 5, 2024)

VALUATION METHODOLOGY

1

Discounted Cash Flow (DCF) Method was used to determine the Market Value of the Object. The cash flow period of 5+1 years was applied

2

Income from existing lease agreements and the estimated market-based income from vacant premises were used to determine the Potential Gross Income (PGI)

3

Vacancy loss from the real vacancy and from the estimated vacancy arising from ending agreements (i.e., higher than real vacancy) was deducted from the PGI to determine the Effective Gross Income (EGI)

4

The owner's costs (incl. the estimated capex) of the Object were deducted from EGI to determine the Net Operating Income (NOI). Costs presented by EfTEN and in addition estimated market-based costs were considered

5

The exit values were determined based on 6th year NOI and the estimated exit yields

6

The Market Values were determined by summing the discounted annual NOI's and exit values

7

Discount rates were determined based on weighted average cost of capital (WACC) and Gordon Growth model.

8

The exit yields were determined based on the valuers' experience and cognition, considering the market information and the specific risks associated with the objects

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