

Consolidated interim report for the second quarter and first half of 2024

EfTEN Real Estate Fund AS

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Table of contents

MANAGEMENT REPORT	3
INTERIM FINANCIAL STATEMENTS OF THE CONSOLIDATION GROUP	13
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	13
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	14
CONSOLIDATED STATEMENT OF CASH FLOW	15
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	16
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS	17
1 <i>Accounting policies and measurement bases used in the preparation of the consolidated interim financial statement</i>	17
2 <i>Subsidiaries and joint ventures</i>	18
3 <i>Segment reporting</i>	19
4 <i>Revenue</i>	20
5 <i>Cost of services sold</i>	21
6 <i>Marketing costs</i>	21
7 <i>General and administrative expenses</i>	22
8 <i>Profit/loss from joint ventures</i>	22
9 <i>Other financial income and expenses</i>	22
10 <i>Income tax</i>	22
11 <i>Earnings per share</i>	23
12 <i>Cash and cash equivalents</i>	23
13 <i>Receivables and accrued income</i>	23
14 <i>Investment properties</i>	24
15 <i>Borrowings</i>	26
16 <i>Liabilities and prepayments</i>	28
17 <i>Financial instruments, management of financial risks</i>	28
18 <i>Share capital</i>	33
19 <i>Contingent liabilities</i>	33
20 <i>Related party transactions</i>	34
<i>Management Board Declaration for the Consolidated Interim Report of 1st half-year of 2024</i>	35

MANAGEMENT REPORT

The Fund manager's comment about the first half of 2024

The performance of EFTEN Real Estate Fund for the first half of 2024 meets the fund manager's expectations. Portfolio-wide vacancy rates remain below 3% of total leasable area, which is an excellent result considering the overall business environment. Excluding the tenant payment difficulties related to Hortese properties, the payment behavior of clients is good, and the level of arrears remains low. The fund manager considers the issues related to Hortese properties as isolated cases specific to the tenant and not indicative of a broader deterioration. The fund manager has already begun to seek new solutions for both Hortese stores.

Currently, the highest vacancy rates are in the office space sector, accounting for 76% of the total portfolio vacancy. However, this is spread across ten different office buildings, and new tenants are continually being added. The weaker demand for office space is a clear trend globally and is noticeable in every Baltic capital. More broadly, the downward trend in interest rates in the second half of 2024 is expected to increase transaction activity, which will help to grow the fair value of EFTEN Real Estate Fund AS's conservatively priced portfolio.

Financial overview

EFTEN Real Estate Fund AS consolidated sales income for the second quarter of 2024 was 7.957 million euros (2023 II quarter: 7.961 million euros). The consolidated sales revenue of EFTEN Real Estate Fund AS for the first half of 2024 was 15.918 million euros (2023 first half: 15.749 million euros). The group's net rental income totalled 14.781 million euros in the first half of 2024 (2023: 14.704 million euros). The net profit of the group in the same period was 6.250 million euros (2023: 2.445 million euros).

	II quarter		1st half-year	
	2024	2023	2024	2023
€ million				
Rental income, other fees from investment properties	7.957	7.961	15.918	15.749
Expenses related to investments incl. marketing costs	-0.519	-0.555	-1.137	-1.045
Net rental income	7.438	7.406	14.781	14.704
<i>Net rental income margin</i>	93%	93%	93%	93%
Interest expense and interest income	-2.174	-1.973	-4.308	-3.464
Net rental sales less finance costs	5.264	5.433	10.473	11.240
Management fees	-0.539	-0.535	-1.078	-1.071
Other income and other expenses	-0.297	-0.322	-0.655	-0.643
Profit before change in value of investment property, change in fair value of interest rate swap, joint venture profits and losses and income tax expense	4.428	4.576	8.740	9.526

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

The volume of the Group's assets as at 30.06.2024 was 376.332 million euros (31.12.2023: 380.944 million euros), including the fair value of real estate investments made up 96% of the volume of asset (31.12.2023: 94%).

	30.06.24	31.12.2023
€ million		
Investment properties	361.391	357.916
Ownership in joint venture	1.824	2.078
Other non-current assets	0.607	0.372
Current assets, excluding cash and cash equivalents	1.688	2.466
Net debt (cash deposits minus short-term and long-term bank loans)	-138.701	-129.796
Net asset value (NAV) ¹	214.128	218.698
EPRA net asset value (EPRA NAV)	222.738	226.807
Net asset value (NAV) per share, in euros ¹	19.79	20.21

EPRA net asset value (EPRA NAV) per share, in euros	20.59	20.96
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¹ EFTEN Real Estate Fund AS NAV is equal to the value of EPRA NDV calculated according to EPRA's recommended guidelines.

Investment properties by segment

Segment	30.06.24	31.12.2023	31.12.2022	31.12.2021	31.12.2020
€ million					
Logistics	110.660	109.860	51.300	50.590	39.047
Retail	139.091	138.542	56.820	55.270	51.520
Office building	90.080	90.460	51.801	49.831	47.751
Care homes	14.400	11.834	8.954	6.270	5.917
National	7.160	7.220	0.000	0.000	0.000
Total investment properties	361.391	357.916	168.875	161.961	144.235

Key performance and liquidity ratios

6 months	2024	2023
ROE, % (net profit of the period / average equity of the period) * 100	2.9	1.5
ROA, % (net profit of the period / average assets of the period) * 100	1.7	0.9
ROIC, % (net profit of the period / average invested capital of the period) * 100	3.2	1.3
Revenue (€ thousands)	15,918	15,749
Rent income (€ thousands)	15,342	15,218
EBITDA (€ thousands)	13,078	13,025
EBITDA margin, %	82%	83%
EBIT (€ thousands)	11,594	6,808
EPRA's profit (€ thousands)	8,464	9,130
Liquidity ratio (current assets / current liabilities)	1.1	1.3
ICR (EBITDA / interest expenses)	2.9	3.7
DSCR (EBITDA/(interest expenses + scheduled loan payment))	1.7	1.8

Investment portfolio

As of the end of June 2024 the Group has 35 (31.12.2023: same) commercial investment property with a fair value as at the balance sheet date of 361.391 million euros (31.12.2023: 357.916 million euros) and the acquisition cost is 359.405 million euros (31.12.2023: 354.408 million euros). In addition, the Group's joint venture owns the Palace hotel in Tallinn, the fair value of which as of 30.06.2024 was 8.540 million euros (31.12.2023: 9.0 million euros).

Rental income

In the first 6 months of 2024, the group earned a total of 15.342 million euros in rental income, which is 1% more than in the same period in 2023.

Like-for-like rental income by segments

€ thousands	1st half-year		Rental income 2023	Change	Change, %
	Fair value 30.06.2024	Rental income 2024			
Office	90,080	3,745	3,884	-139	-4%
Logistics	110,660	4,754	4,725	29	1%
Retail	136,749	6,059	5,887	172	3%
National	7,160	419	410	9	2%
Care homes	5,820	217	213	4	2%
Total like-for-like assets and rental income	350,469	15,194	15,119	75	0%
Other assets and rental income	10,922	148	99	49	
Total investment portfolio and rental income	361,391	15,342	15,218	124	1%

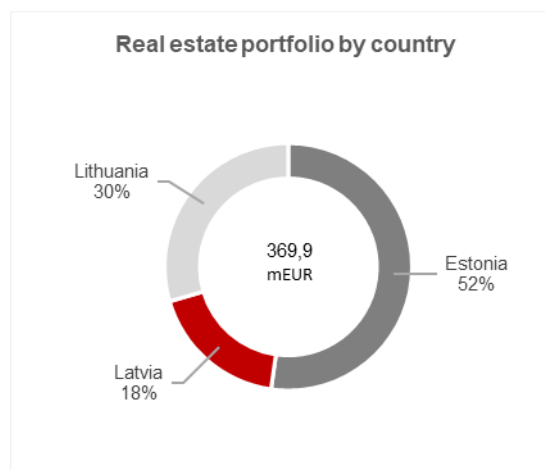
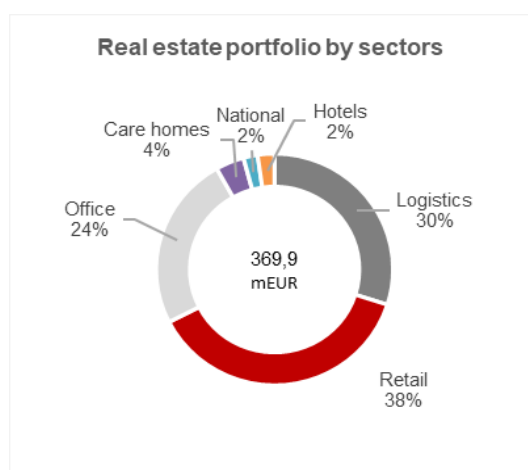
€ thousands	II quarter			Change	Change, %
	Fair value 30.06.2024	Rental income 2024	Rental income 2023		
Office	90,080	1,861	1,951	-90	-5%
Logistics	110,660	2,398	2,430	-32	-1%
Retail	136,749	3,053	2,977	76	3%
National	7,160	210	205	5	2%
Care homes	5,820	108	106	2	2%
Total like-for-like assets and rental income	350,469	7,630	7,669	-39	-1%
Other assets and rental income	10,922	75	50	25	
Total investment portfolio and rental income	361,391	7,705	7,719	-14	0%

Like-for-like rental income by countries

€ thousands	1st half-year			Change	Change, %
	Fair value 30.06.2024	Rental income 2024	Rental income 2023		
Estonia	176,140	7,426	7,323	103	1%
Latvia	65,169	3,108	3,066	42	1%
Lithuania	109,160	4,660	4,730	-70	-1%
Total like-for-like assets and rental income	350,469	15,194	15,119	75	0%
Other assets and rental income	10,922	148	99	49	
Total investment portfolio and rental income	361,391	15,342	15,218	124	1%

€ thousands	II quarter			Change	Change, %
	Fair value 30.06.2024	Rental income 2024	Rental income 2023		
Estonia	176,140	3,723	3,673	50	1%
Latvia	65,169	1,605	1,629	-24	-1%
Lithuania	109,160	2,302	2,367	-65	-3%
Total like-for-like assets and rental income	350,469	7,630	7,669	-39	-1%
Other assets and rental income	10,922	75	50	25	
Total investment portfolio and rental income	361,391	7,705	7,719	-14	0%

The vacancy of investment property belonging to the group per portfolio was 2.9% as of 30.06.2024 (31.12.2023: 2.6%). The highest vacancy is in the office buildings segment (12.4%), where it takes longer than before to fill vacant rental premises.



Main indicators of the investment property portfolio

Investment property as at 30.06.2024	Location	Groups ownership	Acquisition cost, € thousands ¹	Fair value, € thousands	Net leasable area	Prognosed Rental income per annum, € thousands	Direct yield ²	Net primary yield ³	Occupancy, %	Average length of rental agreements	Number of tenants
Premia Külmhoone	Tallinn	100	6,840	6,530	7,258	519	7.6%	7.9%	100.0	3.0	1
Kuuli 10	Tallinn	100	11,545	11,580	15,197	830	7.2%	7.2%	100.0	5.9	1
Betooni 1a	Tallinn	100	9,190	9,270	10,678	668	7.3%	7.2%	100.0	2.8	1
Betooni 6	Tallinn	100	10,246	9,730	17,220	771	7.5%	7.9%	97.0	2.2	21
Jurkalne Technology Park	Riga	100	24,873	23,660	44,435	1,891	7.6%	8.0%	97.8	8.0	58
DSV logistics centre	Vilnius	100	8,525	9,320	11,751	739	8.7%	7.9%	100.0	2.3	1
DSV logistics centre	Tallinn	100	12,366	13,250	16,014	1,036	8.4%	7.8%	100.0	2.4	1
DSV logistics centre	Riga	100	8,880	8,380	12,149	758	8.5%	9.0%	100.0	5.4	1
Piepilsetas logistics centre	Kekava	100	8,848	8,300	13,389	583	6.6%	7.0%	99.7	3.2	9
Ramygalos logistics centre	Panevėžys	100	10,024	10,640	20,126	847	8.4%	8.0%	100.0	12.8	1
Logistics total			111,337	110,660	168,217	8,642	7.8%	7.8%	99.1	5.4	95
Võru Rautakesko	Võru	100	2,890	2,670	3,120	247	8.5%	9.3%	100.0	3.8	1
Uku Centre	Viljandi	100	13,616	13,530	8,940	1,072	7.9%	7.9%	100.0	5.1	45
Mustika Centre	Tallinn	100	37,039	37,060	27,614	2,805	7.6%	7.6%	99.5	3.7	65
RAF Centrs	Jelgava	100	9,288	9,379	6,225	697	7.5%	7.4%	100.0	4.1	40
Tammsaare tee Rautakesko	Tallinn	100	15,700	15,580	9,120	1,255	8.0%	8.1%	100.0	7.7	1
Jelgava development project	Jelgava	100	2,342	2,342				<i>development</i>			
Saules Miestas Shopping centre	Šiauliai	100	31,501	39,040	20,311	3,192	10.1%	8.2%	96.8	4.4	126
Laagri Selver	Tallinn	100	6,303	7,680	3,059	529	8.4%	6.9%	100.0	5.7	12
Hortes gardening centre	Laagri	100	3,138	3,570	3,470	269	8.6%	7.5%	100.0	7.9	1
Hortes gardening centre	Tallinn	100	5,458	5,090	5,300	381	7.0%	7.5%	100.0	13.4	1
ABC Motors Autokeskus	Tallinn	100	3,482	3,150	2,149	286	8.2%	9.1%	100.0	4.6	1
Retail total			130,757	139,091	89,308	10,733	8.2%	7.7%	99.1	5.1	293
Lauteri 5	Tallinn	100	5,937	5,060	3,825	306	5.2%	6.0%	75.8	2.2	16
Pärnu mnt 105	Tallinn	100	8,280	6,600	4,717	562	6.8%	8.5%	92.6	1.2	32
Pärnu mnt 102	Tallinn	100	16,578	12,810	8,933	888	5.4%	6.9%	86.8	0.7	26
Terbata	Riga	100	9,241	8,270	6,036	621	6.7%	7.5%	98.3	1.4	13
Menulio 11	Vilnius	100	8,158	7,350	5,617	416	5.1%	5.7%	42.4	2.0	13
Ulonu	Vilnius	100	8,439	8,700	5,290	796	9.4%	9.1%	100.0	2.6	13
L3	Vilnius	100	8,881	10,370	6,150	765	8.6%	7.4%	95.7	2.3	31
Evolution	Vilnius	100	10,132	11,110	6,614	712	7.0%	6.4%	78.6	2.1	26
airBaltic	Riga	100	7,112	7,180	6,217	614	8.6%	8.6%	100.0	4.7	1
Rutkauskos	Vilnius	100	11,819	12,630	6,812	857	7.3%	6.8%	100.0	6.3	4
Office total	Office		94,577	90,080	60,211	6,537	6.9%	7.3%	87.6	2.6	175
Pirita Pansionaat	Tallinn	100	6,217	5,820	5,983	512	8.2%	8.8%	100.0	6.4	1
Valkla Südamekodu	Valkla	100	3,927	3,350	4,423	283	7.2%	8.4%	100.0	7.8	1
Tartu Südamekodu	Tartu	100	5,230	5,230				<i>development</i>	100.0	10.0	1
Care homes total			15,374	14,400	10,406	795	5.2%	5.5%	100.0	7.1	3
Rakvere Police and rescue communal building (National)	Rakvere	100	7,360	7,160	5,775	700	9.5%	9.8%	100.0	1.3	1
Hotel Palace (hotels) ⁴	Tallinn	50	11,175	8,540	4,874	500	4.5%	5.9%	100.0	6.2	1
Total investment property portfolio			370,580	369,931	338,791	27,907	7.5%	7.5%	97.1	4.4	568

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

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

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

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

Fair value of investment property

EFTEN Real Estate Fund AS regularly evaluates investment properties twice a year - in June and December. In June 2024, the fair value of the Fund's investment properties decreased by 0.4% (by EUR 1.454 million) as a result of revaluations, including the value of office sector assets decreased by 1.3%, the value of logistics sector assets increased by 0.7%, and the value of commercial sector assets decreased by 0.7%. The portfolio discount is largely related to a more conservative cash flow forecast, especially in the office space segment.

A summary of the changes in the assumptions made in the evaluations is given in the table below.

30.06.2024 or 1st half-year	Location	Fair value	CAPEX 6 months 2024	Change in fair value	%	Change compared to 31.12.2023		
						Annualized net rental income in year 1, %	Capitalization rate, percentage point	Discount rate, Percentage point
<i>€ thousands</i>								
Logistics								
Premia Külmhoone	Tallinn	6,530	0	0	0.0%	0.8%	0.00	0.00
Kuuli 10	Tallinn	11,580	0	70	0.6%	0.8%	0.00	0.00
Betooni 1a	Tallinn	9,270	0	130	1.4%	0.8%	0.00	0.00
Betooni 6	Tallinn	9,730	2	108	1.1%	-0.2%	0.00	0.00
Jurkalne Technology Park	Riga	23,660	22	198	0.8%	-10.2%	0.00	0.05
DSV logistics centre.	Vilnius	9,320	0	200	2.2%	2.0%	0.00	0.00
DSV logistics centre.	Tallinn	13,250	0	-50	-0.4%	0.7%	0.00	0.00
DSV logistics centre.	Riga	8,380	15	45	0.5%	1.0%	0.00	-0.15
Piepilsetas logistics centre.	Kekava	8,300	12	-2	0.0%	-16.1%	0.00	0.05
Ramygalos logistics centre.	Panevežys	10,640	0	50	0.5%	1.9%	0.00	0.00
Logistics total		110,660	51	749	0.7%			
Retail								
Võru Rautakesko	Võru	2,670	0	0	0.0%	0.8%	0.00	0.00
Uku Keskus	Vijandi	13,530	18	-108	-0.8%	0.0%	0.00	-0.20
Mustika Keskus	Tallinn	37,060	29	221	0.6%	1.6%	0.00	0.00
RAF Centrs	Jelgava	9,379	8	11	0.1%	-0.6%	0.00	0.00
Tammsaare tee Rautakesko	Tallinn	15,580	0	0	0.0%	0.8%	0.00	0.00
Jelgava development project	Jelgava	2,342	0			<i>development</i>		
Saules Miestas shopping centre	Šiauliai	39,040	1,391	-772	-1.9%	-1.1%	-0.25	0.00
Laagri Selver	Tallinn	7,680	24	-44	-0.6%	0.9%	0.00	0.00
Hortes gardening centre	Laagri	3,570	0	20	0.6%	24.5%	0.00	0.00
Hortes gardening centre	Tallinn	5,090	0	-250	-4.7%	6.5%	0.00	0.00
ABC Motors Autokeskus	Tallinn	3,150	0	0	0.0%	1.6%	0.00	0.00
Retail total		139,091	1,470	-922	-0.7%			
Office								
Lauteri 5	Tallinn	5,060	55	-95	-1.8%	-6.9%	0.00	0.00
Pärnu mnt 105	Tallinn	6,600	209	-389	-5.6%	0.6%	0.20	0.00
Pärnu mnt 102	Tallinn	12,810	206	-586	-4.4%	-6.5%	0.20	0.00
Terbata	Riga	8,270	115	-35	-0.4%	-8.5%	0.00	0.00
Menulio 11	Vilnius	7,350	30	-170	-2.3%	-21.7%	0.00	0.00
Ulonu	Vilnius	8,700	95	-94	-1.1%	1.3%	0.00	0.00
L3	Vilnius	10,370	32	-32	-0.3%	0.9%	0.00	0.00
Evolution	Vilnius	11,110	110	-130	-1.2%	-17.5%	0.00	0.00
airBaltic	Riga	7,180	0	290	4.2%	8.5%	0.00	0.00
Rutkauskos	Vilnius	12,630	0	10	0.1%	-8.8%	0.00	0.00
Office total		90,080	852	-1,231	-1.3%			
Care homes								
Pirita Pansionaat	Tallinn	5,820	0	0	0.0%	-11.9%	0.00	0.00
Valkla Súdamekodu	Valkla	3,350	67	10	0.3%	1.3%	0.00	0.00
Tartu Súdamekodu	Tartu	5,230	2,556			<i>development</i>		
Care homes total		14,400	2,623	10	0.1%			
Rakvere Police and rescue communal building (National)	Rakvere	7,160	0	-60	-0.8%	-1.4%	0.00	0.00
Hotell Palace (hotels) ¹	Tallinn	8,540	0	-517	-5.7%	-6.5%	0.00	0.00
Total investment property portfolio		369,931	4,996	-1,971	-0.5%	-2.4%		

¹ Hotel Palace belongs to the group's joint venture EFTEN SPV11 OÜ. The group has a 50% stake in the joint venture.

EFTEN Real Estate Fund AS largest tenants as at 30.06.2024

Tenant	Share of total rental income
Kesko Senukai Estonia AS	5.7%
LIVONIA PRINT SIA	5.6%
Prisma Peremarket AS	5.1%
DSV Estonia AS	3.5%
Logistika Pluss OÜ	2.9%
Adax UAB	2.8%
Riigi Kinnisvara Aktsiaselts	2.8%
DHL Logistics Estonia OÜ	2.5%
DSV Latvia SIA	2.5%
Hortes AS	2.5%
DSV Lithuania, UAB	2.5%
Atea, UAB	2.4%
AIR BALTIC CORPORATION AS	2.1%
Premia Tallinna Külmoone AS	1.9%
Rimi Lietuva, UAB	1.8%
Südamekodud AS	1.5%
Selver AS	1.2%
Kinnisvaravalduse AS	1.1%
Others	49.4%

EPRA performance indicators

EPRA performance indicators

As of the balance sheet date or per 6 months	30.06.2024	30.06.2023
EPRA profit, € thousands	8,464	9,130
EPRA profit per share, in euros	0.78	0.84
EPRA NRV (net reinstatement value), € thousands	222,738	227,362
EPRA NRV per share, in euros	20.59	21.01
EPRA NDV (net disposal value), € thousands	214,128	220,144
EPRA NDV per share, in euros	19.79	20.35
EPRA NIY (net initial yield)	7.6%	7.5%
EPRA Topped-up NIY (adjusted net initial yield)	7.6%	7.8%
EPRA LTV	39.0%	37.9%
EPRA cost ratio, including direct vacancy costs	16%	15%
EPRA cost ratio, excluding direct costs related to vacancy	14%	14%
EPRA vacancy ratio	3.3%	1.9%

EPRA indicator calculations**EPRA net asset value indicators**

As at 30.06.2024

€ thousands	EPRA NRV	EPRA NTA	EPRA NDV
Net asset value calculated in accordance with IFRS	214,128	214,128	214,128
Adjustments:			
Deferred income tax liability related to the calculation of the change in the fair value of investment properties and tax depreciation	8,610	8,610	-
EPRA net asset value	222,738	222,738	214,128
Number of fully diluted share	10,819,796	10,819,796	10,819,796
EPRA net asset value per unit, in euros	20.59	20.59	19.79

As at 30.06.2023

€ thousands	EPRA NRV	EPRA NTA	EPRA NDV
Net asset value calculated in accordance with IFRS	220,144	220,144	220,144
Adjustments:			
Deferred income tax liability related to the calculation of the change in the fair value of investment properties and tax depreciation	7,218	7,218	-
EPRA net asset value	227,362	227,362	220,144
Number of fully diluted share	10,819,796	10,819,796	10,819,796
EPRA net asset value per unit, in euros	21.01	21.01	20.35

EPRA profit

6 months, € thousands	2024	2023
Net profit (IFRS)	6,250	2,445
Adjustments:		
Change in fair value of investment property	1,454	6 182
Change in fair value of financial instruments	0	53
Effect of investment properties changes in fair value on profit/loss from joint ventures	259	144
Deferred income tax expense related to EPRA adjustments	501	306
EPRA profit	8,464	9,130
Weighted average numbers of shares during the period	10,819,796	10,819,796
EPRA profit per share, in euros	0.78	0.84

EPRA net yield

As at 30.06, € thousands	2024	2023
Investment property	361,391	361,498
Minus constructions and land	-7,572	-5,917
Finished investment property	353,819	355,581
Annualized rental income from leases in force at the reporting date	30,753	30,556
Costs related to investment property not covered by tenants	-3,344	-3,359
Annualized net rental income	27,409	27,197
Nominal impact of the end of rent exemptions or other rental incentives	0	963
Adjusted annualized net rental income	27,409	28,160
EPRA initial net yield (NIY)	7.6%	7.5%
EPRA adjusted initial net yield (Topped-up NIY)	7.6%	7.8%

EPRA vacancy rate

As at 30.06, € thousands	2024	2023
Estimated rental income from vacant premises	1,036	566
Estimated rental income for the entire investment portfolio	31,723	30,453
EPRA vacancy rate	3.3%	1.9%

EPRA cost ratio

6 months, € thousands	2024	2023
Cost of sales	-759	-757
Other sales revenue paid by tenants to cover expenses	576	531
Marketing costs	-378	-288
Operating costs	-1,819	-1,727
Total costs, including direct costs related to the vacancy	-2,380	-2,241
Direct vacancy cost	-208	-83
Total costs, excluding direct costs related to vacancy	-2,172	-2,158
Rental income (gross)	15,342	15,218
EPRA cost ratio, including direct vacancy costs	16%	15%
EPRA cost ratio, excluding direct costs related to vacancy	14%	14%

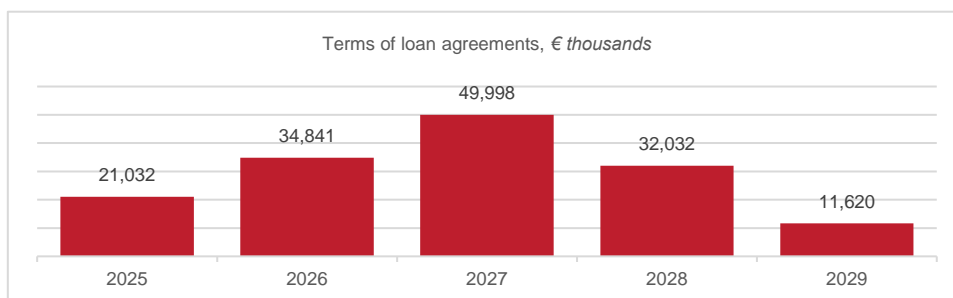
Financing

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

	1st half-year	
ICR	2024	2023
EBITDA	13,078	13,025
Interest expense	-4,473	-3,484
ICR	2.9	3.7

During the first 6 months of 2024, the Fund's subsidiaries EFTEN Autokeskus OÜ and EFTEN Jurkalne SIA extended their loan agreements. Within the next 12 months, the loan agreement of one of the Group's subsidiaries will expire, the balance of which is 2,196 thousand euros as of 30.06.2024. The LTV of the expiring loan agreement is 30.6%, and the investment property has a stable and strong rental cash flow, therefore, according to the management of the Group, there will be no obstacles to the extension of the loan agreement.

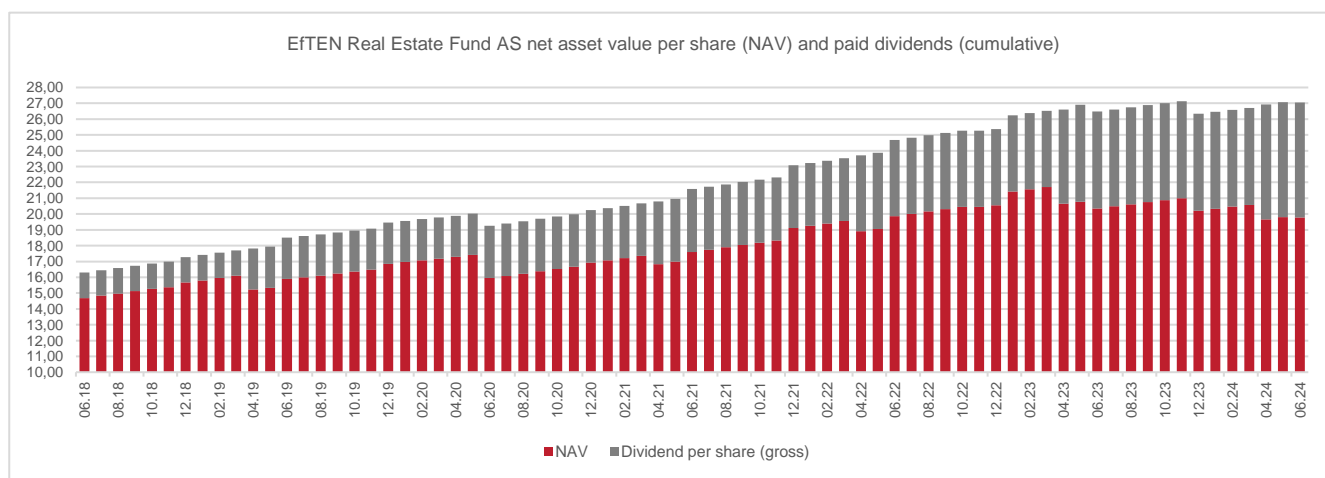
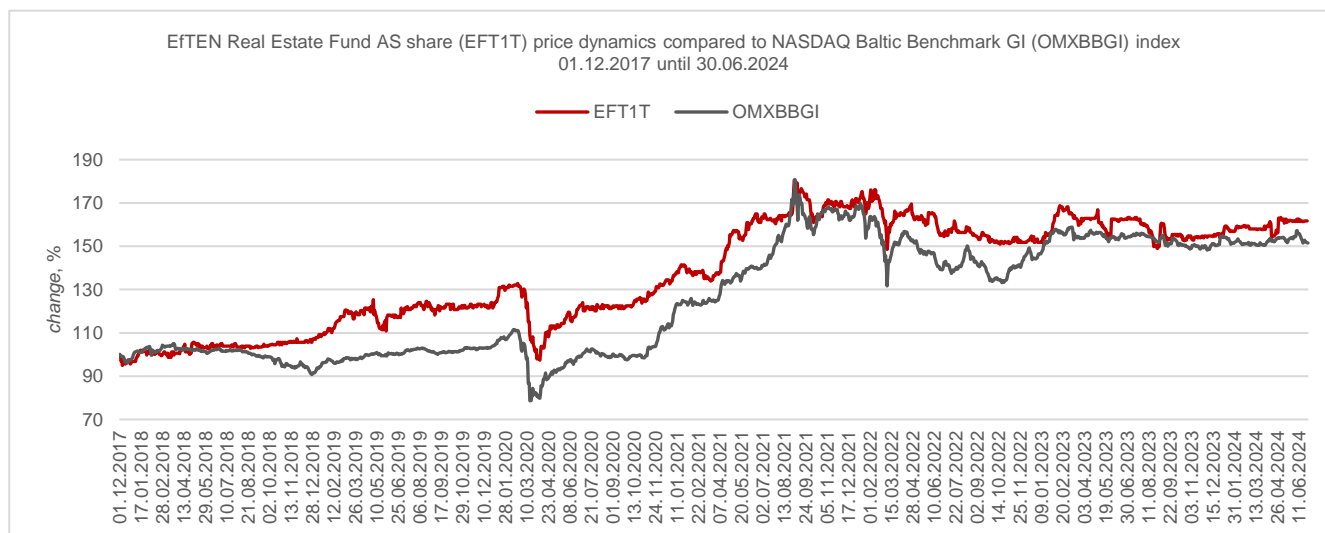
The weighted average interest rate of the Group's loan agreements is 5.65% as of 30.06.2024 (31.12.2023: 5.91) and the LTV (Loan to Value) is 42% (31.12.2023: 42%). All loan agreements of the fund's subsidiaries are linked to a floating interest rate.



Information on shares

The net value of the share of EFTEN Real Estate Fund AS as of 30.06.2024 was 19.79 euros (31.12.2023: 20.21 euros). The net value of EFTEN Real Estate Fund AS shares decreased by 2% in the first half of 2024. In April 2024, the fund paid dividends in the total amount of 10.82 million euros. Without profit distribution, the net value of EFTEN Real Estate AS shares would have increased by 3.5% in the first half of the year.

As of 30.06.2024, the Fund has 10,819,796 shares.



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

Shareholder statistics

	30.06.2024	31.12.2023
Number of shareholders	6,771	6,794
Number of represented countries	14	13
Share of Estonian residents in share capital	96.35%	96.35%
Share of legal entities in share capital	79.01%	86.13%
Share of private individuals in share capital	20.99%	13.87%

As of 30.06.2024, members of the fund's council and management board and their related persons owned 26.62% of the shares.

Shareholders by geographical areas

Share	30.06.2024	31.12.2023
Estonia	96.35%	96.35%
Lithuania	2.05%	2.05%
Switzerland	1.36%	1.35%
United States of America	0.19%	0.19%
Latvia	0.04%	0.04%
Other	0.01%	0.02%

The largest shareholders as at 30.06.2024

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

EFT1T share statistics	1st half-year	
	2024	2023
Opening price	18.90	19.8
Closing price	18.85	20.0
Minimum share price	18.55	19.5
Maximum share price	19.90	22.1
Volume of traded shares, thousands	89	149
Volume, € million	1.71	3.08
Market capitalization as at 30.06, € million	203.953	216.396
Profit per share, €	0.58	0.23
Net accounting value of the share	19.79	20.21
EPRA net value of the share	20.59	21.01
P/B (closing price / equity per share)	0.95	0.99
P/B EPRA (closing price / EPRA equity per share)	0.92	0.95

INTERIM FINANCIAL STATEMENTS OF THE CONSOLIDATION GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	II quarter		1st half-year	
		2024	2023	2024	2023
<i>€ thousands</i>					
Revenue	3,4	7,957	7,961	15,918	15,749
Cost of services sold	5	-341	-363	-759	-757
Gross profit		7,616	7,598	15,159	14,992
Marketing costs	6	-178	-192	-378	-288
General and administrative expenses	7	-880	-860	-1,819	-1,727
Profit / loss from the change in the fair value of investment property	14	-1,454	-6,182	-1,454	-6,182
Other operating income and expense		44	3	86	13
Operating profit	3	5,148	367	11,594	6,808
Profit / loss from joint ventures	2,8	-204	-100	-254	-109
Interest income		64	14	165	20
Other finance income and expense	9	-2,238	-1,987	-4,473	-3,537
Profit before income tax		2,770	-1,706	7,032	3,182
Income tax expense	10	-328	-483	-782	-737
Net profit for the reporting period		2,442	-2,189	6,250	2,445
Total consolidated profit for the reporting period	3	2,442	-2,189	6,250	2,445
Earnings per share	11				
- basic		0.23	-0.20	0.58	0.23
- diluted		0.23	-0.20	0.58	0.23

The notes on pages 17-34 form an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30.06.2024	31.12.2023
<i>€ thousands</i>			
ASSETS			
Cash and cash equivalents	12	10,772	14,712
Current deposits	17	50	3,400
Receivables and accrued income	13	1,555	2,360
Prepaid expenses		133	106
Total current assets		12,510	20,578
Long-term receivables		409	214
Shares in joint ventures	2	1,824	2,078
Investment property	3,14	361,391	357,916
Property, plant, and equipment		198	158
Total non-current assets		363,822	360,366
TOTAL ASSETS		376,332	380,944
LIABILITIES AND EQUITY			
Borrowings	15	8,758	16,907
Payables and prepayments	16	2,255	3,417
Total current liabilities		11,013	20,324
Borrowings	15	140,618	130,849
Other non-current liabilities	16	1,892	1,790
Deferred income tax liability	10	8,681	9,283
Total non-current liabilities		151,191	141,922
Total liabilities		162,204	162,246
Share capital	18	108,198	108,198
Share premium	18	84,721	84,721
Statutory reserve capital		2,799	2,749
Retained earnings	19	18,410	23,030
TOTAL EQUITY		214,128	218,698
TOTAL LIABILITIES AND EQUITY		376,332	380,944

The notes on pages 17-34 form an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

	Notes	II quarter		1st half-year	
		2024	2023	2024	2023
€ thousands					
Net profit		2,442	-2,189	6,250	2,445
Adjustments of net profit:					
Profit/loss from joint ventures using the equity method	2,8	204	100	254	109
Interest income		-64	-14	-165	-20
Finance income and expense	9	2,238	1,987	4,473	3,537
Investment property revaluation gain / loss	14	1,454	6,182	1,454	6,182
Depreciation and impairment losses	5,7	14	18	30	35
Income tax expense	10	328	483	782	737
Total adjustments with non-cash changes		4,174	8,756	6,828	10,580
Cash flow from operations before changes in working capital		6,616	6,567	13,078	13,025
Change in receivables and prepayments related to operating activities		-201	30	454	40
Change in obligations related to operating activities		14	-359	-398	-418
Net cash flow generated from operating activities		6,429	6,238	13,134	12,647
Acquisition of property, plant and equipment		-1	-3	-3	-3
Sale of property, plant and equipment		0	0	0	0
Acquisition of investment property	14	-2,648	-1,308	-5,555	-2,337
Change in current deposits		3,350	-2,480	3,350	-2,480
Cash received on merger		0	0	0	11,621
Interest received		106	17	168	19
Net cash flow generated from investing activities		807	-3,774	-2,040	6,820
Loans received	15	2,778	2,885	4,880	3,171
Scheduled loan repayments	15	-1,666	-1,706	-3,264	-3,567
Interest paid		-2,251	-1,947	-4,457	-3,535
Dividends paid		-10,820	-12,471	-10,820	-12,471
Income tax on dividends paid		-1,373	-1,775	-1,373	-1,780
Net cash flow generated from financing activities		-13,332	-15,014	-15,034	-18,182
NET CASH FLOW		-6,096	-12,550	-3,940	1,285
Cash and cash equivalents at the beginning of period		16,868	25,166	14,712	11,331
Change in cash and cash equivalents		-6,096	-12,550	-3,940	1,285
Cash and cash equivalents at the end of period	12	10,772	12,616	10,772	12,616

The notes on pages 17-34 form an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Statutory reserve capital	Retained earnings	Total
<i>€ thousands</i>					
Balance as at 31.12.2022	50,725	16,288	2,149	35,102	104,264
Issuance of shares for the merger	57,473	68,433	0	0	125,906
Dividends paid	0	0	0	-12,471	-12,471
Allocations to reserve capital	0	0	600	-600	0
Total transactions with the owners	57,473	68,433	600	-13,071	113,435
Net profit for the financial period	0	0	0	2,445	2,445
Total comprehensive income for the period	0	0	0	2,445	2,445
Balance as at 30.06.2023	108,198	84,721	2,749	24,476	220,144
Balance as at 31.12.2023	108,198	84,721	2,749	23,030	218,698
Dividends paid	0	0	0	-10,820	-10,820
Allocations to reserve capital	0	0	50	-50	0
Total transactions with the owners	0	0	50	-10,870	-10,820
Net profit for the financial period	0	0	0	6,250	6,250
Total comprehensive income for the period	0	0	0	6,250	6,250
Balance as at 30.06.2024	108,198	84,721	2,799	18,410	214,128

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

The notes on pages 17-34 form an integral part of these interim financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

EFTEN Real Estate Fund AS Group's structure as at 30.06.2024 is as follows (see also Note 2):

EFTEN REAL ESTATE FUND AS					
	OFFICE	LOGISTICS	RETAIL	CARE HOMES	OTHER
ESTONIA	EFTEN SPV2 OÜ <i>Lauteri 5, Tallinn</i>	EFTEN SPV15 OÜ <i>Premia Külmhoone, Tallinn</i>	EFTEN SPV14 OÜ <i>Võru Rautakesko</i>	EFTEN Pirita OÜ <i>Pirita Pansionaat, Tallinn</i>	EFTEN SPV4 OÜ <i>Rakvere Police and rescue communal building</i>
	EFTEN SPV5 OÜ <i>Pärnu mnt 105, Tallinn</i>	EFTEN SPV17 OÜ <i>Betooni 1a, Betooni 6, Tallinn</i>	EFTEN SPV3 OÜ <i>Uku Centre, Viljandi</i>	EFTEN Valkla OÜ <i>Valkla Súdamekodu</i>	EFTEN SPV11 OÜ (ühisettevõtte 50%) <i>Hotel Palace</i>
	EFTEN SPV6 OÜ <i>Pärnu mnt 102, Tallinn</i>	EFTEN SPV12 OÜ <i>Kuuli 10, Tallinn</i>	EFTEN SPV7 OÜ, EFTEN SPV8 OÜ <i>Mustika Centre, Tallinn</i>	EFTEN Ermi OÜ <i>Tartu Súdamekodu (in construction)</i>	
		EFTEN Tänavsilma OÜ <i>DSV logistics centre, Tallinn</i>	EFTEN SPV12 OÜ <i>Tammsaare tee Rautakesko, Tallinn</i>		
			EFTEN Laagri OÜ <i>Laagri Selver, Tallinn</i>		
			EFTEN Seljaku OÜ <i>Hortes gardening centre, Laagri</i>		
			EFTEN Tähesaju tee OÜ <i>Hortes gardening centre, Tallinn</i>		
			EFTEN Autokeskus OÜ <i>ABC Motors Autokeskus, Tallinn</i>		
LATVIA	EFTEN Terbata SIA <i>Terbata office building, Riga</i>	EFTEN Jurkalne SIA <i>Jurkalne Technology Park, Riga</i>	EFTEN Jelgava SIA <i>RAF Centrs, Jelgava</i>		EFTEN ABC SIA
	EFTEN Riga Airport SIA <i>airBaltic head office, Riga</i>	EFTEN Krustpils SIA <i>DSV logistics centre, Riga</i>			Auras Centrs SIA <i>Jelgava development projec (in development)</i>
		EFTEN Piepilsetas SIA <i>Piepilsetas logistics centre, Kekava</i>			
LITHUANIA	Verkių projektas UAB <i>Ulonu office building, Vilnius</i>	EFTEN Stasyļu UAB <i>DSV logistics centre, Vilnius</i>	Saulės Miestas UAB <i>Saulės Miestas shopping centre, Šiauliai</i>		
	EFTEN Menulio UAB <i>Menulio 11, Vilnius</i>	EFTEN Ramygalos UAB <i>Ramygalos logistics centre, Panevėžyses</i>			
	EFTEN Laisves UAB <i>L3 office building, Vilnius</i>				
	EFTEN Evolution UAB <i>Evolution office building, Vilnius</i>				
	EFTEN Rutkausko UAB <i>Rutkausko office building, Vilnius</i>				

The consolidated interim financial statements of EFTEN Real Estate Fund AS and its subsidiaries have been prepared in accordance with International Standards as adopted by the European Union (IFRS EU). These consolidated interim financial statements have been prepared in accordance with International Accounting Standard IAS 34: Interim Financial Reporting. The interim report has been prepared using the same accounting methods as in the annual report for the year ended 31.12.2023. The interim report should be read in conjunction with the Group's most recently published annual report for 2023, which has been prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of the Management Board, the interim report of EFTEN Real Estate Fund AS for the first 6 months of 2024 correctly and fairly reflects the financial results of the Group in accordance with the principle of continuity. These interim reports have not been audited or otherwise audited by auditors and include only the consolidated financial statements of the Group. The reporting currency is the euro. The consolidated interim financial statements are presented in thousands of euros and all figures are rounded to the nearest thousand, unless otherwise stated.

2 Subsidiaries and joint ventures

As at 30.06.2024, EFTEN Real Estate Fund AS owns the following subsidiaries:

Company name	Country of domicile	Investment property	The subsidiary's equity, € thousands		Group's ownership, %	
			30.06.2024	31.12.2023	30.06.2024	31.12.2023
Parent company						
EFTEN Real Estate Fund AS	Estonia					
Subsidiaries						
Saules Miestas UAB	Lithuania	Saules Miestas Shopping centre, Šiauliai	23,307	23,888	100	100
Verkiu Projektas UAB	Lithuania	Ulonu office building, Vilnius	4,191	4,147	100	100
EFTEN Stasyļu UAB	Lithuania	DSV logistics centre, Vilnius	5,057	4,960	100	100
EFTEN Tānassilma OÜ	Estonia	DSV logistics centre, Tallinn	8,184	8,164	100	100
EFTEN Krustpils SIA	Latvia	DSV logistics centre, Riga	3,019	3,060	100	100
EFTEN Laisves UAB	Lithuania	L3 office building, Vilnius	5,710	5,727	100	100
EFTEN Laagri OÜ	Estonia	Laagri Selver, Tallinn	4,184	4,204	100	100
EFTEN Seljaku OÜ	Estonia	Hortes gardening centre, Laagri	2,534	2,437	100	100
EFTEN Evolution UAB	Lithuania	Evolution office building, Vilnius	5,606	6,023	100	100
EFTEN Tāhesaju tee OÜ	Estonia	Hortes gardening centre, Tallinn	2,324	2,504	100	100
EFTEN Autokeskus OÜ	Estonia	ABC Motors Autokeskus, Tallinn	1,814	1,808	100	100
EFTEN Riga Airport SIA	Latvia	airBaltic main building, Riga	5,152	4,929	100	100
EFTEN Piepilsetas SIA	Latvia	Piepilsetas logistics centre, Kekava	3,641	3,788	100	100
EFTEN Rutkauskos UAB	Lithuania	Rutkauskos office building, Vilnius	6,319	6,286	100	100
EFTEN Pirta OÜ	Estonia	Pirta Pansionaat, Tallinn	3,486	3,388	100	100
EFTEN Ramygalos UAB	Lithuania	Ramygalos logistics centre, Panevėžys	5,237	5,190	100	100
EFTEN Valkla OÜ	Estonia	Valkla Sūdamekodu, Valkla	1,738	1,659	100	100
EFTEN Ermi OÜ	Estonia	Tartu Sūdamekodu, Tartu (Under constructions)	137	219	100	100
EFTEN ABC SIA	Latvia	-	3	3	100	100
EFTEN SPV2 OÜ	Estonia	Lauteri 5, Tallinn	3,266	2,915	100	100
EFTEN SPV3 OÜ	Estonia	Uku Centre, Viljandi	7,556	7,401	100	100
EFTEN SPV4 OÜ	Estonia	Rakvere Police and rescue common building	3,943	3,707	100	100
EFTEN SPV5 OÜ	Estonia	Pärnu mnt 105, Tallinn	2,888	3,168	100	100
EFTEN SPV6 OÜ	Estonia	Pärnu mnt 102, Tallinn	5,973	5,590	100	100
EFTEN SPV7 OÜ	Estonia	Mustika centre, Tallinn	23,136	22,343	100	100
EFTEN SPV8 OÜ (EFTEN SPV7 OÜ subsidiary)	Estonia	Mustika centre, Tallinn	10,008	8,867	100	100
EFTEN SPV12 OÜ	Estonia	Tammsaare tee Rautakesko, Tallinn; Kuuli 10, Tallinn	16,751	15,846	100	100
EFTEN SPV14 OÜ	Estonia	Võru Rautakesko	1,463	1,866	100	100
EFTEN SPV15 OÜ	Estonia	Premia Külmoone, Tallinn	3,544	3,488	100	100
EFTEN SPV17 OÜ	Estonia	Betooni 1a, Tallinn, Betooni 6, Tallinn	11,182	10,558	100	100
EFTEN Jelgava SIA	Latvia	RAF Centrs, Jelgava	5,030	5,105	100	100
EFTEN Jurkalne SIA	Latvia	Jurkalne Technology Park, Riga	13,988	14,707	100	100
EFTEN Terbata SIA	Latvia	Terbata office building, Riga	4,582	4,613	100	100
Auras Centrs SIA	Latvia	Jelgava development project, Jelgava (in the development stage)	1,560	1,604	100	100
EFTEN Menulio UAB	Lithuania	Menulio 11, Vilnius	3,733	3,519	100	100
Joint ventures						
EFTEN SPV11 OÜ	Estonia	Hotel Palace, Tallinn	1,824	2,078	50	50

All subsidiaries and joint ventures are engaged in the acquisition and leasing of investment property. The shares of any subsidiary are not listed on the stock exchange.

EFTEN Real Estate Fund AS owns a 50% stake in the joint venture EFTEN SPV11 OÜ, which owns the Palace hotel building in Tallinn. The main financial indicators of the joint venture are presented in the table below:

EFTEN SPV11 OÜ	30.06.2024	31.12.2023
€ thousands		
Cash and cash equivalents	23	55
Other current assets	79	34
Total current assets	102	89
Investment property	8,540	9,040
Shares in joint ventures	96	133
Total non-current assets	8,636	9,173
TOTAL ASSETS	8,738	9,262
Short-term loan liabilities	5,023	5,077
Other short-term liabilities	68	29
Total current liabilities	5,091	5,106
Longa-term loan liabilities	0	0
Total non-current liabilities	0	0
TOTAL LIABILITIES	5,091	5,106
NET ASSETS	3,647	4,156

1st half-year	2024	2023
Revenue	190	211
<i>incl. sales revenue II quarter</i>	<i>173</i>	<i>145</i>
Loss	-509	-218

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

1st half-year	30.06.2024	30.06.2023
Book value at the beginning of the reporting period	2,078	2,577
Loss from joint venture (Note 8)	-254	-109
Book value at the end of the reporting period	1,824	2,468

3 Segment reporting

SEGMENT RESULTS

1st half-year	Office		Logistics		Retail		Care homes		National		No allocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
€ thousands														
Sales income (Note 4), incl.	3,760	3,924	4,880	4,822	6,479	6,281	380	312	419	410	0	0	15,918	15,749
Estonia	995	1,038	2,076	2,003	3,847	3,769	380	312	419	410	0	0	7,717	7,532
Latvia	678	607	2,000	2,037	535	498	0	0	0	0	0	0	3,213	3,142
Lithuania	2,087	2,279	804	782	2,097	2,014	0	0	0	0	0	0	4,988	5,075
Net rental income, incl.	3,496	3,688	4,596	4,663	5,967	5,697	377	309	345	347	0	0	14,781	14,704
Estonia	889	901	2,026	1,962	3,645	3,555	377	309	345	347	0	0	7,282	7,074
Latvia	633	557	1,766	1,919	434	403	0	0	0	0	0	0	2,833	2,879
Lithuania	1,974	2,230	804	782	1,888	1,739	0	0	0	0	0	0	4,666	4,751
Operating profit, incl.	1,898	458	4,947	1,838	4,358	4,527	312	-307	278	472	-199	-180	11,594	6,808
Estonia	-274	-933	2,160	771	3,087	2,618	312	-307	278	472	-199	-180	5,364	2,441
Latvia	798	138	1,807	493	395	435	0	0	0	0	0	0	3,000	1,066
Lithuania	1,374	1,253	980	574	876	1,474	0	0	0	0	0	0	3,230	3,301
EBITDA, incl.	3,134	3,303	4,197	4,221	5,306	5,091	302	248	338	342	-199	-180	13,078	13,025
Estonia	799	828	1,901	1,814	3,260	3,232	302	248	338	342	-199	-180	6,401	6,284
Latvia	543	457	1,565	1,701	385	355	0	0	0	0	0	0	2,493	2,513
Lithuania	1,792	2,018	731	706	1,661	1,504	0	0	0	0	0	0	4,184	4,228
Operating profit													11,594	6,808
Profit/loss from joint ventures (Notes 2, 8)													-254	-109
Net financial expense													-4,308	-3,517
Profit before income tax													7,032	3,182
Income tax expense (Note 10)													-782	-737
NET PROFIT FOR THE FINANCIAL PERIOD													6,250	2,445

SEGMENT RESULT, 2nd quarter

II quarter	Office		Logistics		Retail		Care homes		National		Non-allocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<i>€ thousands</i>														
Sales income, incl.	1,869	1,973	2,475	2,456	3,212	3,171	191	156	210	205	0	0	7,957	7,961
Estonia	499	514	1,046	1,013	1,945	1,906	191	156	210	205	0	0	3,891	3,794
Latvia	358	317	1,027	1,052	278	266	0	0	0	0	0	0	1,663	1,635
Lithuania	1,012	1,142	402	391	989	999	0	0	0	0	0	0	2,403	2,532
Net rental income, incl.	1,745	1,853	2,375	2,367	2,957	2,857	189	155	172	175	0	0	7,438	7,406
Estonia	460	458	1,021	996	1,848	1,798	189	155	172	175	0	0	3,690	3,581
Latvia	343	282	952	980	225	214	0	0	0	0	0	0	1,520	1,476
Lithuania	942	1,113	402	391	884	845	0	0	0	0	0	0	2,228	2,349
Operating profit, incl.	320	-1,191	2,941	-250	1,703	2,015	165	-429	110	302	-91	-80	5,148	367
Estonia	-654	-1,343	1,235	-123	1,497	1,028	165	-429	110	302	-91	-80	2,262	-645
Latvia	556	-87	1,091	-347	212	276	0	0	0	0	0	0	1,859	-158
Lithuania	418	239	615	220	-6	711	0	0	0	0	0	0	1,027	1,170
EBITDA, incl.	1,555	1,653	2,191	2,133	2,636	2,563	155	126	170	172	-91	-80	6,616	6,567
Estonia	418	418	976	920	1,664	1,637	155	126	170	172	-91	-80	3,292	3,193
Latvia	301	232	849	861	201	196	0	0	0	0	0	0	1,351	1,289
Lithuania	836	1,003	366	352	771	730	0	0	0	0	0	0	1,973	2,085
Operating profit													5,148	367
Profit/loss from joint ventures (Notes 2, 8)													-204	-100
Net financial expense													-2,174	-1,973
Profit before income tax													2,770	-1,706
Income tax expense (Note 10)													-328	-483
NET PROFIT FOR THE II QUARTER													2,442	-2,189

SEGMENT ASSETS

As of 30 June	Office		Logistics		Retail		Care homes		National		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<i>€ thousands</i>												
Investment property												
Estonia	24,470	28,440	50,360	49,330	88,330	89,090	14,400	9,775	7,160	7,490	184,720	184,125
Latvia	15,450	15,640	40,340	43,232	11,721	9,360	0	0	0	0	67,511	68,232
Lithuania	50,160	52,271	19,960	20,000	39,040	36,870	0	0	0	0	109,160	109,141
Total investment property (Note 14)	90,080	96,351	110,660	112,562	139,091	135,320	14,400	9,775	7,160	7,490	361,391	361,498
Joint ventures (Note 2)											1,824	2,468
Other non-current assets											607	533
Net debt (liabilities less cash)											-151,432	-148,514
Other current assets											1,738	4,159
NET ASSETS											214,128	220,144

In the first half of 2024 and 2023, the business segments did not transact with each other. The Group's main income is derived from real estate investments located in the same countries as the subsidiary holding the real estate investment.

The Group's largest customers are Livonia Print SIA, Kesko Senukai Estonia AS and Prisma Peremarket AS, having respectively 5.6%, 5.7% and 5.1% of the Group's consolidated rental income. The share of the income of the other tenants in the consolidated income is less than 5%.

4 Revenue

Segments	1st half-year	
	2024	2023
<i>€ thousands</i>		
Rental income from office premises (Note 14)	3,745	3,884
Rental income from national institutions (Note 14)	419	410
Rental income from retail premises (Note 14)	6,059	5,887
Rental income from logistics premises (Note 14)	4,754	4,725
Rental income from care home premises (Note 14)	365	312
Other sales revenue	576	531
Total revenue by segments of activity (Note 3)	15,918	15,749

Revenue by geographic areas	1st half-year	
	2024	2023
€ thousands		
Estonia	7,717	7,532
Latvia	3,213	3,142
Lithuania	4,988	5,075
Total revenue by geographical area (Note 3)	15,918	15,749

5 Cost of services sold

Cost of services sold	1st half-year	
	2024	2023
€ thousands		
Repair and maintenance of rental premises	-358	-370
Property insurance	-32	-31
Land tax and real estate tax	-101	-100
Other costs of administrative activities	-50	-37
Utility costs of vacant premises	-129	-54
Depreciation expenses	-9	-10
Improvement costs	-45	-98
Wage costs, including taxes (Note 19)	-5	-21
Proportional costs of VAT	-22	-27
Other selling expenses	-1	-9
Allowance for doubtful accounts	-7	0
Total cost of services sold (Note 14)	-759	-757

6 Marketing costs

Marketing costs	1st half-year	
	2024	2023
€ thousands		
Commission expenses on rental premises	-79	-29
Advertising, advertising events ¹	-299	-259
Advertising, advertising events	-378	-288

¹Expenditure on advertising and promotional events consists to a large extent of the costs of marketing events in shopping centres, which are covered by tenants through agreed marketing fees.

7 General and administrative expenses

General and administrative expenses	1st half-year	
	2024	2023
€ thousands		
Management services (Note 20)	-1,078	-1,071
Office expenses	-34	-41
Wages and salaries, incl. Taxes (Note 20)	-234	-198
Consulting expenses, legal expenses, accounting service, evaluation service	-272	-219
Audit costs	-80	-67
Regulator costs	-71	-84
Other general administrative expenses	-29	-22
Depreciation costs	-21	-25
Total administrative expense	-1,819	-1,727

8 Profit/loss from joint ventures

Profit/loss from joint ventures	1st half-year	
	2024	2023
€ thousands		
Profit / loss from joint ventures using the equity method (Note 2)	-254	-109
Total profit / loss from the joint venture	-254	-109

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

9 Other financial income and expenses

Other financial income and expenses	1st half-year	
	2024	2023
€ thousands		
Interest expenses, incl.	-4,473	-3,484
Interest expenses from loans	-4,473	-3,537
Interest expense from derivatives (-)/ cost reductions (+)	0	53
Change in fair value of interest swaps	0	-53
Total other financial income and expenses (Note 3, 17)	-4,473	-3,537

10 Income tax

Income tax expense

Income tax expense	1st half-year	
	2024	2023
€ thousands		
Income tax expense from added dividends	-270	-400
Lithuanian corporate deferred income tax expense	-501	-306
Lithuanian corporate income tax expense on profits	-11	-31
Total income tax expense (Note 3)	-782	-737

Deferred income tax liability

	Deferred income tax liability related to real estate investments	Deferred income tax liability in respect of dividends
<i>€ thousands</i>		
Balance as at 31.12.2023	8,109	1,174
Change in deferred income tax liability in the income statement in the first half of 2024	501	0
Income tax expense from added dividends	0	270
Income tax paid on dividends	0	-1,373
Balance as at 30.06.2024	8,610	71

11 Earnings per share

Earnings per share	II quarter		1st half-year	
	2024	2023	2024	2023
Net profit for the period, € thousands	2,442	-2,189	6,250	2,445
Dividend per share, euros	1.00	1.15	1.00	1.15
Weighted average number of shares over the period, in pc	10,819,796	10,819,796	10,819,796	10,819,796
Earnings per share, euros	0.23	-0.20	0.58	0.23

12 Cash and cash equivalents

	30.06.2024	31.12.2023
<i>€ thousands</i>		
Demand deposit	6,150	9,822
Overnight deposit ¹	3,772	4,890
Deposits with a maturity of less than 3 months ¹	850	0
Cash and cash equivalents (Note 17)	10,772	14,712

¹Overnight deposits bear interest at a variable rate, as at 30.06.2024 the interest rate was 1.905 - 3.262% per annum. The interest rate on deposits is 2.8% - 3.0% per year.

13 Receivables and accrued income

	30.06.2024	31.12.2023
<i>€ thousands</i>		
Trade receivables		
Receivables from customers	1,129	1,637
Allowance for doubtful accounts	-127	-120
Total trade receivables (Note 17)	1,002	1,517
Other short-term receivables	32	26
Total other short-term receivables	32	26
Interests	4	8
Advances and refunds of VAT	20	179
Other accrued income	497	630
Total accrued income	521	817
Total receivables and accrued income (Note 17)	1,555	2,360

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

14 Investment properties

As at 30.06.2024, the Group has made investments in the following investment properties:

Name	Location	Net rental area (m2)	Year of construction	Date of acquisition	Acquisition cost	Market value as at 30.06.2024	Increase in value	Share of market value of the Fund's asset
<i>€ thousands</i>								
Office								
Lauteri 5	Tallinn, Estonia	3,825	1958	01.2023	5,937	5,060	-15%	1%
Pärnu mnt 105	Tallinn, Estonia	4,717	1998	01.2023	8,280	6,600	-20%	2%
Pärnu mnt 102	Tallinn, Estonia	8,933	2005	01.2023	16,578	12,810	-23%	3%
Terbata	Riga, Latvia	6,036	2005	01.2023	9,241	8,270	-11%	2%
Menulio 11	Vilnius, Lithuania	5,617	recon. 2011-2013	01.2023	8,158	7,350	-10%	2%
Ulonu	Vilnius, Lithuania	5,290	2012	12.2015	8,439	8,700	3%	2%
L3	Vilnius, Lithuania	6,150	2004	10.2016	8,881	10,370	17%	3%
Evolution	Vilnius, Lithuania	6,614	2009	05.2018	10,132	11,110	10%	3%
airBaltic	Riga, Latvia	6,217	recon. 2016	03.2020	7,112	7,180	1%	2%
Rutkauskos	Vilnius, Lithuania	6,812	2014	08.2020	11,819	12,630	7%	3%
Office total		60,211			94,577	90,080	-5%	24%
Logistics								
Premia Külmhoone	Tallinn, Estonia	7,258	2002/2007	01.2023	6,840	6,530	-5%	2%
Kuuli 10	Tallinn, Estonia	15,197	2006	01.2023	11,545	11,580	0%	3%
Betooni 1a	Tallinn, Estonia	10,678	2008	01.2023	9,190	9,270	1%	2%
Betooni 6	Tallinn, Estonia	17,220	1998	01.2023	10,246	9,730	-5%	3%
Jurkalne Technology Park	Riga, Latvia	44,435	2002	01.2023	24,873	23,660	-5%	6%
DSV logistics centre	Vilnius, Lithuania	11,751	2005	06.2016	8,525	9,320	9%	2%
DSV logistics centre	Tallinn, Estonia	16,014	2003	07.2016	12,366	13,250	7%	4%
DSV logistics centre	Riga, Latvia	12,149	2000	07.2016	8,880	8,380	-6%	2%
Piepilsetas logistics centre	Kekava, Latvia	13,389	2007	03.2020	8,848	8,300	-6%	2%
Ramygalos logistics centre	Panevėžys, Lithuania	20,126	2007	06.2021	10,024	10,640	6%	3%
Logistics total		168,217			111,337	110,660	-1%	29%
Retail								
Võru Rautakesko	Võru, Estonia	3,120	2008	01.2023	2,890	2,670	-8%	1%
Uku Centre	Viljandi, Estonia	8,940	2012/2018	01.2023	13,616	13,530	-1%	4%
Mustika Centre	Tallinn, Estonia	27,614	1998/2002	01.2023	37,039	37,060	0%	10%
RAF Centrs	Jelgava, Latvia	6,225	2014/2017	01.2023	9,288	9,379	1%	2%
Tammsaare tee Rautakesko	Tallinn, Estonia	9,120	2007	01.2023	15,700	15,580	-1%	4%
Jelgava development project	Jelgava, Latvia		In development	01.2023	2,342	2,342	0%	1%
Saules Miestas Shopping centre	Šiauliai, Lithuania	20,311	2007	08.2015	31,501	39,040	24%	10%
Laagri Selver	Tallinn, Estonia	3,059	2017	05.2017	6,303	7,680	22%	2%
Hortes gardening centre	Laagri, Estonia	3,470	2006	05.2017	3,138	3,570	14%	1%
Hortes gardening centre	Tallinn, Estonia	5,300	2019	05.2018	5,458	5,090	-7%	1%
ABC Motors Autokeskus	Tallinn, Estonia	2,149	2002	02.2019	3,482	3,150	-10%	1%
Retail total		89,308			130,757	139,091	6%	37%
National								
Rakvere e Police and rescue communal building (National)	Rakvere, Estonia	5,775	2010	01.2023	7,360	7,160	-3%	2%
Care homes								
Pirita Pansionaat	Tallinn, Estonia	5,983	2020	12.2020	6,217	5,820	-6%	2%
Valkla Südamekodu	Valkla, Estonia	4,423	2023	04.2022	3,927	3,350	-15%	1%
Tartu Südamekodu	Tartu, Estonia		In construction	04.2022	5,230	5,230	0%	1%
Care homes total		10,406			15,374	14,400	-6%	4%
Total		333,917			359,405	361,391	1%	96%

In addition to the investment properties shown in the above table, the joint venture EFTEN SPV11 OÜ with a 50% shareholding of the group owns an investment properties at Vabaduse väljak 3 / Pärnu mnt 14, Tallinn (hotel "Palace"). The fair value of the real estate investment as of 30.06.2024 is 8,540 thousand euros (Note 2)

In the first half of 2024 and 2023, the following changes have taken place in the group's investment properties:

	Investment property under development	Completed investment property	Total investment property
Balance as at 31.12.2022	2,634	166,241	168,875
Acquisitions and developments	1,376	0	1,376
Assets obtained in the merger	2,342	193,950	196,292
Capitalized improvements	0	1,137	1,137
Gain/loss from the change in fair value	-435	-5,747	-6,182
Balance as at 30.06.2023	5,917	355,581	361,498
Balance as at 31.12.2023	5,016	352,900	357,916
Acquisitions and developments	2,556	0	2,556
Capitalized improvements	0	2,373	2,373
Gain/loss from the change in fair value	0	-1,454	-1,454
Balance as at 30.06.2024	7,572	353,819	361,391

Additional information regarding investment properties is provided in Note 3.

The Group's income statement and balance sheet reflect, among other things, the following income and expenses and balances related to investment properties:

As of June 30 or per half year	2024	2023
Rental income from investment properties (Note 4)	15,342	15,218
Costs directly related to the management of investment properties (Note 5)	-759	-757
Outstanding amounts from the acquisition of investment properties (note 16)	345	209
Book value of investment properties pledged as collateral for loan liabilities	359,049	358,691

Assumptions and basis for determining the fair value of investment properties

The Group's investment properties are valued by an independent appraiser. The fair value of all investment properties reflected in the Group's reports as of 30.06.2024 has been obtained using the discounted cash flow method. The following assumptions have been used in finding the fair value:

Sector	Fair value	Valuation method	Estimated Rental income per year	Discount rate	Exit yield	Average rental price €/m ²
<i>€ thousands</i>						
Office	90,080	Discounted cash flows	8,542	8.3%-9.7%	6.5%-8.25%	11.4
Logistics	110,660	Discounted cash flows	9,602	8.1%-10.75%	7.1%-8.5%	4.6
Retail	139,091	Discounted cash flows	12,692	8.1%-10.5%	6.8%-8.8%	12.0
National	7,160	Discounted cash flows	846	9.5%	8.5%	11.2
Care homes	14,400	Discounted cash flows	841	9.0%-9.5%	7.5%-8.5%	8.0
Total	361,391		32,523			

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

- Rental income: prices and real growth rates resulting from existing leases are used;
- Vacancy: the actual vacancy of an investment property, considering the risks associated with the object;
- Discount rate: calculated based on the weighted average cost of capital (WACC) related to investment property;
- Exit yield: based on the estimated level of yield at the end of the expected deposit period, considering the foreseeable market situation and the risks associated with the object.

Fair value sensitivity analysis

The table below illustrates the sensitivity of the fair value of investment properties recognised in the Group's balance sheet as of 30.06.2024 to the most important valuation assumptions:

Sector	Fair value	Sensitivity to management estimate			Sensitivity to independent appraisal		
		Revenue +10%	Revenue -10%	Discount rate +50bp	Discount rate -50bp	Exit yield rate +50bp	Exit yield rate -50bp
<i>€ thousands</i>							
Office	90,080	10,010	-10,040	-1,820	1,850	-4,050	4,600
Logistics	110,660	12,330	-11,490	-2,190	2,240	-4,270	5,750
Retail	139,091	15,521	-15,619	-2,729	2,711	-5,799	6,501
National	7,160	900	-890	-130	140	-260	300
Care homes	14,400	960	-970	-170	160	-400	430
TOTAL	361,391	39,721	-39,009	-7,039	7,101	-14,779	17,581

Level three inputs have been used in the fair value evaluation for all the Group's investment property (Note 17).

15 Borrowings

As at 30.06.2024 the Group has the following borrowings:

Lender	Country of lender	Loan amount as per agreement	Loan balance as at 30.06.24	Contract term	Loan agreement interest rate as at 30.06.24	Loan collateral	Loan collateral	Loan balance's share of the fund's net asset value
SEB	Estonia	4,800	3,197	30.04.27	5.55%	Mortgage - Premia Külmhoone	6,530	1.5%
Luminor	Estonia	2,633	1,302	25.12.26	6.05%	Mortgage - Võru Rautakesko	2,670	0.6%
SEB	Estonia	2,514	1,929	13.06.26	5.60%	Mortgage - Lauteri 5	5,060	0.9%
SEB	Estonia	8,429	5,109	25.01.27	5.62%	Mortgage - Uku Centre	13,530	2.4%
Swedbank	Estonia	3,711	3,516	25.10.25	5.44%	Mortgage - Rakvere Police and rescue communal building	7,160	1.6%
Swedbank	Estonia	4,153	3,009	30.08.28	5.38%	Mortgage - Pärnu mnt 105	6,600	1.4%
Swedbank	Estonia	8,508	7,058	30.08.26	5.33%	Mortgage - Pärnu mnt 102	12,810	3.3%
SEB	Estonia	20,000	15,060	31.08.27	5.80%	Mortgage - Mustika Centre	37,060	7.0%
Swedbank	Estonia	15,622	12,105	31.05.28	5.24%	Mortgage - Tammsaare tee Rautakesko; Kuuli 10	27,160	5.7%
SEB	Estonia	10,300	8,410	26.06.27	5.64%	Mortgage - Betooni 1a; Betooni 6	19,000	3.9%
Swedbank	Lithuania	4,078	3,162	07.12.25	6.16%	Mortgage - Menulio 11	7,350	1.5%
SEB	Latvia	4,561	3,337	16.04.27	5.50%	Mortgage - RAF Centrs	9,379	1.6%
Swedbank	Latvia	5,850	3,543	31.07.27	5.64%	Mortgage - Terbata office building	8,270	1.7%
SEB	Latvia	13,060	10,131	08.08.29	5.75%	Mortgage - Jurkalne Technology Park	23,660	4.7%
Swedbank	Lithuania	17,116	12,505	13.08.28	6.12%	Mortgage - Saules Miestas Shopping centre	39,040	5.8%
SEB	Lithuania	5,500	3,790	28.06.26	5.68%	Mortgage - DSV logistics centre	9,320	1.8%
SEB	Latvia	5,123	3,636	29.06.26	5.55%	Mortgage - DSV logistics centre	8,380	1.7%
SEB	Estonia	7,950	5,497	29.06.26	5.76%	Mortgage - DSV logistics centre	13,250	2.6%
SEB	Lithuania	5,620	3,900	27.10.26	5.73%	Mortgage - L3 office building	10,370	1.8%
SEB	Lithuania	5,200	3,436	21.12.25	6.08%	Mortgage - Ulonu office building	8,700	1.6%
SEB	Lithuania	5,850	4,414	30.05.28	5.77%	Mortgage - Evolution office building	11,110	2.1%
Swedbank	Estonia	3,833	3,641	29.06.27	5.03%	Mortgage - Laagri Selver	7,680	1.7%
SEB	Estonia	1,860	1,217	05.07.27	5.88%	Mortgage - Hortes gardening centre Laagri	3,570	0.6%
Swedbank	Estonia	3,290	2,731	11.01.27	5.56%	Mortgage - Hortes gardening centre Tähesaju	5,090	1.3%
LHV	Estonia	1,800	1,488	25.02.29	6.91%	Mortgage - ABC Motors Autokeskus	3,150	0.7%
Swedbank	Latvia	4,000	2,450	05.02.26	5.99%	Mortgage - Piepilsetas logistics centre	8,300	1.1%
Luminor	Latvia	3,905	2,196	04.02.25	6.59%	Mortgage - airBaltic main building	7,180	1.0%
Swedbank	Estonia	3,100	2,728	28.11.25	5.58%	Mortgage - Piriita Pansionaat, EFTEN Real Estate Fund AS guarantee	5,820	1.3%
Swedbank	Estonia	2,250	1,603	25.09.27	5.59%	Mortgage - Valkla Súdamekodu	3,350	0.7%
Swedbank	Estonia	3,100	2,150	21.12.28	5.59%	Mortgage - Tartu Súdamekodu; EFTEN Real Estate Fund AS guarantee	5,230	1.0%
Šiaulių bankas	Lithuania	6,000	5,280	13.06.26	6.22%	Mortgage - Ramygalos logistics centre	10,640	2.5%
SEB	Lithuania	7,300	5,993	12.08.25	6.01%	Mortgage - Rutkausko office building	12,630	2.8%
Total		201,016	149,523				359,049	69.8%

Short-term borrowings	30.06.2024	31.12.2023
<i>€ thousands</i>		
Repayments of non-current bank loans in the next period ²	8,812	16,966
Discounted contract fees for bank loans	-54	-59
Total short-term borrowings	8,758	16,907

Long-term borrowings	30.06.2024	31.12.2023
<i>€ thousands</i>		
Total long-term borrowings	149,376	147,756
incl. current portion of borrowings	8,758	16,907
incl. non-current portion of borrowings, incl	140,618	130,849
Bank loans	140,711	130,942
Discounted contract fees on borrowings	-93	-93

Repayments of borrowings by maturity	30.06.2024	31.12.2023
<i>€ thousands</i>		
Up to 1 year	8,812	16,966
2-5 years	140,711	130,942
Total repayments of borrowings	149,523	147,908

Cash flows of borrowings	2024	2023
<i>€ thousands</i>		
Balance at the beginning of the period	147,756	67,975
Bank loans received from merger	0	82,403
Bank loans received	4,880	4,080
Annuity payments on bank loans	-3,264	-6,720
Change of discounted contract fees	4	18
Balance at the end of the period	149,376	147,756

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

16 Liabilities and prepayments

Current liabilities and prepayments

	30.06.2024	31.12.2023
<i>€ thousands</i>		
Payables to suppliers from fixed asset transactions (Note 14)	345	904
Other payables to suppliers	326	827
Total payables to suppliers	671	1,731
Other payables	97	91
Total other payables	97	91
VAT	498	476
Income tax on dividends	4	14
Personal income tax	5	6
Social tax	10	13
Land tax, real estate tax	22	84
Other tax liabilities	3	10
Total tax liabilities	542	603
Payables to employees	46	44
Interest liabilities	275	264
Tenants' security deposits	445	363
Other accrued liabilities	170	320
Total accrued liabilities	936	991
Prepayments		
Other prepaid income	9	1
Total prepayments	9	1
Total liabilities and prepayments	2,255	3,417

Non-current liabilities

	30.06.2024	31.12.2023
<i>€ thousands</i>		
Tenants' security deposits	1,892	1,790
Total other non-current liabilities	1,892	1,790

For additional information on liabilities, please see Note 17.

17 Financial instruments, management of financial risks

The main financial liabilities of the Group are borrowings that have been raised to finance the investment properties of the Group. The balance sheet of the Group also contains cash and short-term deposits, trade receivables, other receivables and trade payables. For additional information on the Group's finance costs, please see Note 9.

The table below indicates the division of the Group's financial assets and financial liabilities according to financial instrument type.

Carrying amounts of financial instruments

	Notes	30.06.2024	31.12.2023
<i>€ thousands</i>			
Financial assets – loans and receivables			
Cash and cash equivalents	12	10,772	14,712
Short-term deposits ¹		50	3,400
Trade receivables	13	1,002	1,517
Total financial assets		11,824	19,629
Financial liabilities measured at amortised cost			
Borrowings	15	149,376	147,756
Trade payables	16	671	1,731
Tenant security deposits	16	2,337	2,153
Interest liabilities	16	275	264
Accrued expenses	16	216	364
Total financial liabilities measured at amortised cost		152,875	152,268
Total financial liabilities		152,875	152,268

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

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

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

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

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

Market risk

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

Interest rate risk

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

As at 30.06.2024, all loan agreements of the group have been concluded on a floating interest basis (margin between 1.40% and 3.0% plus 1-month, 3-month and 6-month EURIBOR). All contracts in the loan portfolio of EFTEN Real Estate Fund AS have a 0% limit (floor) set to protect negative EURIBOR, i.e. in case of negative EURIBOR, the loan margin for these loan obligations does not decrease.

The weighted average interest rate of the Group's loans was 5.7% as at 30.06.2024 (31.12.2023: 5.9%).

The change in EURIBOR has a significant impact on the group's net profit and cash flows. The table below shows the effect of the interest rate change on the group's pre-tax profit and cash flows by EURIBOR levels, considering loan balances as of 30.06.2024.

EURIBOR RATE	Impact on pre-tax profits and cash flows per year	Change in interest expense, %
€ thousands		
Interest expense per year	-8,450	
Effect of EURIBOR change:		
EURIBOR 2.0%	2,520	-29.8%
EURIBOR 3.0%	1,042	-12.3%
EURIBOR 4.0%	-434	5.1%
EURIBOR 5.0%	-1,911	22.6%

Liquidity risk

Liquidity risk arises from a potential change in financial position that would reduce the Group's ability to service its liabilities in a timely and correct manner. The Group's liquidity is primarily affected by the following factors:

- Decrease or volatility of rental income, reducing the Group's ability to generate positive net cash flows;
- Vacancy of rental property;
- Mismatch between the maturities of assets and liabilities and flexibility in changing them;
- Marketability of long-term assets;
- Volume and pace of real estate development activities;
- Financing structure.

The Group's objective is to manage net cash flows in such a way that no more than 65% of the acquisition cost of the investment property involves external debt and the Group's debt coverage ratio would be higher than 1.2. As at 30.06.2024, the share of the Group's interest-bearing debt liabilities in rental income generating investment properties was 42% (31.12.2023: 42%) and the average debt coverage ratio (DSCR) for the last 12 months was 1.7 (31.12.2023: 1.8).

The Group's financing policy stipulates that loan agreements to raise borrowed capital are entered into on a long-term basis, considering the maximum length of leases encumbering real estate properties. The table below summarizes the timeliness of the Group's financial liabilities (undiscounted cash flows):

As at 30.06.2024	Less than 1 month	Between 2 and 4 months	Between 5 and 12 months	Between 2 and 5 years	Over 5 years	Total
€ thousands						
Interest-bearing liabilities (Note 15)	662	1,669	6,481	140,711	0	149,523
Interest payments	737	2,143	5,570	15,169	0	23,619
Interest liabilities	275	0	0	0	0	275
Trade payables (Note 16)	671	0	0	0	0	671
Tenant security deposits (Note 16)	52	146	247	1,364	528	2,337
Accrued expenses (Note 16)	216	0	0	0	0	216
Total financial liabilities	2,613	3,958	12,298	157,244	528	176,641

Statement of working capital

	30.06.2024	31.12.2023
€ thousands		
Cash and cash equivalents (Note 12)	10,772	14,712
Short-term deposits	50	3,400
Receivables and accrued income (Note 13)	1,555	2,360
Prepaid expenses	133	106
Total current assets	12,510	20,578
Short-term portion of long-term liabilities (Note 15)	-8,758	-16,907
Short-term liabilities and prepayments	-2,255	-3,417
Total current liabilities	-11,013	-20,324
Total working capital	1,497	254

Credit risk

Credit risk is the risk that counterparties will fail to meet their obligations to the Group. The Group is exposed to credit risk due to its business activities (mainly trade receivables) and transactions with financial institutions, including cash in bank accounts and deposits.

The Group's activities to prevent and minimize the decrease in cash flows arising from credit risk are to monitor and direct the payment behaviour of customers on a daily basis, which enables the implementation of operationally necessary measures. Customer agreements also provide for the payment of rent payments at the beginning of the calendar month in most cases, which provides sufficient time to monitor customers' payment discipline and to have sufficient liquidity in cash accounts on the day of the annuity payments of financing agreements. The terms of most leases give rise to an obligation to pay a security deposit, at the expense of which the Group has the right to write off debts arising from the insolvency of the lessee. For some leases, the deposit may be replaced by a bank guarantee.

Group companies generally only enter into lease agreements with counterparties previously recognized as creditworthy. The client's analysis of this is made before concluding the lease agreement.

If it becomes apparent that there is a risk that the lessee will become insolvent, the Group assesses each receivable individually and decides to recognize the receivables as doubtful. In general, receivables that are overdue for more than 180 days are considered unlikely to be collected, unless the Group has sufficient assurance that the receivable will be received or a payment schedule has been agreed for the receivables.

Trade receivables are illustrated by the table below:

	30.06.2024	31.12.2023
Not due	613	1,303
Past due, incl	516	333
Up to 30 days	238	193
30-60 days	117	70
More than 60 days	161	70
Allowance for doubtful accounts	-127	-119
Total trade receivables (Note 13)	1,002	1,517

As of 30.06.2024, unpaid invoices overdue for up to 60 days included claims against Hortes AS in the total amount of 157 thousand euros, and unpaid invoices over 60 days contained claims against Hortes AS in the total amount of 15 thousand euros. After the balance sheet date, on July 8, 2024, the fund's subsidiaries EFTEN Seljaku OÜ and EFTEN Tähesaju tee OÜ submitted notices to the tenant of Hortes, a joint-stock company, regarding the demand for debt payment, the demand for arrears, the exercise of the landlord's right of lien and the termination of the lease agreement, giving the tenant an additional 30-day period to liquidate the debt. As of the preparation of this report, the tenant has not paid the arrears.

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

	30.06.2024	31.12.2023
<i>€ thousands</i>		
Cash and cash equivalents	10,772	14,712
Short-term deposits	50	3,400
Trade receivables (Note 13)	1,002	1,517
Total maximum credit risk	11,824	19,629

Capital management

The Group treats borrowings and equity as capital.

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

The Group continues to invest in cash-generating real estate and raises new equity to make investments. The Group's investment policy stipulates that at least 35% of equity will be invested in new investment projects. The required amount of equity is calculated for each investment individually, considering the volume and proportion of the net cash flows and loan payments of a specific investment.

After making an investment, the EBITDA of any cash-generating property must not be less than 120% of the loan's annuity payments (including interest expense).

In the first half of 2024, the group has earned a free cash flow (EBITDA minus loan payments and interest costs) of 5,341 thousand euros (2023 first half: 5,921 thousand euros). All loans were serviced as usual, and the fund's subsidiaries did not take payment holidays.

Statement of capitalization

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

	30.06.2024	31.12.2023
<i>€ thousands</i>		
Short term liabilities guaranteed with mortgage (Note 15)	8,812	16,966
Unsecured current liabilities	2,201	3,358
Total current liabilities	11,013	20,324
Long term liabilities guaranteed with mortgage (Note 15)	140,711	130,942
Unsecured non-current liabilities	10,480	10,980
Total non-current liabilities	151,191	141,922
Share capital and share premium (Note 18)	192,919	192,919
Reserves	2,799	2,749
Retained earnings (Note 19)	18,410	23,030
Total shareholder's equity	214,128	218,698
Total liabilities and equity	376,332	380,944

Statement of net debt

	30.06.2024	31.12.2023
<i>€ thousands</i>		
Cash	10,772	14,712
Short term deposits	50	3,400
Total liquid assets	10,822	18,112
The current portion of non-current borrowings (Note 15)	8,812	16,966
Net current liabilities	-2,010	-1,146
Non-current borrowings (non-current portion) (Note 15)	140,711	130,942
Total non-current liabilities	140,711	130,942
Total net debt	138,701	129,796

Fair value

The valuation methods used to analyse the Group's assets and liabilities measured at fair value have been defined as follows:

Level 1 – quoted prices in active markets;

Level 2 – inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly;

Level 3 – unobservable inputs at the market.

As of 30.06.2024 and 31.12.2023, the Group does not have any assets at fair value that would belong to the Level 1 group upon finding the value. All of the Group's investment properties are carried at fair value and belong to the Level 3 group according to the valuation method (see Note 14). All of the Group's loan liabilities and derivative securities entered into to hedge interest rate risk belong to the Level 2 group.

18 Share capital

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

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

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

Company	As at 30.06.2024	
	Number of shares	Ownership, %
LHV Pensonifond L	1,210,475	11.19%
REF Aktsiad OÜ	1,151,700	10.64%
Hoiukonto OÜ	1,145,192	10.58%
Altiuse KVI OÜ	1,092,845	10.10%

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

Company	As at 30.06.2024	
	Number of shares	Ownership, %
REF Aktsiad OÜ, a company under the significant control of Supervisory Board member Olav Miil	1,151,700	10.64%
Altiuse KVI OÜ, a company under the significant control of Supervisory Board member Arti Arakas	1,092,845	10.10%
EFTEN Capital AS, Fund Manager	292,688	2.71%
HTB Investeeringud OÜ, a company under the significant control of Supervisory Board member Siive Penu	198,032	1.83%
Tõnu Uustalu, member of the Management Board	64,974	0.60%
Olav Miil, member of the Supervisory Board	52,649	0.49%
Viljar Arakas, member of the Management Board	2,000	0.02%
Miemma Holding OÜ, a company owned by Viljar Arakas, member of the Management Board	20,606	0.19%
Meeli Leis, a close relative of Tõnu Uustalu, member of the Management Board	2,457	0.02%
Siive Penu, member of the Supervisory Board	1,350	0.01%
Aile Arakas, a close relative of Arti Arakas, member of the Supervisory Board	513	0.005%
Sander Rebane, member of the Supervisory Board	2	0.000%
Sannu Investeeringud OÜ, a company under the significant control of Supervisory Board member Sander Rebane	132	0.001%
Total	2,879,948	26.62%

19 Contingent liabilities

	31.03.2024	31.12.2023
€ thousands		
Retained earnings	18,410	23,030
Potential income tax liability	3,682	4,606
Dividends can be paid out	14,728	18,424

The maximum possible income tax liability has been calculated on the assumption that the net dividends to be distributed and the income tax expense related to their payment may not exceed the distributable profit as at 30.06.2024 and 31.12.2023.

20 *Related party transactions*

EFTEN Real Estate Fund AS considers the following as related parties:

- Management Board members and companies owned by the Management Board members of EFTEN Real Estate Fund AS;
- Supervisory Board members and companies owned by the Supervisory Board members of EFTEN Real Estate Fund AS;
- Employees and companies owned by the employees of EFTEN Real Estate Fund AS;
- EFTEN Capital AS (the fund management company).

The Group purchased management services from EFTEN Capital AS in the first half of 2024 in the amount of 1,078 thousand euros (2023: 1,071 thousand euros), (see Note 7).

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

As of 30.06.2024, the Group had a total of 13 employees, who were paid a total of 239 thousand euros (2023: 219 thousand euros) in the first half of 2024 with accompanying taxes (see Note 5,7). No fees were calculated or paid to the members of the group's management board or council in the first half of 2024 or 2023. The members of the management board of the group work in the company EFTEN Capital AS, which provides management services to the Group, and the expenses related to the activities of the members of the management board are included in the management service.

Management Board Declaration for the Consolidated Interim Report of 1st half-year of 2024

We hereby confirm that the Consolidated Interim Report for the 1st half-year of 2024 of EFTEN Real Estate Fund AS gives true and fair view of the Group's assets, liabilities, financial position and includes the description of the main risks and developments of business activities and results of the companies included in a consolidation as a whole.

/signed digitally/

Viljar Arakas

Member of the Management Board

/signed digitally/

Tõnu Uustalu

Member of the Management Board