Annual report 01.01.2023 – 31.12.2023

Business name	EfTEN United Property Fund
ISIN code	EE3500001609
Address	A. Lauteri 5, 10114 Tallinn, Estonia
Telephone	+372 655 9515
Fax	+372 618 1818
Email	info@eften.ee
Main activity	Management of funds
Financial year	1 January – 31 December
Fund manager	EfTEN Capital AS
Management board of	Viljar Arakas
the Fund Manager	Maie Talts
	Kristjan Tamla
Type of Fund	Contractual alternative investment fund
Shares	Listed on the Nasdaq Tallinn Stock Exchange
Auditor	AS PricewaterhouseCoopers

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Management report

The real estate sector is generally one of the largest users of financial leverage in the economy. Therefore, the change in interest rates has a great impact on the financial cost of real estate companies, and in addition, the level of interest rates is the main input on the basis of which the value of investment properties are evaluated. In 2023, major central banks raised interest rates more than the markets had forecast for the second year in a row. In this regard, the asset values of most European real estate companies and funds were adjusted downwards and many of them were forced to reduce or stop dividend payments altogether. In Scandinavia, with the highest level of financial leverage, even forced sale of assets and loan defaults took place in the real estate sector.

In December, the independent appraiser of the Fund's investments, Colliers International, conducted the usual year-end appraisal process. The increased interest rates in the euro area had also an impact on the value of EfTEN United Property Fund's assets, but due to the high occupancy rate of the underlying investments and the Fund's relatively large share of uninvested capital, it was less severe as compared to most other European property funds. Of the Fund's major investments, the value of the office building at Menulio 7 in Vilnius fell the most (5.6%). The decrease in the value of commercial real estate buildings was balanced by the increase in the value of the development project of the Uus-Järveküla residential district owned by the fund's subsidiary. At the end of the year, the first seven properties in completed terraced houses were handed over to the customers there (property rights contracts were signed). In total, almost 70 terraced and semi-detached houses have been booked by customers or have already been handed over to them. In addition, in the last quarter of the year, the fund's subsidiary Uus-Järveküla OÜ signed a construction contract and a financing agreement with Coop bank for the construction and financing of 16 semi-detached houses and 14 terraced houses to be built in the second phase of the residential development. The deadline for their completion is planned for the end of 2024.

The Fund's cash flow investments maintained a positive cash flow in 2023. This allows the Fund to continue distributing income in 2024 as well. The Fund Manager plans to distribute income from EfTEN United Property Fund twice this year: in late spring, when dividends from underlying funds are received, and in autumn, when interest is received from investments made in the form of debt capital and additional funds are released by possible refinancing of loans.

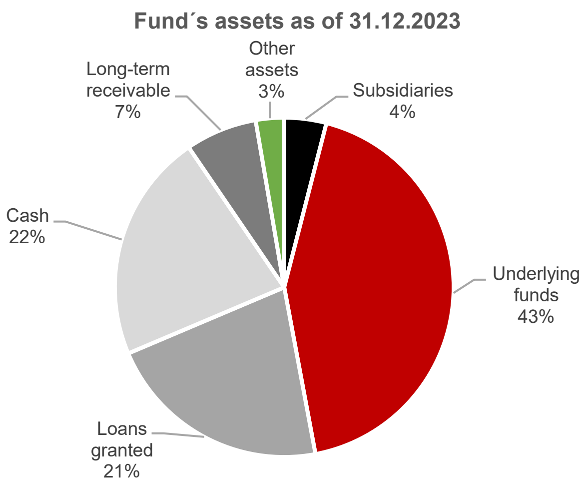
Financial overview

During the 12 months of 2023, the Fund earned a net loss of 179 thousand euros (12 months of 2022: 1,439 thousand euros of net profit), which included a loss of 620 thousand euros from the change in the value of the EfTEN Real Estate Fund share. In a situation where the net value of the EfTEN Real Estate Fund shares would be used as a basis for determining the net value of the Fund, the EfTEN United Property Fund would have earned a net profit in the total amount of 276 thousand euros within 12 months. The Fund's expenses during the 12 months of this year totalled 97 thousand euros (2022: 229 thousand euros).

The volume of assets of EfTEN United Property Fund is 26,259 thousand euros as of 31.12.2023 (31.12.2022: 27,472 thousand euros), of which long-term investments make up 75% as of the end of December (31.12.2022: 67%).

Key financial indicators of the Fund	31.12.2023	31.12.2022
€ thousands		
Cash received for subscription of Fund shares during the reporting period	0	9,863
Net asset value of the Fund at the end of the period	26,256	26,886
Fund's asset value per share, in euros (Net asset value at the end of the period : number of shares at the end of the period)	10.57	10.82
Increase/decrease in the net value of the Fund`s share during the reporting period	-2.3%	2.7%
Profit/ Loss per share (comprehensive profit for the reporting period : average number of shares in the period)	-0.07	0.66
Result of the Fund	-179	1,439
Investments in subsidiaries	1,054	1,152
Investments in underlying funds	11,300	11,790
Short-term deposits	1,795	0
Loans granted	5,668	5,376

Investments



The Fund granted additional loans to the subsidiaries in the total amount of 1,019 thousand euros in January and March 2023 in connection with the construction of the development infrastructure of Uus-Järveküla. The balance of loans granted to subsidiaries was a total of 5,668 thousand euros as of 31.12.2023 (31.12.2022: 5,376 thousand euros).

On 20.02.2023, the Fund signed two guarantee contracts in the amount of 1,795 thousand euros with a maturity of 28.05.2025 as a guarantee for the construction of the infrastructure of Uus-Järveküla, which is backed by a term deposit agreement with an interest rate of 2.5% per annum and a maturity of 29.02.2024. It is standard procedure to put a bank guarantee on the completion of the infrastructure for investment property developments. As of the end of 2023, the constuction works guaranteed by the contract have been completed in the amount of almost 1.3 million euros. Upon handing them over, the guarantee contract will also be released to the corresponding extent.

In June 2023, EfTEN United Property Fund increased its investment in the usaldusfond EfTEN Residential Fund by 240 thousand euros in connection with the development projects of rental apartments in Riga and Vilnius.

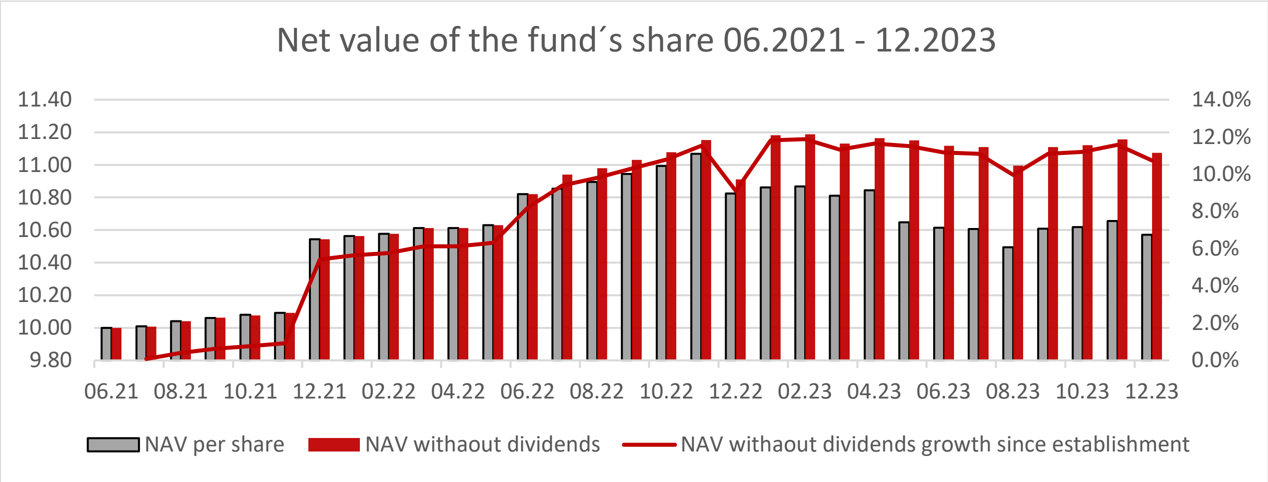
Net value of the Fund

The net value of the EfTEN United Property Fund share as of 31.12.2023 was 10.57 euros (31.12.2022: 10.82 euros). During this year, the net value of the Fund has decreased by 2.3%. Without the income distribution to the investor, the NAV would have increased by 1.7%. In addition to income distribution, the decrease in the NAV is largely related to the drop in the stock market price of EfTEN Real Estate Fund AS, as a result of which the value of the investment in the balance sheet has decreased by 620 thousand euros as compared to 31.12.2022. If the Fund's asset valuation rules allowed the value to traded shares to be reflected according to the net asset value of the Fund, the net value of the EfTEN

United Property Fund`s share as of 31.12.2023 would be 10.68 euros, and it would have decreased by a total of 1.3% compared to 31.12.2022.

Since the foundation of the Fund, the net value of the unit has increased by 5.7%. The net asset value of the Fund was 26.256 million euros as of 31.12.2023 (31.12.2022: 26.886 million euros).

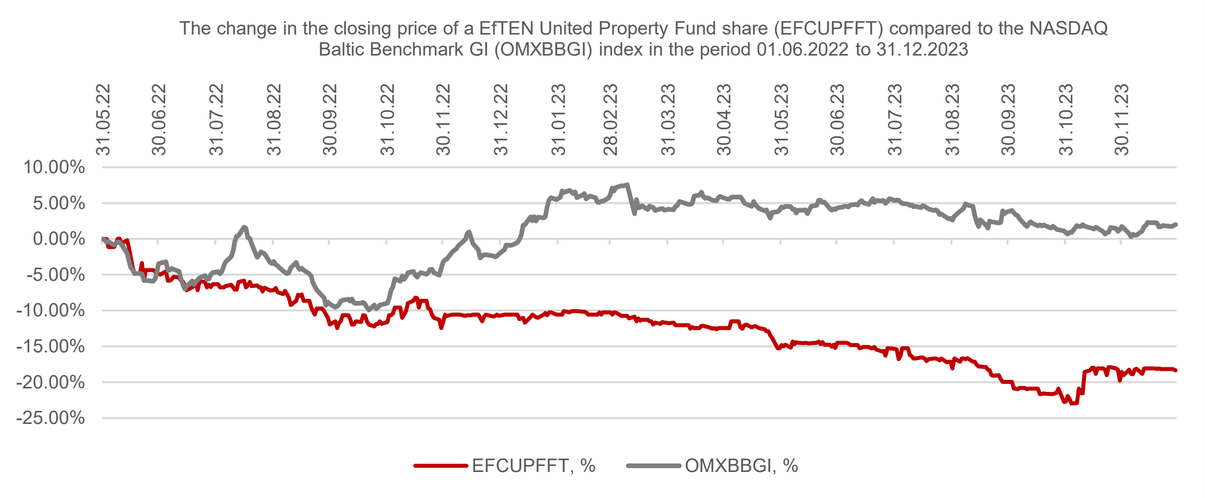
As of 31.12.2023, EfTEN United Property Fund has raised a total of 25.466 million euros of capital, of which 7.5 million euros are uninvested as of 12 months of 2023. All existing investments are performing well and do not currently appear to require higher capital injections than usual.



The value of the Fund's share has fallen by 18.4% since listing, and the Baltic Benchmark GI main index of the Baltic market has increased by 2.0% during the same period.

EFCUPFFT statistics	2023	31.05.2022-31.12.2022
Opening price	9.5	10.6
Closing price	8.7	9.5
Share price, lowest	8.1	9.2
Share price, highest	9.6	10.8
Shares traded, in thousands	285	221
Turnover, EUR million	2.576	2.213
Market capitalization as of 31.12, EUR million	21.610	23.597
P/B (closing price per share / equity per share)	0.82	0.88

Since listing on the stock exchange, the trading statistics of EfTEN United Property Fund share are shown in the table below.



Risk related to military activities

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

EfTEN United Property Fund terms amendment

On 23.01.2023, the Financial Supervision Authority approved changes to the conditions of EfTEN United Property Fund.

The change in the terms of the Fund was primarily due to the need to exclude provisions that are no longer relevant after the listing of the Fund's shares on the Nasdaq Tallinn stock market on 31.05.2022. As an important change, the frequency of issuing fund shares has been changed. After listing on the stock market, investors have the opportunity to trade EfTEN United Property Fund shares on a daily basis, which is why monthly issuance of shares is no longer necessary to provide a regular investment opportunity.

The Fund Manager also requested the addition of the possibility of the repurchase program of EfTEN United Property Fund shares to the terms and conditions of the fund. In the opinion of the Financial Supervision Authority, the buyback program cannot be applied to contractual funds and their shares listed on the stock exchange. Therefore, the buyback program provisions were not included in the terms.

Fund management

EfTEN United Property Fund is a contractual alternative investment fund. EfTEN United Property Fund is not a legal entity, therefore the corporate governance procedure applicable to companies does not apply to the fund. The Fund does not have a general meeting of shareholders, an audit committee or a remuneration committee.

In accordance with the terms of the Fund and the Investment Funds Act, the Fund is managed by the Fund Fanager - EfTEN Capital AS. The Fund Manager is responsible for the day-to-day management of the fund, including investment activities and risk management. The Fund Manager's activities are described in more detail in the Fund's prospectus.

EfTEN United Property Fund does not pay any fees or benefits to fund manager's Supervisory Board, members of the Management Board, and employees of the Fund Manager. The Fund pays a management fee to the Fund Manager.

The Fund Manager informs the shareholders of EfTEN United Property Fund about important circumstances in accordance with the principles stipulated in the terms of the fund and the regulations of the stock exchange. In addition to the semi-annual, quarterly and annual reports, the Fund Manager also publishes the net value of the fund's unit to the unit owners on a monthly basis via the stock exchange information system, which is then also available on the Fund Manager's and the fund's websites.

Audit fees

In 2023, the Fund's contractual auditor AS PricewaterhouseCoopers did not provide any other services in addition to auditing the annual report. In 2023, the total amount of fees paid or payable for auditing services provided by the Fund's contractual auditor is 14 thousand euros. In addition, in 2023, the companies of the PwC network have provided financial year auditing services and other services for the implementation of agreed procedures in the total amount of 6 thousand.

/signed digitally/

Kristjan Tamla

EFTEN Capital AS

CEO

Signatures of the EfTEN United Property Fund’s fund manager’s management to Annual Report 2023

The management board of fund manager EfTEN Capital AS has prepared the Annual Report of EfTEN United Property Fund for the financial year 2023, covering the period from 01.01.2023 to 31.12.2023, consisting of the Management Report, the Financial Statements, the Fund’s Investment Report and the Independent Auditor's Report.

/signed digitally/	/signed digitally/	/signed digitally/
Viljar Arakas	Maie Talts	Kristjan Tamla
Member of the Management Board	Member of the Management Board	Member of the Management Board

Tallinn, 4 March 2024

Financial Statements

Statement of comprehensive income

	Notes	2023	2022
€ thousands			
Income			
Interest income	7	536	308
Dividend income	7	352	212
Net profit / loss from assets recognised in fair value through profit or loss	**4,7**	**-828**	**1 148**
Investments in subsidiaries		-98	-199
Underlying funds		-730	1,346
Total income		**60**	**1,668**
Costs			
Operating expenses			
Management fee	8	-115	-96
Costs of administering the Fund		-34	-90
Other operating expenses		-90	-44
Total operating expenses		**-239**	**-229**
Operating profit / loss		**-179**	**1,439**
Profit / loss before income tax		**-179**	**1,439**
Net profit / loss for the reporting period		**-179**	**1,439**
Total comprehensive profit / loss for the reporting period	**6**	**-179**	**1,439**
Increase / decrease in the net asset value of the fund attributable to the shareholders	**6**	**-179**	**1,439**
Ordinary and diluted profit / loss per share (in euros)	6	-0.07	0.66

Notes on pages 13-38 are in integral part of these financial statements.

Statement of financial position

	Notes	31.12.2023	31.12.2022
€ thousands			
ASSETS			
Current assets			
Cash and cash equivalents	3	5,731	8,769
Short-term deposits	3,7	1,795	0
Other receivables and accrued income	3	711	385
Total current assets		**8,237**	**9,154**
Non-current assets			
Financial assets at fair value through profit or loss	3,7	12,354	12,942
Investments in subsidiaries		1,054	1,152
Investments in underlying funds		11,300	11,790
Loans granted	3,7	5,668	5,376
Total non-current assets		**18,022**	**18,318**
TOTAL ASSETS		**26,259**	**27,472**
LIABILITIES			
Current liabilities	3	3	586
Total liabilities, excluding net asset value of the Fund attributable to shareholders		**3**	**586**
NET ASSET VALUE OF THE FUND			
Net asset value of the Fund attributable to shareholders	5	**26,256**	**26,886**
Total liabilities and net asset value of the Fund attributable to shareholders		**26,259**	**27,472**

Notes on pages 13-38 are an integral part of these interim financial statements.

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

	Notes	2023	2022
€ thousands			
Net asset value of the Fund as at the beginning of the period		**26,886**	**16,379**
Subscription of the shares		0	9,863
Profit distributions to shareholders		-452	-795
Total transactions with shareholders	**5**	**-452**	**9,068**
Increase/decrease in net asset value attributable to shareholders		-179	1,439
Total net asset value of the Fund attributable to shareholders as at 31.12	**5**	**26,256**	**26,886**
Number of shares outstanding at the end of the reporting period, pcs		2,483,860	2,483,860
Net asset value per share at the end of the reporting period	**5**	**10.57**	**10.82**

Notes on pages 13-38 are an integral part of these interim financial statements.

Statement of cash flows

(direct method)

	Notes	2023	2022
€ thousands			
Cash flows from operating activities			
Acquisition of subsidiaries	4	0	-723
Sale of associates	4	0	1,504
Acquisition of shares in investment property funds	4	-240	-4,651
Loans granted	8	-1,019	-2,876
Repayments of given loans		727	0
Dividends received		352	212
Interests received		202	9
Operating expenses paid		-230	-239
Total cash flows from operating activities		**-208**	**-6,764**
Change in short-term deposits	3	-1,795	0
Total cash flows from investing activities		**-1,795**	**0**
Proceeds from subscription of shares	5	0	13,002
Dividends paid		-1,035	-212
Total cash flows from financing activities		**-1,035**	**12,790**
Total cash flows		**-3,038**	**6,026**
Cash and cash equivalents at the beginning of the period		**8,769**	**2,743**
Change in cash and cash equivalents		-3,038	6,026
Cash and cash equivalents at the end of the period	3	**5,731**	**8,769**

Notes on pages 13-38 are an integral part of these interim financial statements.

Notes to the financial statements

Note 1 General information

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

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

The financial statements reflect the Fund's business activities from 01.01.2023 to 31.12.2023.

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

These financial statements have been approved by the Management Company on 04.03.2024.

Note 2 Summary of material accounting policies

2.1 Basis for the report

The financial statements of EfTEN United Property Fund have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS EU). The principles of financial reporting of investment funds are set out in the Investment Funds Act, the Accounting Act and Regulation of the Minister of Finance No. 8 "Requirements for Fund Reports Subject to Disclosure" of 18 January 2017. The report has been prepared taking into account the procedure for determining the net asset value of the fund established under § 54(11) of the Investment Funds Act and other specific provisions of the aforementioned Regulation.

1.2.1 Application of new or revised standards and interpretations

From January 1, 2023, the following new or revised standards and interpretations became mandatory for the Fund:

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies
(effective for accounting periods beginning on or after 1 January 2023)

IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed.

However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The Fund has taken the new requirements into account when preparing this annual report.

Amendments to IAS 8: Definition of Accounting Estimates
(effective for accounting periods beginning on or after 1 January 2023)

The amendment to IAS 8 clarified how companies should distinguish changes in accounting policies from changes in accounting estimates.

The above-mentioned changes did not have a significant impact on the Fund's financial statements.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12
(effective for reporting periods beginning on or after 1 January 2023)

IAS The amendments to IAS 12 specify how to account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations – transactions for which both an asset and a liability are recognised. The amendments clarify that the exemption does not apply and that entities are required to recognise deferred tax on such transactions. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The above-mentioned changes did not have a significant impact on the Fund's financial statements.

The standards will come into force in the following reporting periods and standards not yet adopted

Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1
(effective to reporting periods beginning on or after 1 January 2024; not yet adopted by the European Union)

These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into. equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

The Fund will analyse and disclose the impact of the said change after its implementation.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
(applies to accounting periods beginning on or after 1 January 2024; not yet adopted by the European Union)

The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate.

The Fund will analyse and disclose the impact of the said change after its implementation.

Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1
(applies to accounting periods beginning on or after 1 January 2024; not yet adopted by the European Union)

These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

The Fund will analyse and disclose the impact of the said change after its implementation.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Financial Arrangements
(applies to accounting periods beginning on or after 1 January 2024; not yet adopted by the European Union)

In response to financial statement users' concerns about insufficient or misleading disclosure of financing arrangements, the IASB issued amendments to IAS 7 and IFRS 7 in May 2023 to require disclosure of supplier finance arrangements. These changes require disclosure of financial arrangements with corporate suppliers that would allow users of financial statements to assess the impact of those arrangements on the company's liabilities and cash flows and the company's liquidity risk. The purpose of the additional disclosure requirements is to increase the transparency of suppliers' financial arrangements. The changes do not affect the recognition or measurement principles, only the disclosure requirements. The new disclosure requirements will take effect for reporting periods beginning on or after January 1, 2024.

The Fund will analyse and disclose the impact of the said change after its implementation.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (date of implementation to be determined by the IASB; not yet adopted by the European Union).

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary.

The Fund will analyse and disclose the impact of the said change after its implementation..

2.2 Management decisions and assessments

The preparation of financial statements in accordance with IFRS requires management to make judgements, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge as facts, actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on a continuous basis, and changes in estimates are recognised in the period in which the change occurs and in each subsequent period affected by the change in estimate.

Areas where there is a higher than normal risk of adjustment due to estimation uncertainty are described below.

a) Investment entity

The terms of the Fund and the agreements with investors require that the Fund primarily provides investors with a yield (i.e. capital growth and dividends) on real estate related investments. In order to provide the clearest understanding of the Fund's yield, the Fund measures the results of the subsidiaries' operations and their equity value at fair value. The Fund is a contractual public closed-end investment fund, the objective of which is to offer unit-holders of the Fund the opportunity to participate in the development of the Baltic real estate market and real estate-related infrastructure and technology companies through an actively managed investment portfolio. The terms and conditions of the fund allow investors to raise capital on a monthly basis and to make distributions with fewer restrictions than other types of companies (e.g. equity funds).

Consequently, the Fund meets the definition of an investment entity (IFRS 10 para 31). In accordance with the requirements of IFRS 10 p. 31, an investment entity does not consolidate the subsidiaries it owns but recognises them at fair value through profit or loss in accordance with IFRS 9.

b) Investments in subsidiaries: fair value measurement

The Fund's investments in subsidiaries are measured at fair value at each balance sheet date. As the Fund's subsidiary is not quoted on a stock exchange, the Fund bases the determination of the fair value of the subsidiary on the assets and liabilities of the subsidiary at the balance sheet date, which are largely measured at fair value. The principal assets of the subsidiary are cash and cash equivalents, trade receivables and property held as inventories. The main liabilities are trade payables, loan payables and other minor liabilities. Real estate owned by the subsidiary is measured at fair value at each balance sheet date.

The properties owned by the Fund's subsidiary are valued by an independent appraiser, Colliers International Advisors OÜ. The properties are valued using the discounted cash flow method, taking into account investments in property development and the expected proceeds from the sale of the properties. The discount rates and exit yields used to determine the fair value are differentiated according to the location and risk level of the properties.

c) Investments in underlying funds: fair value measurement

The Fund's investments in underlying funds are valued at fair value at each balance sheet date. In the case of an unlisted underlying fund, the Fund will base the fair value of the underlying on the assets and liabilities of the underlying at the balance sheet date, which are largely valued at fair value. The underlying real estate properties are valued by an independent appraiser, Colliers International Advisors, within the underlying fund itself and, to the extent that the amortised cost of the other assets and liabilities of the underlying fund does not differ materially from their fair value, the fair value of the underlying fund is based on the net asset value of the underlying fund at the reporting date.

If the underlying fund is listed on a stock exchange, the fair value of the underlying shall be based on the closing price on the last stock exchange trading day of the reporting period.

Further information on the assumptions and sensitivities used in the asset valuations can be found in Note 4.

Segment reporting

The Fund allocates the capital employed and the available funds to investments in accordance with the fund's investment policy, analysing a reasonable risk distribution across the real estate sub-sectors.

Disclosure of segment information shall be based on the grouping principles used in the Fund's internal accounting and reporting. Stand-alone business segments are considered to be real estate sub-sectors that are distinguished from each other in terms of expected yield and risk level. Business segments are expected to have different rates of yield (yield on investment, interest rates) and different business segments are often affected by different risks.

The Fund's business segments are presented in the following table:

Business segment	List of investments
Commercial property	Ownership - EfTEN Real Estate Fund 5 usaldusfond
	EfTEN Real Estate Fund AS shares
	EfTEN Kinnisvarafond II AS shares
	EfTEN M7 UAB
	Loan granted to EfTEN M7 UAB
Residential property	Ownership - EfTEN Residential Fund
Real estate development	Ownership - Uus-Järveküla OÜ
	Loan granted to Uus-Järveküla OÜ

The main indicators used by management in making business decisions are segment revenue and profit. It is also important to monitor the volume of investments by segment. The Fund analyzes all indicators monthly.

2.3 Classification of financial assets and liabilities

The Fund classifies financial assets and financial liabilities into the following categories:

• financial assets at fair value through profit or loss – shares in subsidiaries, investment fund shares and units;

• financial assets at amortised cost - cash and cash equivalents, time deposits, interest and dividend receivable, loans receivable;

• financial liabilities at amortised cost - amounts payable on transactions recognised at the trade date, liabilities to the management company and to the custodian bank.

Equity instruments

The Fund consistently evaluates all equity investments at fair value.

Financial liabilities

All financial liabilities (debts to suppliers, borrowings, accrued charges, bonds issued and other current and non-current liabilities) are initially recognised at cost, which includes all expenses directly linked to the acquisition. Subsequent recognition is by the amortised cost method (except for financial liabilities acquired for resale, which are measured at fair value).

2.4 Fair value assessment

Fair value means the value at which the Fund's assets could be sold to a willing party, independent of the Fund, at the valuation date. In the case of financial assets and liabilities traded on a stock exchange (e.g. equities, funds, bonds, derivatives), the fair value is based on the closing price on the day of trading. The Fund records all investments in securities at fair value through profit or loss, except for those investments for which fair value cannot be determined. In accordance with IFRS 13 'Fair Value Measurement', the fair value of exchange traded financial assets and liabilities is the closing price.

The basis for determining the value of the Fund's assets is the "Rules for Calculation of the Net Asset Value of a Fund's Assets" approved by the Board of Directors of EfTEN Capital AS, which determine the principles for determining the net asset value of the Fund's financial assets and liabilities traded on regulated markets, those not traded on regulated markets and other financial assets and liabilities of the Fund.

The value of a share of a listed investment fund shall be determined in the same way as the value of a listed share. The value of a unit of an unquoted mutual fund shall be determined on the basis of the last known redemption price or, if no price is available, on the basis of the net asset value of the fund. The value of a listed debt security is determined on the basis of the last bid-price available on the regulated market. If the fair value of the instruments cannot be reliably estimated, they may be carried at cost or their fair value may be determined by the Management Company's Board of Directors using valuation techniques. The Management Company uses a variety of valuation techniques to determine its own fair value, including recent arm's length market transactions, references to other instruments that are approximately the same, discounted cash flow analysis and option pricing models and other valuation techniques, relying as much as possible on market information and as little as possible on company-specific inputs.

Asset valuation risk

The Fund invests predominantly in assets that are not traded on a regulated market. As a result, at certain points in time (e.g. rapid changes in the economic environment and a significant reduction in the number of real estate transactions), it may be difficult to determine the fair value of all the Fund's investments. The Fund's direct investments in real estate (including SPVs) are valued by an independent real estate appraiser with a good reputation and long experience, in accordance with the Internal Rules for the Valuation of Real Estate published on the Management Company's website. The properties are valued regularly twice a year: at the end of the financial year and on 30.06. In addition, the Fund may commission ad hoc property valuations as required. The realisation of the risk associated with the valuation of assets may lead to a higher volatility of the Fund's yield than would be expected for this type of fund.

2.5 Dividend income

Dividends will be accounted for on the first day on which the share is traded without dividend (ex-dividends date), taking into account the declared dividend rate, the number of shares held by the Fund on the date of fixing the list of shareholders and the applicable tax rate. The dividend claim will be removed from the assets when the corresponding amount of money is received by the Fund.

In the case of shares and participations not traded on the stock exchange, the dividend claim is recorded at the time of its occurrence.

2.6 Determining the net asset value of the fund

The net asset value of the Fund is determined in accordance with the Investment Funds Act, the Procedure for Determining the Net Asset Value of Investment Funds established by the Minister of Finance, the internal rules of procedure of EfTEN Capital AS (the Management Company) and the Fund's Terms and Conditions. The net asset value (NAV) of the Fund is determined by calculating the market value of the total assets of the Fund and deducting the liabilities of the Fund. The NAV per unit is calculated by dividing the total net asset value by the number of units outstanding.

2.7 Management fees

A management fee of 1.5% per annum is paid to the Fund Manager out of the Fund for the management of the Fund. The management fee is calculated on the net asset value of the Fund, excluding investments in other investment funds managed by EfTEN Capital AS and deposits with credit institutions. The management fee shall be calculated on a monthly basis (on the basis of 1/12 per year). There is no success fee.

2.8 Subscription of shares

After listing on the stock market, investors have the opportunity to trade EfTEN United Property Fund units on a daily basis. Until the listing of the Fund's shares on the stock exchange in May 2022, EfTEN United Property Fund offered its shares monthly from the first calendar day of the month to the last working day of the month. The fund share price was the net value of the share in the previous calendar month.

According to the terms of the fund, the fund does not take back units from shareholders at their request or exchange them for units or shares of other funds of the fund management company, i.e., the fund units do not have a debt component.

2.9 Consolidation exemption

As of 31.12.2023, EfTEN United Property Fund owns an 80% shareholding in the company Uus-Järveküla, which in turn has a 100% shareholding in the company Järveküla Majad OÜ and the Fund also has a 100% shareholding in the company EfTEN M7 UAB.

EfTEN United Property Fund is an investment entity under the terms of IFRS 10, therefore the Fund does not consolidate its subsidiaries and does not apply IFRS 3 principles but recognises the investment in the subsidiary at fair value in accordance with IFRS 9.

Investment in subsidiaries

In the Fund's financial statements, investments in subsidiaries are accounted for using the fair value method. The subsidiary is initially recognised at cost and subsequently measured at fair value through profit or loss. Dividends declared by subsidiaries are recognised when the Fund becomes entitled to receive them.

2.10 Income tax

The Fund is a contractual investment fund, which means that the income earned by the Fund is taxable only in limited Cases.

Income earned by the Fund in Estonia is taxable in the following cases:

• on the disposal of immovable property located in Estonia and on the transfer of rights and claims relating to immovable property;

• on the disposal of an Estonian subsidiary, if the Fund held at least 10% of the shares in the subsidiary;

• in case of disposal of a share in a real estate fund (including the payment of capital income from the realization of real estate from a limited partnership type fund/yield of the share), of which real estate directly or indirectly located in Estonia (including real estate owned by subsidiaries and affiliates of the real estate fund) made up more than 50% of the property at the time of transfer or during the two years preceding it, and in which the real estate fund had at least a 10% shareholding;

• interest income from a real estate fund, in which, at the time of receiving interest or during the two years preceding it, real estate located directly or indirectly in Estonia (including real estate owned by subsidiaries and affiliates of the real estate fund) accounted for more than 50% and in which the real estate fund had at least a 10% shareholding.

The income of the Fund listed above is taxed at a rate of 20/80.

Income earned by the fund in a foreign country is taxed in accordance with the legislation in force in the respective country.

If EfTEN United Property Fund makes a cash payment to unit owners at its own expense, it is an interest payment. Income tax is withheld from payments to natural persons resident in Estonia who did not inform the fund of the existence of an investment account or pension investment account.

Income tax is not withheld upon liquidation of the fund from that part of the liquidation section that does not exceed the contributions made to the fund.

Note 3 Financial risk management

The Fund's investment policy

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

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

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

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

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

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

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

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

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

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

As of 31.12.2023 and 31.12.2022, the Fund has the following financial assets and liabilities:

	Notes	31.12.2023	31.12.2022
€ thousands			
Financial assets – loans and receivables at amortised cost			
Cash and cash equivalents		5,731	8,769
Short term deposits[1]	7	1,795	0
Loans granted	7	5,668	5,376
Interest receivables	7	711	377
Other receivables and accrued income		0	8
Total financial assets – loans and receivables at amortised cost		**13,905**	**14,530**
Financial assets at fair value through profit or loss			
Investments in subsidiaries	4	1,054	1,152
Investments in underlying funds	4	11,300	11,790
Total financial assets at fair value through profit or loss	**7**	**12,354**	**12,942**
TOTAL FINANCIAL ASSETS		**26,259**	**27,472**
Financial liabilities at amortised cost			
Other short-term liabilities		3	586
Total financial liabilities at amortised cost		**3**	**586**
TOTAL FINANCIAL LIABILITIES		**3**	**586**

[1]On 20.02.2023, the Fund signed two guarantee contracts in the amount of 1,795 thousand euros with a maturity of 28.05.2025 as a guarantee for the construction of the infrastructure of Uus-Järveküla, which is guaranteed by a fixed-term deposit agreement with an interest rate of 2.5% per year with a maturity of 29.02.2024.

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

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

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

3.1 Market risk

Risk related to property price fluctuations

The Fund invests in the Baltic investment property market, which is why the Fund Manager estimates the risk related to the fluctuation of property prices in this region to be higher than usual. Cyclicality is characteristic of the real estate sector, the biggest influencing factor of which is generally changes in the country's macroeconomic environment. All the Baltic States (Estonia, Latvia and Lithuania) are small open economies (exports of goods and services represent a very significant part of the economy) whose development is largely dependent on changes in the macroeconomic environment of the same main trading partners. The cyclical fluctuations of small open economies can be much larger in amplitude than the global average. In sum, this means that the Baltic countries may have higher than average house price volatility and that house price movements in the three countries may be highly correlated, i.e. house prices in Estonia, Latvia and Lithuania are more likely than average to move in the same direction. For example, according to (https://ec.europa.eu/eurostat/databrowser/view/PRC_HPI_A__custom_920794/default/table?lang=en) data, residential property prices in the Baltic countries fell by around 40% in the global economic crisis of 2008-2010, while the average fall in residential property prices in the European Union over the same period was around 5%. The materialisation of market risk (a simultaneous fall in Baltic real estate prices) could have a material adverse impact on the financial performance and yield of the Fund.

Currency risk

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

Refinancing risk and interest rate risk

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

Interest rate risk is the risk of changes in the future cash flows of financial instruments due to changes in market interest rates. Changes in market interest rates mainly affect the long-term floating rate debt obligations of the Fund and of the companies owned by the Fund.

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

As of 31.12.2023, the 6-month EURIBOR rate is 3.9% (31.12.22: 2.7%) and the 1-month EURIBOR rate is 3.8% (31.12.22: 1.9%). Although EfTEN United Property Fund itself has no loan obligations, the increase in EURIBOR will affect the performance and cash flows of the underlying funds and the subsidiaries that have involved loan capital, as a result of which the periodic profit payments from the underlying funds and subsidiaries will likely decrease to some extent..

The realisation of refinancing and interest rate risk could have a material adverse effect on the Fund's financial performance and yield.

3.2 Concentration risk

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

3.3 Liquidity risk

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

Investment acquisition and disposal risk

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

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

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

As at 31.12.2022	Less than 7 days	7 days to 1month	1-12 months	More than 12 months	Total
€ thousands					
Total assets	8 769	0	11 790	6 913	**27 472**

As of 31.12.2023, the fund’s liabilities totalled 3 thousand euros (31.12.2022: 586 thousand euros).

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

3.4 Credit risk

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

Counterparty risk

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

1) direct investments in the form of debt (e.g. failure of the counterparty to make interest or principal payments);

2) claims against tenants of investment property owned by the Fund (or the SPV) (e.g. the counterparty's failure to make rental payments);

3) Fund assets held on deposit with credit institutions (e.g. insolvency of a credit institution). Often, these types of risks are linked to changes in the macroeconomic environment in the Baltic States - in the context of a general economic downturn, the counterparty's financial position deteriorates, and they are unable to cover their obligations to the Fund. At the same time, such risks may be 'counterparty specific' - individual companies become insolvent even in favourable macroeconomic conditions. In the early years of a Fund's operation, due to the lower diversification of the Fund's investments, the counterparty risks may be higher than would be expected for this type of fund, and the realisation of the risk may have a

material adverse effect on the Fund's financial results and performance. The activity of the Management Company to prevent the loss of counterparty cash flows and to minimise such risk consists in the consistent monitoring and management of the (payment) behaviour of clients, counterparties, which allows the implementation of the necessary measures in an operational manner.

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

	31.12.2023	31.12.2022
€ thousands		
Cash and cash equivalents[1]	5,731	8,769
Short-term deposits (Note 7)	1,795	0
Loans granted (Note 7)	5,668	5,376
Other receivables	711	385
Total maximum credit risk	**13,905**	**14,530**

[1]As of 31.12.2023 the Fund has recorded deposits with a maturity of less than 3 months in the total amount of 5,500 thousand euros among cash equivalents. The deposit bears interest at 3.7% per year. Both cash and cash equivalents are held in a bank with an Aa3 rating (according to Moody's long-term).

As of 31.12.2023, short-term deposits include two guarantee agreements set as collateral for a subsidiary's development project bank loan in the total amount of 1,795 thousand euros with a term of 28.05.2025, which is guaranteed by a fixedterm deposit agreement with an interest rate of 2.5% per year with a term of 29.02.2024.

Loans granted as of 31.12.2023 include loans granted to subsidiaries in the total amount of 5,668 thousand euros (31.12.2022: 5,376 thousand euros). The maturity of one loan in the amount of 2,876 thousand euros is 28.02.2027 and the loan bears interest at 4% per year. The maturity of the second loan in the amount of 3,519 thousand euros is 18.08.2025, and until 18.12.2024 this loan bears interest at 8% per year. From 19.12.2024, the loan interest rate is 15% per year.

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

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

3.5 Capital risk

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

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

(i) the size of the subscriptions for shares of the Fund during the offering period; and

(ii) how active the Baltic property market is during the offering period. The risk of a slow and/orlow-profit investment is higher the more units are subscribed to the Fund and the lower the activity in the Baltic property market.

The capital of the Fund consists of the net asset value of its assets, i.e. the money raised from the issue of shares and the income of the Fund. The Fund's capital changes periodically as new shares are issued. As at 31.12.2023 operation EfTEN United Property Fund issued 2,483,860 shares with a total cost of 25,466 thousand euros (Note 5).

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

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

Note 4 Fair value of financial assets

The balance sheet value of the fund's financial assets and liabilities mostly corresponds to their fair value, taking into account the peculiarities of the valuation techniques used.

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

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

A subsidiary of the Fund owns the Uus-Järveküla development project, the fair value of which has been determined using the discounted cash flow method. The main inputs to the cash flows of the development project are the proceeds from the sale of the properties, the costs associated with the sale and the construction costs. The cash flows of the project have been discounted using a discount rate of 10%.

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

Uus-Järveküla OÜ	Balance of subsidiary as of 31.12.2023	Adjustment to fair value	Fair value as of 31.12.2023	Balance of subsidiary as 31.12.2022	Adjustment to fair value	Fair value as 31.12.2022
€ thousands						
Cash and cash equivalents	634	0	634	120	0	120
Inventory	18,101	719	18,820	5,247	603	5,850
Other current assets	349	0	349	33	0	33
Total current assets	**19,084**	**719**	**19,803**	**5,400**	**603**	**6,003**
Long-term financial investments	0	0	0	3	0	3
Total non-current assets	**0**	**0**	**0**	**3**	**0**	**3**
TOTAL ASSETS	**19,084**	**719**	**19,803**	**5,403**	**603**	**6,006**
Short-term borrowings	12	0	12	12	0	12
Other current liabilities	3,806	0	3,806	2,110	0	2,110
Total current liabilities	**3,818**	**0**	**3,818**	**2,122**	**0**	**2,122**
Long-term borrowings	15,063	0	15,063	3,208	0	3,208
Other non-current liabilities	667	0	667	346	0	346
Total non-current liabilities	**15,730**	**0**	**15,730**	**3,554**	**0**	**3,554**
TOTAL LIABILITIES	**19,548**	**0**	**19,548**	**5,676**	**0**	**5,676**
NET ASSETS	**-464**	**719**	**255**	**-273**	**603**	**330**

	31.12.2023	Adjustment to fair value	Fair value as of 31.12.2023	31.12.2022	Adjustment to fair value	Fair value as 31.12.2022
Revenue	1,901	0	1,901	0	0	0
Net Profit / loss	**-191**	**719**	**528**	**-199**	**603**	**404**

	31.12.2023	31.12.2022
€ thousands		
Fund`s share in Uus-Järveküla OÜ	80%	80%
Acquisition cost of the Fund's investment	2	2
Fair value of the Fund's investment	204	263
Profit / loss on change in fair value	-59	-365

The effect of the change in the construction price of the development project, the sale price of the properties and the discount rate on the balance sheet value of the subsidiary as of 31.12.2023:

Value sensitivity analysis	Effect of change in construction price		Effect of change in selling price		Effect of a change in the discount rate	
€ thousands	**+1%**	**-1%**	**+1%**	**-1%**	**0.5pp**	**-0.5pp**
Effect on the fair value of the development project	-120	130	340	-330	-490	520
Effect on the fair value of the subsidiary in the Fund's balance sheet	-96	104	272	-264	-392	416

The Fund's annual report in .pdf format. The original document has been submitted to the Tallinn Stock Exchange in machine-readable .xhtml format and digitally signed (link: https://nasdaqbaltic.com/statistics/et/instrument/EE3500001609/reports).

The investment property of the underlying funds of EfTEN United Property Fund are valued in all Baltic countries by an independent appraiser, Colliers International Advisors OÜ. The following assumptions have been used in the valuation of the fair value of the investment property held by the underlying funds as of 31.12.2023:

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

Assumptions as of 31.12.2022:

Underlying fund or subsidiary	The Fund's share	Fair value of the underlying fund or subsidiary	Annual rental income	Discount rate	Exit yield
€ thousands					
EfTEN Real Estate Fund 5 usaldusfond	36.47%	5,196	1,708	8.4%	6.0%
EfTEN Kinnisvarafond AS	3.81%	4,766	16,241	7.8%-11.0%	6%-8%
EfTEN Kinnisvarafond II AS	0.71%	1,034	19,360	8.3%-9.45%	6.5%-7.75%
EfTEN Residential Fund usaldusfond	3.14%	794	1,166	6.7%-8.8%	5.0%-6.0%
Subsidiary EfTEN M7 UAB	100.00%	889	466	8.8%	7.8%
Total		**12,679**	**38,941**		

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

As of 31.12.2023:

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

As of 31.12.2022:

Fair value sensitivity analysis of investment property	Fair value on the Fund's balance sheet	Effect of a change in the discount rate		Effects of a change in exit yield		Effect of a change in revenue	
Underlying fund or subsidiary		**+0.5 pp**	**-0.5pp**	**+0.5 pp**	**-0.5pp**	**+10%**	**-10%**
EfTEN Real Estate Fund 5 usaldusfond	5,196	-208	215	-598	711	1,047	-1,047
EfTEN Kinnisvarafond AS	4,766	-147	150	-334	382	829	-830
EfTEN Kinnisvarafond II AS	1,034	-37	38	-91	105	214	-215
EfTEN Residential Fund usaldusfond	794	-16	16	-52	63	85	-86
Subsidiary EfTEN M7 UAB	889	-120	120	-250	280	660	-660
Total	**12,679**	**-527**	**539**	**-1,324**	**1,541**	**2,835**	**-2,837**

In 2023, the Fund received a total profit of 828 thousand euros (2021: 1,148 thousand euros) from the change in the fair value of subsidiaries and underlying funds.

Name	Acquisition cost 31.12.2023	Fair value 31.12.2023	Gain/loss from change in fair value 12 months 2023	Acquisition cost 31.12.2022	Fair value 31.12.2022	Gain/loss from change in fair value 12 months 2022
€ thousands						
Subsidiaries						
Uus-Järveküla OÜ	2	204	-59	2	263	-365
EfTEN M7 UAB	723	850	-39	723	889	166
Total subsidiaries	**725**	**1,054**	**-98**	**725**	**1,152**	**-199**
Underlying funds						
EfTEN Real Estate Fund AS[1]	4,497	4,146	-620	4,497	4,766	255
EfTEN Kinnisvarafond II AS	963	999	-36	963	1,034	31
EfTEN Real Estate Fund 5 usaldusfond	4,157	5,125	-70	4,158	5,196	1,015
EfTEN Residential Fund usaldusfond	967	1,030	-4	727	794	45
Total underlying funds	**10,584**	**11,300**	**-730**	**10,345**	**11,790**	**1,346**
Total securities	**11,309**	**12,354**	**-828**	**11,070**	**12,942**	**1,148**

[1] EfTEN Kinnisvarafond AS merged with EfTEN Real Estate Fund AS. The merger took effect on 28.02.2023.

Additional information on investments is provided in Note 3.

In June 2023, EfTEN United Property Fund increased its investment in the amount of 240 thousand euros in the trust fund EfTEN Residential Fund in connection with the development projects of rental houses in Riga and Vilnius.

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

Fair value

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

Level 1 – exchange prices on a traded market;

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

Level 3 – prices in a non-trading market.

As of 31.12.2023 the Fund owns one asset that belongs to the Level 1 group (participation in the listed company EfTEN Real Estate Fund). As of 31.12.2022, the Fund did not own any assets at fair value that would belong to the Level 1 group when determining the value. All other investments of the Fund in subsidiaries and underlying funds are recorded at fairmvalue and belong to the Level 3 group according to the valuation method.

More detailed information about important management decisions and assessments is provided in Note 2.2.

	31.12.2023	31.12.2022
€ thousands		
Level 1	4,146	0
Level 3	8,208	12,942
Total	**12,354**	**12,942**

Note 5 Net asset value of the Fund

The Fund's shares are freely tradable on the Nasdaq Tallinn stock exchange from 31.05.2022. As of 31.12.2023, EfTEN United Property Fund has issued a total of 2,483,860 shares with a total cost of 25,466 thousand euros (31.12.2022: the same). Due to the fund's relatively large proportion of uninvested capital and the listing of shares on the Nasdaq Tallinn Stock Market, EfTEN United Property Fund does not plan to issue new shares in the near future.

Since founding the Fund has issued shares as follows:

Month	Issue price per share	Number of shares issued	Balance of issued shares at the end of the period	Cash received from the issue of shares
30.06.21	10.00	271,797	271,797	2,718
31.07.21	10.00	140,171	411,968	1,405
31.08.21	10.01	105,854	517,822	1,076
30.09.21	10.04	381,484	899,306	3,850
31.10.21	10.06	223,149	1,122,456	2,261
30.11.21	10.08	120,010	1,242,465	1,154
31.12.21	10.09	311,097	1,553,562	3,139
31.01.22	10.54	99,211	1,652,774	1,046
28.02.22	10.56	72,200	1,724,973	762
31.03.22	10.58	97,242	1,822,216	1,046
30.04.22	10.61	1,644	1,823,860	0
31.05.22	10.61	660,000	2,483,860	7,009
Total		**2,483,860**		**25,466**

Additional information is provided in Note 3.

In the spring of 2023, the fund received dividends in the total amount of 352 thousand euros and interest of 163 thousand euros from the subsidiary and underlying funds. A total of 452 thousand euros was paid out to investors in June 2023. In December 2022, EfTEN Real Estate Fund 5 returned capital to investors in the total amount of 583 thousand euros. The received money was paid out to the investors of EfTEN United Property Fund in January 2023.

The net value of the Fund`s share as of 31.12.2023 was 10.57 euros (31.12.2022: 10.82 euros). The net asset value of the fund was 26,256 thousand euros as of 31.12.2023 (31.12.2022: 26,886 thousand euros).

Note 6 Earnings per share

	2023	2022
Growth in net asset value attributable to shareholders, € thousand	-179	1 439
Weighted average number of shares during the period, pcs.	2,483,860	2,166,204
Earnings per share, EUR	-0.07	0.66

Note 7 Segment reporting

SEGMENT'S RESULTS

12 months 2023	Commercial property	Residential property	Property development	Unallocated	Total
€ thousands					
Net gain/loss on assets at fair value through profit or loss	-765	-4	-59	0	-828
Dividend income	341	11	0	0	352
Interest income	114	0	305	117	536
Total income	**-310**	**7**	**246**	**117**	**60**
Growth in net asset value attributable to shareholders	**-310**	**7**	**246**	**-122**	**-179**

12 months 2022	Commercial property	Residential property	Property development	Unallocated	Total
€ thousands					
Net gain/loss on assets at fair value through profit or loss	1,467	45	-365	0	1,148
Dividend income	212	0	0	0	212
Interest income	99	0	200	9	308
Total income	**1,778**	**45**	**-165**	**9**	**1,668**
Increase in net asset value attributable to shareholders	**1,778**	**45**	**-165**	**-220**	**1,439**

SEGMENT'S ASSETS

As of 31.12.2023	Commercial property	Residential property	Property development	Unallocated	Total
€ thousands					
Financial assets at fair value (note 3)	11,120	1,030	0	204	12,354
Loans granted (note 3)	2,149	0	3,519	0	5,668
Interest receivables (note 3)	114	0	582	15	711
Short-term deposits (note 3)	0	0	1,795	0	1,795
Total investments	**13,383**	**1,030**	**5,896**	**219**	**20,528**
Net debt (cash minus total liabilities)					5,728
Other current assets					0
Net asset value					**26,256**

As of 31.12.2022	Commercial property	Residential property	Property development	Unallocated	Total
€ thousands					
Financial assets at fair value (note 3)	11,885	794	263	240	12,942
Loans granted (note 3)	2,876	0	2,500	3,519	5,376
Interest receivables (note 3)	100	0	277	278	377
Total investments	**14,861**	**794**	**3,040**	**4,037**	**18,695**
Net debt (cash minus total liabilities)					8,183
Other current assets					8
Net asset value					**26,886**

During the reporting period, the business segments did not transact with each ohter. The main income of the Fund was obtained in the 12 months of 2023 from performance of investment property owned by subsidiaries and underlying funds and from the increase in fair value.

Note 8 Related party transactions

EfTEN United Property Fund counts as related parties:

- Persons holding more than 10% of the paid-up capital of the Fund;

- a subsidiary of EfTEN United Property Fund;

- EfTEN Capital AS (the Fund Manager).

- The management of EfTEN Capital AS and companies controlled by the management

During the reporting period, the Fund purchased management services from EfTEN Capital AS in the amount of 115 thousand euros (2022 12 months: 96 thousand euros). The Fund did not buy from other related parties or sell other goods or services to related parties during the reporting period.

During the reporting period, the Fund granted loans to subsidiaries totaling 5,668 thousand euros (31.12.2022: 5,376 thousand euros) and received interest income from the loans in the amount of 381 thousand euros (2022 12 months: 299 thousand euros). The base currency of the loan is the euro.

As of 31.12.2023, the fund's management and the companies controlled by the fund's management owned 39,796 EfTEN United Property Fund shares (31.12.2022: 39,789). The management of the Fund includes the board members of the management company EfTEN Capital AS, the head of retail business and the head of investments.

EfTEN United Property Fund does not pay any fees to the management of the Fund. The management receives fees from the Fund Manager EfTEN Capital AS.

Fund’s investment report

Subsidaries

As at 31.12.2023

Name	Location	Participation in investment	Acquisition cost	Fair value	Share in the Fund´s net asset value
€ thousands					
Subsidiaries					
Uus-Järveküla OÜ	Tallinn	80.0%	2	204	0.8%
EfTEN M7 UAB	Vilnius	100.0%	723	850	3.2%
Total subsidiaries			**725**	**1,054**	**4.0%**

As at 31.12.2022

Name	Location	Participation in investment	Acquisition cost	Fair value	Share in the Fund´s net asset value
€ thousands					
Subsidiaries					
Uus-Järveküla OÜ	Tallinn	80.0%	2	263	1.0%
EfTEN M7 UAB	Vilnius	100.0%	723	889	3.3%
Total subsidiaries			**725**	**1,152**	**4.3%**

Funds

As at 31.12.2023

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

As at 31.12.2022

Name	Type of the fund	Country of origin	Fund manager	Share in the Fund 31.12.2022	Acquisition cost	Average share acquisition cost	Total market value	Market value per share	Share in the Fund´s net asset value
€ thousands									
Underlying funds									
EfTEN Real Estate Fund 5 usaldusfond	Trust Fund	Estonia	EfTEN Capital AS	36.47%	4,158	4 158	5,196	5,196	19.3%
EfTEN Kinnisvarafond AS	Equity Fund	Estonia	EfTEN Capital AS	3.81%	4,497	0.0030	4,766	0.0031	17.7%
EfTEN Kinnisvarafond II AS	Equity Fund	Estonia	EfTEN Capital AS	0.71%	963	0.0148	1,034	0.0159	3.8%
EfTEN Residential Fund usaldusfond	Trust Fund	Estonia	EfTEN Capital AS	3.14%	727	727	794	794	3.0%
Total underlying funds					**10,345**		**11,790**		**43.9%**
Total securities					**11,070**		**12,942**		**48.1%**

All Funds whose shares and participations are held by EfTEN United Property Fund disclose their net asset value monthly.

Loans granted

As at 31.12.2023

Borrower	Borrower´s country of origin	Due date	Interest rate	Contractual loan amount	Loan balance 31.12.2023	Share in the Fund´s net asset value
€ thousands						
EfTEN M7 UAB	Lithuania	28.02.2027	4%	2,876	2,149	8.2%
Uus-Järveküla OÜ	Estonia	18.08.2025	8% until 18.12.2024 15% from 19.12.2024	3,519	3,519	13.4%
Total loans granted				**6,395**	**5,668**	**21.6%**

As at 31.12.2022

Borrower	Borrower´s country of origin	Due date	Interest rate	Contractual loan amount	Loan balance 31.12.2022	Share in the Fund´s net asset value
€ thousands						
EfTEN M7 UAB	Lithuania	28.02.2027	4%	2,876	2,876	10.7%
Uus-Järveküla OÜ	Estonia	18.08.2025	8% until 18.12.2024 15% from 19.12.2024	2,500	2,500	9.3%
Total loans granted				**5,376**	**5,376**	**20.0%**

Other assets

As at 31.12.2023

Name	Fair value	Share in the Fund´s net asset value
€ thousands		
Interest receivables	711	2.7%
Total other assets	**711**	**2.7%**

As at 31.12.2022

Name	Fair value	Share in the Fund´s net asset value
€ thousands		
Interest receivables	377	1.4%
Other short-term receivables	8	0.0%
Total other assets	**385**	**1.4%**

Deposits

As at 31.12.2023

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

As at 31.12.2022

Credit institution	Type	Country of origin	Rating of the Credit institution and name of the rating agency	Maturity date	Interest rate	Amount	Share in the Fund's net asset value
€ thousands							
Swedbank Estonia	On demand deposit	Estonia	Moody's Aa3	On demand	-	8,769	**32.6%**
TOTAL ASSETS						**27,472**	**102.18%**

As at 31.12.2023

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

As at 31.12.2022

Fund liabilities	**-586**	**-2.18%**
NET ASSET VALUE OF THE FUND	**26,886**	**100.00%**

Independent Auditor's Report

To the Shareholders of EfTEN United Property Fund

Report on the audit of the separate financial statements

Our opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of EfTEN United Property Fund (the "Fund") managed by EfTEN Capital AS (the "Fund Manager") as at 31 December 2023, and the Fund´s separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the management board of the Fund Manager dated 4 March 2024.

What we have audited

The Fund's separate financial statements comprise:

- the separate statement of comprehensive income for the year ended as at 31 December 2023;
- the separate statement of financial position as at 31 December 2023;
- the separate statement of changes in the net asset value of the Fund attributable to shareholders for the year then ended;
- the separate statement of cash flows for the year then ended; and
- the notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Fund and its subsidiaries are in accordance with the applicable law and regulations in the Republic of Estonia and that we have not provided non-audit services that are prohibited under § 59^{1} of the Auditors Activities Act of the Republic of Estonia.

The non-audit services that we have provided to the Fund and its subsidiaries in the period from 1 January 2023 to 31 December 2023 are disclosed in the management report.

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Translation note:

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Our audit approach

Overview

Materiality	Overall Fund audit materiality is EUR 262 thousand, which represents approximately 1% of net asset value of the Fund attributable to shareholders.
Key audit matters	● Valuation of financial assets at fair value.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate financial statements. In particular, we considered where the management board of the Fund Manager made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the separate financial statements as a whole, taking into account the structure of the Fund, the accounting processes and controls, and the industry in which the Fund operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall materiality for the separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the separate financial statements as a whole.

Overall materiality	EUR 262 thousand
How we determined it	Approximately 1% of net asset value of the Fund attributable to shareholders
Rationale for the materiality benchmark applied	We have applied net asset value of the Fund attributable to shareholders as benchmark, as this is the key indicator on which the Fund's value depends and that is monitored by the management board of the Fund Manager and the Fund unit owners

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of financial assets at fair value *Additional information is disclosed in Note 2 "Summary of significant accounting policies" and Note 4 "Fair value of financial assets".* As at 31 December 2023, the Fund had financial assets at fair value through profit or loss in the amount of EUR 12,354 thousand, including: - investments in subsidiaries in the amount of EUR 1,054 thousand; and - investments in underlying funds in the amount of EUR 11,300 thousand; and related net profit / loss from those assets recognised in fair value through profit or loss in the statement of comprehensive income in 2023 in the amount of EUR -828 thousand, including: - loss from investments in subsidiaries in the amount of EUR 98 thousand; and - loss from underlying funds in the amount of EUR 730 thousand. *Investments in subsidiaries* The Fund's subsidiaries are not quoted on a stock exchange; thus, the fair value of subsidiaries is determined by reference to their respective assets and liabilities at balance sheet date, valued largely at fair value. The principal asset of the subsidiaries includes property investments as an estimated component which are measured at fair value at each balance sheet date. The management board of the Fund Manager uses independent professional appraisers to evaluate the fair values of properties, ordering an external evaluation for each asset at least twice a year.	Given the inherent subjectivity involved in the valuation of the property investments and the need for market knowledge and valuation expertise, we engaged PwC valuation specialists to assist us in our audit of this area. We obtained and read the valuation reports and valuation inputs for all the property investments and assessed whether the valuation approach for each investment was in accordance with the principles of measuring fair value under IFRS. We assessed the qualifications and expertise of the external appraisers and we found that the appraisers performed their work in accordance with the respective professional valuation standards and that they have considerable experience in the markets in which the Fund operates. We compared the major assumptions such as development cost, sales price, rental rates, discount rates, capitalisation rates and vacancy rates used by the appraisers with our internally developed estimated ranges, determined via reference to published benchmarks when applicable. Where assumptions were outside the expected range or otherwise deemed unusual, or valuations showed unexpected movements not consistent with general trends in the market, we undertook further investigations and challenged the appraisers and the management board of the Fund Manager by requesting additional information and explanations on inputs and assumptions used. It was evident from our interaction with the management board of the Fund Manager and the appraisers, and from our procedures in respect of the valuation reports that close attention had been paid to each property investment's individual characteristics, such as considering the overall quality, geographic location and cash flow potential of the property as a whole.

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Investments in underlying funds

The Fund will base the fair value of the underlying funds on the assets and liabilities of the underlying at the balance sheet date, which are largely valued at fair value. The underlying real estate properties are valued by an independent professional appraiser within the underlying fund itself.
If the underlying fund is listed on a stock exchange, the fair value of the underlying shall be based on the closing price on the last stock exchange trading day of the reporting period.

The management board of the Fund Manager uses the discounted cash flow method to find the fair value of the real estate objects belonging to the subsidiaries and the underlying funds, in which:

- the rental price input used is determined in the case of leased objects based on valid lease agreements; or
- the investments made for real estate developments and the income expected from the sale of the real estate are taken into account;
- when determining the yield and the estimated market cash flow, assumptions are used that are based on the market yield and information on comparable transactions.

Valuation of real estate owned by the Fund's subsidiaries and underlying funds is inherently subjective, as the values depend on the nature, location and expected future cash flow of each real estate object, among other factors.

The existence of significant estimation uncertainty, coupled with the fact that only a small percentage difference in individual investment property valuations, when aggregated, could result in a material impact, warranted specific audit focus in this area.

We also found that the impact of recent and significant market transactions on each individual property investment’s valuation were appropriately considered for when determining the assumptions used in the valuation. We saw evidence that alternative assumptions had been considered and evaluated by the management board of the Fund Manager and the appraisers before determining the final fair value. We concluded that the assumptions used in the valuations were supportable in light of available and comparable market evidence.

We also considered whether the disclosures made in note 4 to the financial statements met the requirements set out in IFRS.

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Reporting on other information including the Management report

The management board of the Fund Manager is responsible for the other information. The other information comprises Management report and Fund`s investment report (but does not include the separate financial statements and our auditor's report thereon).

Our opinion on the separate financial statements does not cover the other information, including the Management report.

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management report, we also performed the procedures required by the Auditors Activities Act of the Republic of Estonia. Those procedures include considering whether the Management report is consistent, in all material respects, with the separate financial statements and is prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management report for the financial year for which the separate financial statements are prepared is consistent, in all material respects, with the separate financial statements; and
- the Management report has been prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia.

In addition, in light of the knowledge and understanding of the Fund and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of the management board of the Fund Manager and those charged with governance for the separate financial statements

The management board of the Fund Manager is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the management board of the Fund Manager determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the management board of the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management board of the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

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Auditor’s responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board of the Fund Manager.
- Conclude on the appropriateness of the management board of the Fund Manager’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied .

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on the compliance of the format of the separate financial statements with the requirements of the European Single Electronic Reporting format (ESEF)

The European single electronic reporting format has been applied by the management board of the Fund Manager to the Fund's separate financial statements to comply with the requirements of Article 3 of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). These requirements specify the Fund's obligation to prepare its separate financial statements in a XHTML format. We confirm that the European single electronic reporting format of the separate financial statements for the year ended 31 December 2023 complies with the ESEF Regulation in this respect.

Appointment and period of our audit engagement

In connection to listing the shares of EfTEN United Property Fund in Tallinn Nasdaq stock exchange on 31 May 2022, it is our second year as an auditor of EfTEN United Property Fund, as a public interest entity. Our uninterrupted engagement appointment period for EfTEN United Property Fund as a public interest entity can be up to 20 years. In accordance with the Auditors Activities Act of the Republic of Estonia and the Regulation (EU) No 537/2014, our appointment as the auditor of EfTEN United Property Fund can be extended for up to the financial year ending 31 December 2041.

AS PricewaterhouseCoopers

Lauri Past
Certified auditor in charge, auditor's certificate no. 567

Rando Rand
Auditor's certificate no. 617

4 March 2024
Tallinn, Estonia

Translation note:

This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

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