





### Quarterly comment

The rental revenue for East Capital Baltic Property Fund for the period July – December 2024 amounted to EUR 2.34m. The average rent across the portfolio at the quarter end in December 2024 was EUR 9.9/sqm/mo (including turnover rent from Tallinn Seaport hotel). The vacancy level for the fund portfolio stands at 10% at the quarter end in December 2024.

At the end of November, the Fund completed the sale of Zemitana office building in Riga. The property was put up for auction in October, with a minimum price of EUR 1.7m. During the announced auction, Norwegian investor Auris (a homecare investor with several hospitality projects in Riga) made an off-market proposal to buy the property at a price close to our current book value. The property was sold as-is and with no warranties, in a similar format to what the auction would have resulted.

Monthly turnovers of the Tallinn Seaport hotel during July – December 2024 have been above 2023 turnovers by 2.5%. The hotel operator is paying turnover rent that is invoiced semi-annually. For 2HY 2024 turnover rent component in amount of EUR 116th was invoiced.

ELP Logistics in Tānassilma industrial complex moved out at the end of October 2024 and relocated to a new built-to-suit office and industrial complex. In June 2024, new lease agreement with Kaubaekspress (logistics company) for ELP building was signed. During November 2024, the necessary construction works were carried out, and Kaubaekspress moved in and started paying rent from December 2024.

Previous ca 470 sqm of Thorn Engineering premises in Aiandi 13 office in Tallinn were converted into small offices and have been leased out as 11-34 sqm units for 9 different tenants. The effective rental area is now ca 210 sqm, as common areas are not rented. However, the investments into these premises have been minimal.

On October 17th, new Gym! sports club in Keresse commercial centre was opened and it was well received by locals. Along with the construction of the gym area, part of the ground floor common areas were updated. There is one interested tenant for the third floor, covering ca 240 sqm. If this lease agreement is signed, the third floor will be fully leased, and the vacancy rate will decrease from the current 16% of GLA to 13%.

Jewe shopping centre is operating with 14% vacancy, mostly on the second floor that has been present for quite some time. Estonian management team is negotiating a lease agreement with a sports club operator to second floor. This would be a good would addition the centre, increasing footfall and attracting potential new clients to the retail areas.

In October 2024, lease agreement with family doctors centre for ca 240 sqm in Jõhvi Tsentraal centre was signed. Construction works are nearing completion, with the expected opening in Q1 2025. Jõhvi Tsentraal Centre is now operating with an all-time low vacancy rate of below 3%.

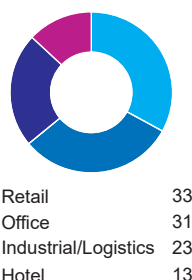
The Fund's Annual General Meeting was held in December 2024 where the management team presented the results of the 2023/24 financial year.



New Gym! sports club opening in Keresse centre. From left: Anneli Mänd, CEO of Keresse centre; Ats Lahi, CEO of Gym! and Erkki Torn, CEO of MyFitness. Photo by Joonas Sisask

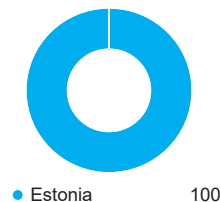
### Sector Allocation

(% of gross property values)



### Country Allocation

(% of gross property values)



### Top 10 tenants of the fund

Tenant	Sector	Property	Share of total rent
Maxima Eesti	Wholesale and retail trade	Aiandi 13 office & Jõhvi Tsentraal	11%
Kaubaekspress	Logistics	Tānassilma industrial	9%
Tallinn Seaport Hotel	Accommodation	Seaport hotel	8%
Selver	Wholesale and retail trade	Jewe shopping centre	8%
Baltic Defence & Technology	Defence industry	Metal industrial	4%
Broadcom CA Estonia	Professional services	Aiandi 13 office	4%
Estonian Unemployment Insurance Fund	Public sector	Keresse centre	4%
Swedbank AS	Finance	Jõhvi Tsentraal	3%
Paulig Estonia	Food industry	Aiandi 13 office	3%
LPP Estonia	Wholesale and retail trade	Jõhvi Tsentraal	2%
<b>Total</b>			<b>56%</b>

### Financial overview

The Net Asset Value of East Capital Baltic Property Investors AB was EUR 319.60 as of 31 December 2024, increasing by 1.09% during the quarter and by 2.62% year-to-date for the financial year 2024/2025.

The Fund's rental income for the period July-December 2024 was EUR 2.34m and decreased by 2.8% compared to the period July – December 2023. The rental income y-o-y increased in Jõhvi Tsentraal as renovation is now completed and new leases are in force and in Kerese Centre as Gym! started rental payments in mid-October. Rental income y-o-y decreased in Metal industrial property and Jewe shopping centre due to sales of Metal B building and Jewe Furniture house. In Aiandi 13 office and Tānassilma industrial complex rental income decreased y-o-y due to increased vacancy. Rental income from the remaining properties remained flat or increased slightly due to rent indexations.

The Fund's direct expenses include a loss from the sale and related costs of Zemitana office building in Riga, totalling EUR 0.13m. The Fund's net profit concluded at EUR 0.26m.

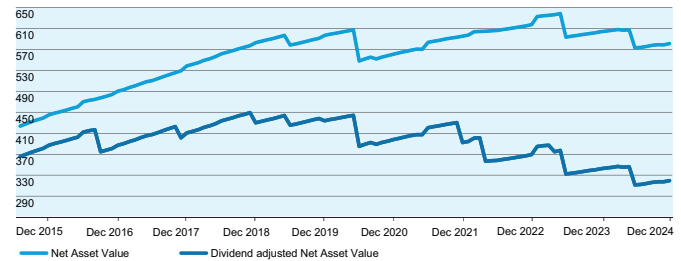
The fund's portfolio value stands at EUR 50.75m. The loan-to-value of the EPF Neli syndicate loan is 46% as of 31 December 2024.

### Net Asset Value 31 December 2024

East Capital Baltic Property Investors AB SE0011788439

NAV (EUR)	% 3 months	% YTD	% Since inception*
319.60	1.09	2.62	16.20

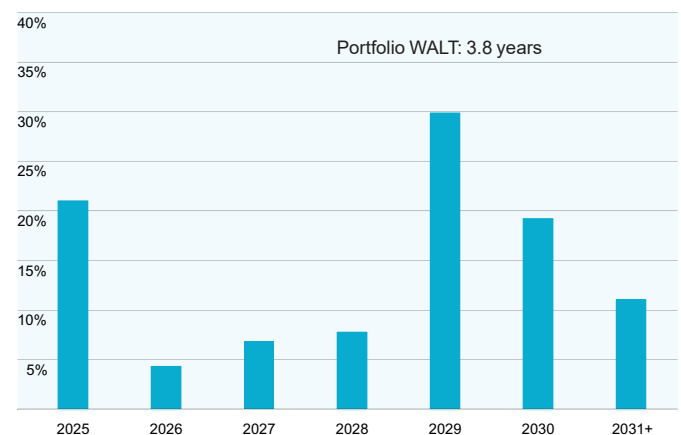
\*including dividend payments



### Fund Summary

	31 Dec 2024 EUR '000	31 Dec 2023 EUR '000
Fair value of portfolio	51,094	57,188
Other assets	3,993	1,770
Liabilities	-24,895	-26,132
<b>TOTAL NET ASSET VALUE</b>	<b>30,192</b>	<b>32,826</b>
Net Asset Value East Capital Baltic Property Investors AB	319.60	342.10

### Lease maturity



### Financials

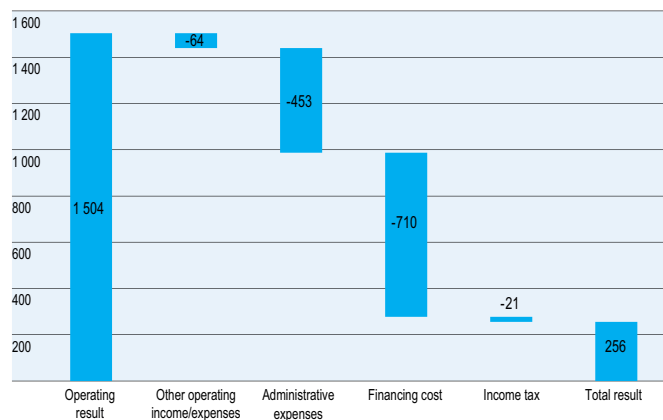
#### Statement of Comprehensive Income of East Capital Baltic Property Fund AB, unaudited for the period in EUR'000

	Jul 2024 - Dec 2024	Jul 2023 - Dec 2023
Revenue	2,337	2,405
Direct expenses	-833	-330
<b>Gross profit</b>	<b>1,504</b>	<b>2,075</b>
Administrative expenses	-453	-367
Other operating income/expenses	-64	-
<b>Operating profit/loss</b>	<b>987</b>	<b>1,708</b>
Interest income	6	6
Interest expenses	-716	-796
<b>Profit/loss before income tax</b>	<b>277</b>	<b>918</b>
Income tax	-21	-7
<b>NET PROFIT FOR THE YEAR</b>	<b>256</b>	<b>911</b>
Earnings per share - Ordinary shares	46,45	165,46

#### Statement of Comprehensive Income of East Capital Baltic Property Investors AB (publ), unaudited for the period in EUR'000

	Jul 2024- Dec 2024	Jul 2023 - Dec 2023
Earnings per share - Ordinary shares	2,38	9,55

#### Result contribution (YTD 2024/2025, EUR'000)



#### Statement of Financial Position of East Capital Baltic Property Fund AB, unaudited in EUR'000

	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>		
<i>Non-current assets</i>		
Investments properties	51,094	57,188
Equipment	5	5
<b>Total non-current assets</b>	<b>51,099</b>	<b>57,193</b>
<i>Current assets</i>		
Account receivables - trade	295	346
Other receivables	381	315
Accrued income and prepaid expenses	348	16
Cash and cash equivalents	2,964	1,088
<b>Total current assets</b>	<b>3,988</b>	<b>1,765</b>
<b>TOTAL ASSETS</b>	<b>55,087</b>	<b>58,958</b>

#### EQUITY AND LIABILITIES

<b>Equity</b>		
Share capital	17	17
Other paid-in capital	38,217	38,217
Retained earnings	-8,298	-6,319
Profit/loss for the period	256	911
<b>TOTAL EQUITY</b>	<b>30,192</b>	<b>32,826</b>

#### Liabilities

<i>Non-current liabilities</i>		
Interest-bearing liabilities	22,292	23,870
Other liabilities	531	536
<b>Total non-current liabilities</b>	<b>22,823</b>	<b>24,406</b>

<i>Current liabilities</i>		
Interest-bearing liabilities	1,050	1,039
Accounts payable - trade	820	283
Other liabilities	48	42
Accrued expenses and deferred income	154	362
<b>Total current liabilities</b>	<b>2,072</b>	<b>1,726</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>55,087</b>	<b>58,958</b>

### Contact

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### Economic overview

In 3Q 2024 GDP (in real terms) decreased in Estonia by 0.7% y-o-y, mainly due to the dampening effect of construction and manufacturing. The GDP of Latvia decreased by 1.6%, driven by downturn in transportation and storage and construction. The GDP of Lithuania was positive and stood at 2.4% in 3Q 2024, with the largest positive impact from information and communication and manufacturing.

Average annual inflation in December 2024 remained below the 2% target in Lithuania at 1.9%. In Estonia and Latvia, annual inflation stood at 4.1% and 3.4%, respectively.

In 3Q 2024 the average monthly gross earnings grew by 10.9% y-o-y in Lithuania, 9.9% in Latvia and 8.1% in Estonia. As of December 2024, the highest registered unemployment rate of the country's working age population was recorded in Lithuania (9.0%), the lowest - in Latvia (5.3%), while in Estonia, it stood at 7.1%.

### Real estate market



#### Investment market

Due to the closing of four large deals, the investment market in Estonia in 2024 showed the third-best all-time result with a total investment volume almost reaching half a billion EUR. While the year started with the acquisition of the Viru Centre, then in 4Q 2024, ETEN ABC4 OÜ, uniting several Estonian investors, signed an agreement to acquire the Kristiine Centre (GLA 45,300 sqm), from Citycon for more than a EUR 120m. As a result, the retail segment remained responsible for more than a half (55%) of total annual investment volume. Prime yields continue to remain stable, facing limited market evidence, while real (known) yields in Tallinn largely varied from 7% up to 10%.

2024 was a quiet year for real estate investments in Latvia, being the worst year for real estate investment for the last 10 years with total investment volume not reaching even the EUR 150 million mark. The reason for this is both - owners' unwillingness to sell at a lower price as well as investors' unwillingness to buy for the "old" prices. This resulted in no prime and no large deals on the market throughout the year. However, the year ended on a positive note when Nuve Partners announced the acquisition of 11 grocery stores across Latvia leased to Rimi chain.

In Lithuania, Q4 investment volumes surpassed the previous quarter's result due to the acquisition of Depo store in Panevėžys by a fund from Latvia for EUR 25m. Overall, investment activity remained subdued, driven mostly by small-scale transactions. Many fund managers are hesitant to close deals and are adopting a wait-and-see approach until 2025. The retail segment emerged as the most attractive, with a notable number of deals involving street retail properties. In contrast, the office segment saw limited interest, largely due to market uncertainty.

#### Office segment

Development in the Tallinn office market remains considerably active with total GLA amounting to 114,000 sqm (10 projects) under construction in December 2024. The last quarter of the year saw completion of the large-scale Class A Arter Quarter (phase I) and the start of construction work on City Plaza 2 (anchor tenant – LHV Bank). Year-end saw increased leasing activity on the market. Leasing activity remains continually driven by relocation and optimisation the

finance and insurance, ICT, professional (lawyers) and public sectors and expansions in the healthcare and real estate segments. Due to new supply and space optimisation by tenants, vacancy continued to trend slightly upwards, exceeding the 11% threshold by year-end.

Ca 41,400 sqm office space was added to the Riga office stock in 2024 and ca 30,000 sqm of new office space is expected to enter the market in 2025. Older office buildings keep adding even more new functions - in 4Q 2024, International School of Riga signed a lease agreement with Baltic Horizon to occupy 3,680 sqm in S27 office building. Over 52,000 sqm of office leases were signed in Riga in 2024, about 10% less than in 2023. Although total vacancy continued its downward trajectory throughout the year (from 20% to 17%), it remains still high in the Class A segment with most of the vacant stock concentrated in 2 projects: Novira Plaza and Zunda Towers. With limited number of new developments and notable vacancy level on the market, rental growth remains limited.

4Q 2024 saw 9,000 sqm of new office space added to the Vilnius office market, including the Class B1 Sand Office. Looking ahead, there is an impressive 2025 pipeline with up to 120,000 sqm is under development, featuring such standout Class A projects as Šarvaržėlė, Hero, and Business Stadium Central. The largest take-up activity this quarter came from banks and financial institutions. The remote work trend continues to reduce the average lease size, pushing, in particular, ICT companies to opt for smaller premises. Total vacancy is mostly formed by Class B offices and remains minimal in Class A buildings till new pipeline will enter the market in 2025.

#### Retail segment

Development market in Tallinn area remains continually driven by the activity in the grocery segment. Thus, 7 new grocery stores with total GLA 7,200 sqm opened in Tallinn and Tallinn region during 2024. The market also witnesses an increased activity in the automotive real estate segment with development of several new car sale and service centres with total GLA 26,700 sqm started or being recently announced. Sports clubs operators continue expanding – Gym! opened a new club in Kerese Centre in Narva in October and announced opening of its second club in Narva in Astri Centre in autumn 2025, while at least 5 more fitness clubs should open across Estonia during 2025.

The pace of development in the Latvian retail market remained low in 2024. Among the recent projects, notable activity has been seen in Teika Plaza with several new opening on the first floor and the "Grand" opening of the shopping centre held in November. Market studies reveal a shift in perceptions of Riga's shopping centres by customers: new players are breaking the dominance of TOP3 centres in various rankings. This trend is expected to intensify in the future as each shopping centre focuses on developing a unique concept. Existing brands in the market are also expanding to new locations with multiple brands focusing on regional cities. However, the size of premises has been reduced for several brands as a part of their optimization strategy.

In Vilnius, construction of a small retail park, spanning approx. 5,600 sqm and anchored by LIDL, has started. The sports sector continues to be the most active in terms of expansion. Although grocery retailers are cautious in their expansion strategies, IKI and LIDL remain active - Q4 saw completion of two LIDL stores and the start of construction work on two IKI stores in Vilnius. Amid a challenging wave of bankruptcies in the catering industry, Aistvalda, the company behind the Pizza Max chain in Vilnius, has officially ceased its operations. In contrast, Q4 marked the announcement of a new entrant to the market - KALVE Coffee, the Latvian coffee chain, is set to open in the Class A St. Jacobs Business Centre, developed by Lords Asset Management, in the first half of 2025.

### Industrial segment

Despite challenges and a production decline, the industrial segment delivered 177,400 sqm of new supply in 2024, the second-best result since 2007. 4Q 2024 saw completion of 10 projects with total GLA of 80,555 sqm, including SIRIN Park, first speculative development by Sirin in Estonia, while more than 140,000 sqm (30 projects) remain under construction in December 2024. At the same time, Ericsson scrapped its plans to build a new factory (50,000 sqm). The pace of stock-office projects development remains notable with almost 43,000 sqm (12 projects) of space added during 2024 and 5 projects (23,400 sqm) remaining under construction. Due to low new demand and relocation of several larger tenants to new / more modern BtS and/or BtO premises, vacancy continued to trend upwards, increasing up to 4.5% and almost reaching 6% in the stock-office segment.

The first stage of Mārupes Parks, developed by Piche, was commissioned in Q4 2024, adding 12,400 sqm to Riga's stock. Major developers have announced new projects in the Airport area and Dreiliņi. The strong tenant market is driving landlords to become more flexible in negotiations with existing and new tenants. The strong tenant market is making landlords more flexible in negotiations. Modern logistics parks now offer both large warehouses and smaller units up to 1,000 sqm, with new functions like sports. Lower rents for smaller units are making them competitors to stock-offices.

In Q4 2024, a total of 46,000 sqm was completed in Lithuania, incl. 29,000 sqm delivered as part of the fifth stage of the Transekspedicija LC. Several manufacturers announced ambitious development plans. Logistics sector accounted for a significant portion of all leases, also including a 4,500 sqm lease by Schenker and 3,000 sqm lease by Getz in Sirin Park KLEZ (III stage) in Kaunas. Overall, 2024 was a transitional year for logistics real estate in Lithuania. While demand remained steady and e-commerce provided a strong foundation for growth, developers and investors faced increasing pressure from geopolitical risks, inflation and shifting tenant preferences. The year set the stage for a more cautious yet adaptive approach moving into 2025.

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### Important notice

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