



Quarterly comment

The rental revenue for East Capital Baltic Property Fund for the financial year 2024/25 amounted to EUR 4.64m, being on a similar level with financial year 2023/24 (ending 30 June 2024). The average rent across the portfolio for the financial year 2024/25 was EUR 7.6/sqm/mo.

The vacancy level for the fund portfolio stands at 8% at the financial year end in June 2025. Compared to the previous quarter, occupancy has improved mainly due to Tānassilma industrial property, where a new tenant moved in in May 2025.

Tallinn Seaport Hotel turnover for the financial year 2024/25 amounted to EUR 1.81m, being on a comparable level with financial year 2023/24. On top of the base rent, a semi-annual turnover rent component was added both in December 2024 and June 2025. Turnover rent component forms 35% of total annual rent (35% also in 2023/24).

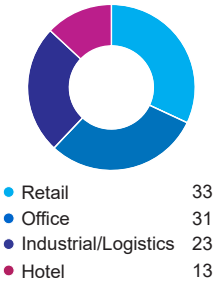
The former 759 sqm of Lynn Systems premises at the Aiandi 13 office property in Tallinn will be converted into small offices. Once the construction works are completed, the effective rental area will be 491 sqm, as common areas will not be included in the leases. However, the average rent for smaller premises will be higher to compensate for the reduced leasable area. This marks the third small office project at the Aiandi property, following the first in 2019 and the second in 2024

At the beginning of July 2025, a lease agreement was signed with Department of Probation for 242 sqm on the third floor of Kerese centre in Narva. With this lease, the third floor is now fully leased, and vacancy decreased from previous 18% of the GLA to 13%. Additionally, four electric vehicle charging points will be installed on the property, with the investment covered by the service provider.

Sports club construction works in Jewe shopping centre are ongoing, with opening expected in October 2025. Remaining vacancy now stands at 12%, mostly located on the second floor. The third Eastern-Estonian property, Tsentraal centre is operating with almost full occupancy.

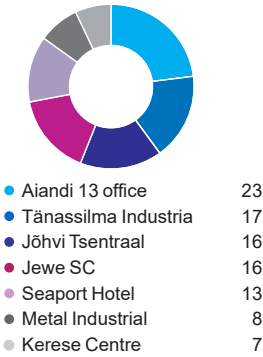
Sector Allocation

(% of gross property values)



Property 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	7%
Selver	Wholesale and retail trade	Jewe shopping centre	7%
Baltic Defence & Technology	Defence industry	Metal industrial	4%
Broadcom CA Estonia	Professional services	Aiandi 13 office	4%
Estonian Unemployment Insurance Fund	Public sector	Kerese 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%
Total			54%

Financial overview

The Net Asset Value of East Capital Baltic Property Investors AB was EUR 297.61 as of 30 June 2025, decreasing by 7.65% during the quarter and by 4.44% for the financial year 2024/2025. The Net Asset Value decreased mainly due to negative reappraisal of the property portfolio at financial year end. The operational Net Asset Value increase, excluding the negative revaluation change, the investment cost and the loss from sale of property, amounts to 4.93% for the financial year 2024/25.

At financial year end in June 2025, an external portfolio reappraisal for the property portfolio was carried out, resulting in EUR 1.54m decrease in the fair value of the Fund's properties (equivalent to -3.0%) compared to the previous external reappraisal in June 2024. Three out of the eight properties in the Fund saw higher values, one remained close to previous value, and four fell in value. The fair value decrease was mostly caused by a more conservative view on the local market (properties in Eastern Estonia), the Tallinn hotel market (Tallinn Seaport Hotel), and the B-class office market (Aiandi 13 office building).

The decrease in NAV was also affected by the investment works of the Tännassilma industrial properties, Kerese centre, Jõhvi Tsentraal commercial centre, Aiandi 13 office building and Jewe shopping centre, as the costs incurred during the financial year were reflected in the Fund's income statement as of the year-end. The investment works totalled EUR 1.2m during the 2024/25 financial year, out of which EUR 0.4m are related to Tännassilma industrial property and EUR 0.4m to Kerese centre.

The Fund's rental income for the financial year 2024/2025 was EUR 4.64m. The rental income y-o-y increased the most in Jõhvi Tsentraal as renovation is now completed and new leases are in force and in Metal industrial building as one of the tenant's increased its area from mid-August 2024.

The Fund's direct expenses include the above-mentioned investment cost of EUR 1.1m and the loss from sale and related costs of Zemitana office building in Riga in amount of EUR 0.06m. Excluding these costs, the operational gross profit amounts to EUR 4.1m.

The fund's net profit concluded at EUR -1.09m. The net profit includes the revaluation loss of EUR 1.54m.

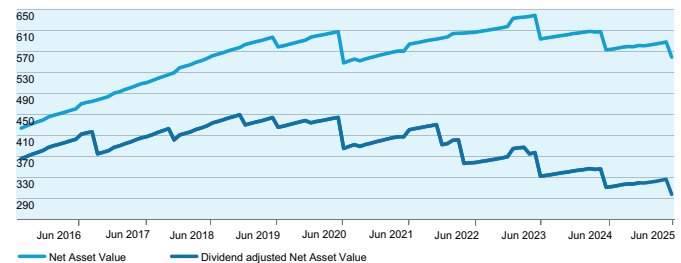
The fund's portfolio value stands at EUR 49.21m following the annual reappraisals in June 2025. The loan-to-value of the EPF Neli syndicate loan is 48% as of 30 June 2025.

Net Asset Value 30 June 2025

East Capital Baltic Property Investors AB SE0011788439

NAV (EUR)	% 3 months	% YTD	% Since inception*
297.61	-7.65	-4.44	11.80

*including dividend payments



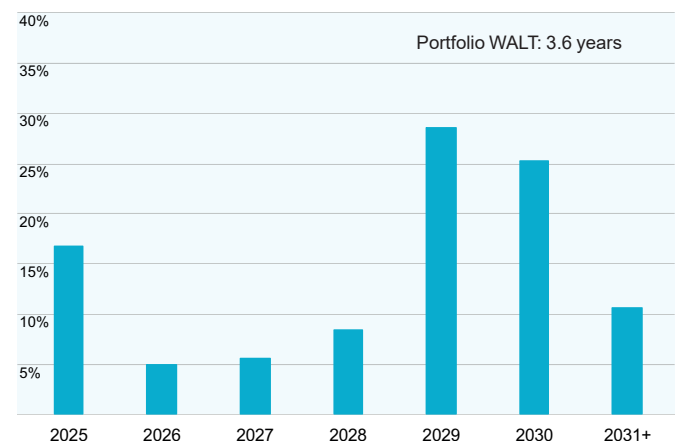
Fund Summary

	30 Jun 2025	30 Jun 2024
	EUR '000	EUR '000
Fair value of portfolio	49,210	52,639
Other assets	3,551	2,662
Liabilities	-23,914	-25,336
TOTAL NET ASSET VALUE	28,847	29,965

Net Asset Value East Capital Baltic Property
Investors AB

297.61 311.43

Lease maturity



Financials

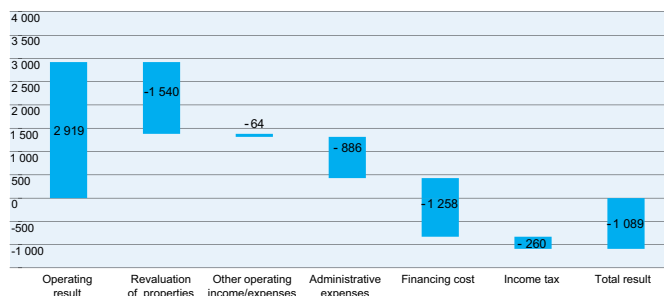
Statement of Comprehensive Income of East Capital Baltic Property Fund AB, unaudited for the period in EUR'000

	Jul 2024 - Jun 2025	Jul 2023 - Jun 2024
Revenue	4,639	4,677
Direct expenses	-1,720	-2,583
Gross profit	2,919	2,094
Administrative expenses	-886	-888
Other operating income/expenses	-64	-240
Unrealised changes in value of investment properties	-1,540	-1,433
Operating profit/loss	429	-467
Interest income	21	60
Interest expenses	-1,279	-1,560
Profit/loss before income tax	-829	-1,967
Income tax	-260	-12
NET PROFIT FOR THE YEAR	-1,089	-1,979
Earnings per share - Ordinary shares	-197,72	-359,15

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

	Jul 2024- Jun 2025	Jul 2023 - Jun 2024
Earnings per share - Ordinary shares	-12,15	-22,96

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



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

	30 Jun 2025	30 Jun 2024
ASSETS		
<i>Non-current assets</i>		
Investments properties	49,210	52,639
Equipment	5	5
Other receivables	75	-
Total non-current assets	49,290	52,644
<i>Current assets</i>		
Account receivables - trade	255	192
Other receivables	394	378
Accrued income and prepaid expenses	561	140
Cash and cash equivalents	2,261	1,934
Total current assets	3,471	2,644
TOTAL ASSETS	52,761	55,288

EQUITY AND LIABILITIES

Equity		
Share capital	17	17
Other paid-in capital	38,217	38,217
Retained earnings	-8,298	-6,319
Profit/loss for the period	-1,089	-1,979
TOTAL EQUITY	28,847	29,936

Liabilities

<i>Non-current liabilities</i>		
Interest-bearing liabilities	21,757	22,826
Other liabilities	462	387
Total non-current liabilities	22,219	23,213

Current liabilities

Interest-bearing liabilities	1,054	869
Accounts payable - trade	350	968
Other liabilities	204	214
Accrued expenses and deferred income	87	88
Total current liabilities	1,695	2,139
TOTAL EQUITY AND LIABILITIES	52,761	55,288

Contact

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Economic overview

In 1Q 2025, Estonia's real GDP decreased by 0.3% y-o-y, with the greatest negative impact from energy sector, transport and trade. The GDP of Latvia dropped by 0.4% y-o-y in 1Q 2025, driven by downturn in real estate activities and manufacturing. The GDP of Lithuania was positive and stood at 3.2% in 1Q 2025, with the largest positive impact from manufacturing, information and communication, and financial and insurance activities.

Average annual inflation increased stood above 3% in all Baltic countries during 2Q 2025. As of June 2025, annual inflation stood at 5.2% in Estonia, 3.9% in Latvia and 3.2% in Lithuania.

In 1Q 2025 the average monthly gross earnings grew by 8.3% o-o-y in Latvia, 8.2% in Lithuania and 6.1% in Estonia. As of May 2025, the highest registered unemployment rate of the country's working age population was recorded in Estonia (7.8%), the lowest in Lithuania (6.5%), while in Latvia, it stood at 6.9%.



Real estate market

Investment market

The investment market in Estonia remained predictably calm during the first half of 2025, reaching nearly EUR 100m, largely driven by activity in the industrial (57% of total volume) and retail segments. In May 2025, Millerhawk acquired a portfolio of four retail properties from a Swedish investor. The transaction included three Bauhof stores (located in Haapsalu, Kuressaare, and Valga) and an A1000 store in Võru, totalling 14,300 sqm of fully leased commercial space. Known yields in Tallinn generally ranged between 7% and 11%. As investor interest remains elevated, then closing of deals is expected to gain momentum during the rest of the year.

Total investment volume in Latvia reached EUR 100m in 1HY 2025. While more properties are being brought to market, the pool of potential investors for assets exceeding EUR 5m remains limited. Transactions below the EUR 5m continue to dominate the market, primarily driven by end-user acquisitions and strategic purchases. The largest deal of the quarter was the acquisition of Maxima Bikernieki retail premises by Madara 89 from Prosperus. Activity in the land plot segment remains limited. With no prime assets sold or actively bid on, prime yields remain theoretical and unchanged.

In Lithuania, the total investment volume in 1HY 2025 amounted to a solid EUR 204m. Among the most notable transactions of the quarter were the acquisition of Savas SC in Kaunas by NDX Group (a deal requiring approval from the Competition Council), and the sale of the 3-star Comfort Hotel LT – Rock'n'Roll Vilnius by Lords LB Asset Management to Union Asset Management. Investor interest has been particularly evident in hotels with redevelopment potential, as well as in stock-office projects and smaller industrial schemes, which continue to attract buyer demand. Standalone grocery stores remain a core investment asset, offering stable returns with moderate risk.

Office segment

Development in the Tallinn office market remains considerably active with total GLA amounting to 91,500 sqm (10 projects) under construction in June 2025. 2Q 2025 saw completion of the Class A Golden Gate project (with occupancy more than 90% prior to completion) in CBD developed by US Real Estate and the start of construction work on the third office building in Avala District by Kaamos. EKE announced the launch of the EKE Hipodroomi Quarter development. Moderate leasing activity (driven by small-lot deals) resulted in largely unchanged occupation rate in 2Q 2025. The office market sees increasingly lengthy and complex negotiations.

2Q 2025 was a dynamic period for Riga's office market, with nearly 22,000 sqm of new Class A space delivered. Vastint completed two buildings in Magdelēnas kvartāls - one fully leased to ATEA, and the other one partially vacant. Linstow finished its second Class A project - Satekles Biznesa Centrs in the Central Station area (almost fully leased to SEB HQ). Take-up exceeded 20,000 sqm, in line with the annual demand range of 40,000–50,000 sqm. With new developments nearing full occupancy, older properties, particularly in Skanste, are becoming increasingly appealing. While prime rents remain stable, older properties face pressure to offer greater flexibility due to prolonged vacancy periods and limited pool of prospective tenants.

2Q 2025 brought almost no new office supply in Vilnius, except for the historic St. Jacob's Quarter project. The overall vacancy rate remained stable, reflecting the limited addition of new space. Total take-up was quite low with the e-commerce and trade sectors among the most active. Landlords of Class A buildings are keeping rental levels stable, while tenants continue to seek cost efficiency. Although there is ongoing demand, it remains focused on smaller deals - the average lease size in 1HY 2025 was approximately 500 sqm. Hybrid work remains a key trend in Vilnius, influencing tenant behaviour and office space requirements.

Retail segment

The development market in Tallinn continues to be driven primarily by the grocery segment and ongoing activity in suburban areas. Lidl has announced plans to open a new store in Järve SC in Tallinn, becoming second grocery anchor. Discount apparel chains offering low-price fashion along with fitness clubs continue gaining a major share of take-up across Estonia. Meanwhile, downward pressure on rents has intensified - tenants are increasingly negotiating for lower rents upon renewal and even started to ask for temporary rent reductions due to heightened competition and continually weakening purchasing power.

The Latvian retail market remained moderately active in 2Q 2025, marked by the reopening of the renovated Kurši DIY store and several strategic repositioning projects underway. Existing properties are focusing on tenant mix, renovations, and phased development planning. Grocery chains drive activity by expanding and refining their concepts. Discount brands, fast fashion, and multibrand stores are experimenting with new formats, while health and wellness operators are showing interest in larger spaces within urban shopping centres. The market outlook is cautiously optimistic, supported by the grocery and discount segment.

The Lithuanian retail market continues to experience steady activity and several notable developments. A new retail park in Garliava, developed by VPH and scheduled for completion by mid-2026, is already over 60% pre-leased. PC PIKAS, a new community shopping centre in Vilnius, is currently under construction and is expected to be completed later this year.

Industrial segment

The industrial segment remains active in Tallinn region with a total area of 141,560 sqm (34 projects) under construction in June 2025. 2Q 2025 saw completion of 8 new projects with total GLA 48,400 sqm. The pace of stock-office projects development remains notable with ca 34,500 sqm (9 projects) remaining under construction. Elevated rents for newly built space are continually limiting both development and leasing activity. Demand has softened and vacancy is rising - especially in older stock - though overall levels (average vacancy reached 6%) reflect a return to long-term averages rather than oversupply. Still, several larger occupiers remain active, exploring options for expansion or relocation.

The development market in Riga region shows a steady activity with 3 projects totalling around 40,000 sqm of GLA commissioned during 2Q 2025 and around 96,000 sqm of leasable space expected to enter the market by year-end. The pipeline remains active as major developers prepare to launch construction of new projects currently in the planning phase. While demand remains stable, it is not fully keeping pace with the volume of new construction and much of the market activity takes place within the 'hidden vacancy' in existing projects. Notably, recent leasing interest has come from non-traditional segments such as defence-related entities (both public and private) and sports facilities like paddle - sectors that were rarely present in logistics parks so far.

No major speculative projects were completed in Lithuania in Q2 2025, though around 105,000 sqm is planned for 2025–2026. Take-up was strong with the highest demand coming from logistics service providers and the manufacturing sector. The vacancy rate in Vilnius region remained moderate, standing at 5.5% or ca 68,000 sqm. Rent rates generally do not exceed the EUR 5.50/sqm threshold, except for specialized warehouse facilities, which command higher rates.

Important notice

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