EAST CAPITAL

Annual Report

East Capital Baltic Property Fund Aktiebolag

Corporate Identity Number 556674-0915

Financial year 1 July 2016 - 30 June 2017

The Board of Directors and the Managing Director hereby presents the Annual Report

Administration Report

The Board of Directors of East Capital Baltic Property Fund AB (“the Company”), Corporate Identity Number 556674-0915, domiciled in Stockholm with the address PO Box 1364, 111 93 Stockholm, hereby presents the Annual Report for the financial year 1 July 2016- 30 June 2017.

Information regarding the operations

This is the Company's eleventh financial year. As all operational activities are performed in East Capital Baltic Property Fund AB's group companies (“the Group”) and the Company itself only hold the shares of the Group companies, all further information relates to the Group's activities.

The Company’s operations are based in Stockholm, Sweden and the Group companies' mainly in the Baltic States. The Group's operations comprise acquisition and management of commercial properties in the Baltic region. The vast majority of property management activities are outsourced to East Capital Baltics AS ("Investment Manager"), a wholly-owned subsidiary of East Capital Holding AB, Corporate Identity No. 556584-9899, a Swedish asset manager specialized in emerging and frontier markets.

East Capital Baltics AS owns 66.63% of the share capital via ordinary shares with strong voting rights, representing 95.23% of the total number of votes in the Company. The Company is not included in the East Capital Holding Group due to the fact that East Capital Baltics AS has no power to influence how the subsidiary’s distributable earnings are appropriated, see note 26. Other shareholders have preferential series A shares. The largest owner of preferential shares is East Capital Baltic Property Investors AB (publ), which holds 72.78% of the total number of preferential shares.

The original term of the Company was seven years from 2005 with a possibility to extend the life term by up to two years. At an extraordinary general meeting ("EGM") on 20 May 2013, the shareholders approved an extension of the life term until 30 June 2016, with a possibility to extend by a further two years, one year at the time. At an EGM of East Capital Baltic Property Investors AB on 9 June 2017, consent was given to the extension of the term of the shareholders agreement of East Capital Baltic Property Fund AB for up to five years, until July 2022.
The Company's reporting currency is Euro (EUR).

The Company has no employees and did not pay any salaries during the financial year, nor has any remuneration been paid to the Board of Directors.

Financial information

Net rental revenue for the Group in the financial year 2016/17 was EUR 9.54m. Operating profit for the period amounts to EUR 6.22m (EUR 6.33m exlcuding property revaluation). The operating profit remains stable compared with previous financial year. Interest expenses of EUR -1.31m have further decreased benefiting from low market rates. The Group reports a profit amounting to EUR 5.10m for the financial year (EUR 5.11m excluding property revaluations).

The Group had EUR 5.99m of cash at 30 June 2017.

In the external valuation of the property portfolio carried out at financial year end, the portfolio was valued at EUR 105.15m gross fair market value, a 0.2% increase compared to previous external valuation in June 2016.

As of 30 June 2017, the Group has EUR 68.37m in bank loans, representing a loan-to-value ratio of 65%.

The bank loans related to six properties were covered by an automatic extension option by twelve months from their maturities in June 2017, once a the decision on the extension of the Fund had been submitted. Two of these loans were prolonged at the same terms and conditions and new conditions were agreed for one loan agreement in connection with change in tenancy situation. For the remaining free properties, a five-year extension until July 2022, in line with the Fund's term was agreed with the bank. The relevant loan agreement amendments was signed shortly after financial year end.

For seven of the properties in the portfolio, the Company has signed an umbrella agreement that extends the loan maturities for these properties until June 2018. The Company guarantees interest and swap payments for one of the properties up to a maximum amount of EUR 300,000 during this period. The derivatives matured during the financial year 2016/2017. The remaining six properties (each property a “Borrower”) have an obligation to service principal amortizations and interest payments (excluding the last principal payment) of the other Borrowers, if needed. The seven properties have also received a grace period for fulfillment of individual financial covenants during the period.
Amortization holiday was in force for four of the properties in financial year 2016/17. According to loan agreements signed previously or shortly after financial year end, the grace period for these properties will continue in the financial year 2017/18.

Significant events during the financial year

The Investment Manager’s focus during the last years has been to improve rental income for the portfolio properties by reducing vacancies and increasing rents, where possible. The average rental level for the portfolio for financial year 2016/17 was EUR 7.0 sqm/month, remaining on comparable level with previous financial year.

Portfolio vacancy in June 2017, at the financial year end was 4.6%. In Kerese commercial centre, occupancy has been fully restored in retail areas after grocery tenant change in 2016. A Rimi grocery store was opened in August 2016, complemented with various other new retailers. An office lease with a key office tenant was prolonged with a new maturity of 12 years and the renovated and extended areas of 900 sqm were handed over to the tenant in November 2016. Vacancy in the centre remains only in less attractive office or storage areas. Similarly, vacancy remains in office areas in the mixed use or dedicated office buildings in Jõhvi, Klaipeda and Riga, where occupancy has not been restored yet due to the currently less active office market. The Investment Manager pursues to maximize occupancy across the portfolio to enhance free cash flow.

In the Jewe property in Jõhvi, the Investment Manager successfully negotiated the buyout of the parking area previously used under a servitude agreement in September 2016.

At the Metal property in Estonia, the lease agreement with single tenant Favor reached its maturity at the end of June 2017 and was not prolonged due to the tenant's business expansion and a need for larger premises. The management team has signed a lease for one building in the complex, where rent commences from August 2017, and is actively seeking a tenant for the second building in the complex.

The hotels in the portfolio continue to meet or exceed the budgeted turnover and landlord's turnover rent expectations. GOSPA hotel in Saaremaa maintains its strong position in the Estonian spa hotel market and shows stable sales growth. Tallinn Seaport Hotel, reopened after full renovation in March 2015, boasts stronger turnover growth up to 10% y-o-y on a comparable basis. In both hotels, turnover rent is calculated and paid twice during the year - in December and June. The turnover rent paid during financial year 2016/17 was + 62% and +65% respectively.

On 2nd of March 2016 EPF Neli OÜ signed a merger agreement with group companies (ABPF Nurmenuku (Est) AB, ABPF Pirita Top Spa (Est) AB, ABPF Go Spa (Est) AB, ABPF Tammsaare (Est) AB, ABPF Kerese Keskus (Est) AB, ABPF Jõhvitsent (Est) AB, ABPF Jewecent (Est) AB, ABPF Portus (Est) AB, ABPF Favorind (Est) AB, ABPF Papiniidu (Est) AB and ABPF Tänassilma (Est) AB) with the merger balance sheet date on 1 July 2015. On 15th of August 2016 the cross-border merger was entered into the Estonian Commercial Register.

The extraordinary general meeting of the fund, held on 13 September 2016, approved the board's proposal for the repayment of shareholders' contribution totalling EUR 5.07m (corresponding to 11% of net asset value at that point in time). The extraordinary repayment corresponded to the net proceeds of the Nurmenuku Retail Centre sale transaction completed in 4Q 2015.

The annual general meeting of the fund was held on 1 December 2016, where the annual report for 2015/16 was approved and the Investment Manager presented the portfolio performance update and forecast.

Significant events after the end of the financial year

In July 2017, loan agreement amendments were signed for three of the properties in the Fund, extending the loan repayment date until 30 June 2022, in line with the Fund term. Also, an amortization holiday was agreed for the financial year 2017/18.

Future development, risks and factors of uncertainty

The life term of the Company has been extended by five years until July 2022. During the extended term, the investment team will aim to maximize cashflow to the fund holders, while also taking the necessary steps to enhance the portfolio in its composition and quality, to allow for the best possible divestment of its holdings during this period. Extending the fund term also enables refinancing and an extension of loan maturities, fixing interest rates at current low levels.

The Company's long-term view on the Baltic real estate market is positive. Baltic economies remain stable as dose the key real estate market indicators. In the investment market, transaction volumes peaked in 2015 and remained elevated in 2016. Despite the slight yield compression, the Baltics remain an appealing investment target considering the solid economic background, favourable financing conditions and attractive returns. In first half of 2017, the transaction volume is slightly hindered by the more limited supply of core investment properties. However, investors remain active and in addition to local and Baltic investors, several international investors have entered the Baltic real estate market in the recent years, increasing the liquidity in the market.

The Investment Manager maintains good relations with its financing banks and has successfully renegotiated and extended all loans in the portfolio during the last years. As the fund term has been extended by further five years, the Investment Manager will continue negotiations to extend the loan terms accordingly. For three of the properties in the fund, the relevant loan agreement amendment has been signed after financial year end, securing long-term financing at favourable interest terms. Negotiations continue to extend the maturity of the loans for the rest of the portfolio aswell. At the same time, considering the low loan-to-value levels of most properties in the fund, the Investment Manager aims to negotiate an amortization holiday for principal payments, further enhancing free cash flow in the fund.

Low market interest rates have and will improve the Company's net profit. The fund currently has no valid hedge agreements. However, two of the loans in the portfolio (11% of total loans) have fixed interest rates.

Currency and devaluation risk have been eliminated following the adoption of euro in Estonia, Latvia and Lithuania.

There are no significant environmental risks regarding the properties as there are no high environmental risk (chemical, or other environmentally sensitive production and/or handling) tenants in the portfolio.

Proposed appropriation of profits

The following profits are at the disposal of the Annual General Meeting (amount in EUR):

Share premium	44,845,890
Retained earnings	-25,922,342
Net result for the year	-580,090
	18,343,458

The Board recommends that the earnings will be distributed as follows:

To be carried forward	**18,343,458**

The board of directors has determined the Repayment Funds (as defined in the shareholders' agreement regarding the Company) to be EUR 2,761,612 and proposes that such Repayment Funds are paid to the shareholders by way of redemption of shareholders' contribution by way of dividend (repayment of shareholder contributions) in the amount of EUR 501,20 per preference share of series A to the shareholders of preference shares of series A.

For information regarding the Company's results of operations and financial position, refer to the following Income Statement and balance sheet, with accompanying notes.

Statement of comprehensive income

EUR thousands	Note	1 Jul 2016 - 30 Jun 2017	1 Jul 2015 - 30 Jun 2016
Revenue	2	9,540	9,922
Direct expenses	3	-1,833	-1,848
Gross profit		**7,707**	**8,074**
Administrative expenses	4,25	-1,476	-1,928
Changes in value of investment properties	11	-11	1,450
Other income		-	115
Result from operating activities		**6,220**	**7,711**
Other interest income and similar profit/loss items	6	280	458
Other interest expenses and similar profit/loss items	7	-1,311	-1,702
Profit before tax		**5,189**	**6,467**
Tax expense	8	-89	-63
Profit for the year / Total Comprehensive income for the year		**5,100**	**6,404**
Earnings per share – Ordinary Shares			
- basic and diluted (EUR)	9	0.00	0.00
Earnings per share – Preferential Shares series A			
- basic and diluted (EUR)	9	925.65	1 162.20

Profit for the year / Total comprehensive income is attributable to the company shareholders.

The Notes on pages 11 to 27 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

EUR thousands	Note	30 Jun 2017	30 Jun 2016
ASSETS			
Non-current assets			
Equipment	10	17	11
Investment properties	11	105,149	104,940
Total non-current assets		**105,166**	**104,951**
Current assets			
Accounts receivables - trade	24	595	644
Other receivables	14	496	123
Accrued income and prepaid expenses		55	65
Cash and cash equivalents		5,987	9,891
Total current assets		**7,133**	**10,723**
Total assets		**112,299**	**115,674**
EQUITY AND LIABILITIES			
Shareholder's equity			
Share capital	16	17	17
Other paid-in capital		44,846	49,915
Retained earnings including profit/loss for the year		-3,015	-8,115
Total equity		**41,848**	**41,817**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	17	-	39,140
Other liabilities		478	266
Deferred tax liabilities	15	895	807
Total non-current liabilities		**1,373**	**40,213**
Current liabilities			
Loans and borrowings	17	68,365	31,830
Accounts payable - trade		200	1,022
Derivatives	18	-	277
Other liabilities		41	56
Current tax liabilities		147	73
Accrued expenses and deferred income	19	325	386
Total current liabilities		**69,078**	**33,644**
Total liabilities		**70,451**	**73,857**
Total equity and liabilities		**112,299**	**115,674**

The Notes on pages 11 to 27 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

EUR thousands	Note	1 Jul 2016 - 30 Jun 2017	1 Jul 2015 - 30 Jun 2016
Cash flow from operating activities			
Operating profit/loss before financial items		6,220	7,711
Adjustments for:			
- Depreciation	10	-4	-3
- Changes in fair value of investment properties	11	11	-1,450
- Profit/loss from divestments		-	-115
Increase/decrease in assets related to operating activities		-232	-
Increase/decrease in liabilities related to operating activities		-786	,122
Interest received		1	1
Cash flows from operating activities		**5,210**	**6,266**
Cash flows from investing activities			
Investments in investment properties	11	-220	-
Proceeds from investment properties	11	-	6,525
Investments in investment equipments		-1	-
Loans granted		-24	-33
Repayment of loans granted		22	-
Cash flows from investing activities		**-223**	**6,492**
Cash flows from financing activities			
Proceeds from borrowings		-	4,501
Repayment of borrowings	17	-2,474	-9,839
Repayment of shareholders contribution		-5,069	-
Interest paid		-1,347	-1,717
Cash flows from financing activities		**-8,890**	**-7,055**
Net decrease in cash and cash equivalents		**-3,903**	**5 703**
Cash and cash equivalents at the beginning of the year		9,891	4,191
Exchange rate differences in cash and cash equivalents		-1	-3
Cash and cash equivalents at the end of the year		**5,987**	**9,891**

Cash and cash equivalents in the Cash Flow Statement correspond with 'Cash and cash equivalents' in the Consolidated Statement of Financial position, and comprise of bank balances.

The Notes on pages 11 to 27 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

EUR thousands	Share capital	Paid in capital	Retained earnings, including total comprehensive income	Total equity
Opening equity, 1 July 2015	**17**	**49,915**	**-14,519**	**35,413**
Profit for the year / Total Comprehensive income for the year	-	-	6,404	6,404
Closing equity, 30 June 2016	**17**	**49,915**	**-8,115**	**41,817**
Opening equity, 1 July 2016	**17**	**49,915**	**-8,115**	**41,817**
Repayment of shareholders` contribution	-	-5,069	-	-5,069
Profit for the year / Total Comprehensive income for the year	-	-	5,100	5,100
Closing equity, 30 June 2017	**17**	**44,846**	**-3,015**	**41,848**

Reconciliation to Net Asset Value	
Consolidated equity above	41,848
Revaluation of loan value to property value	3,288
Interest rate swap not in NAV balance	-20
Net Asset Value 30 June 2017	**45,116**

In the Statement of Financial position in this annual report, all properties are valued according to market valuations and all external loans are reported with the full amount owed to the banks also in cases when the outstanding loan relating to a property is higher than the property value. However, as the loans are provided to the individual holding companies owning the properties, with no further recourse from other companies within the group, the holding companies could not be liable for a higher amount than the property value. Therefore, in the Net Asset Value, no loan is valued at a higher value than the corresponding property value. The downward adjustment relating to the loans included in Net Asset Value was EUR 3.3m as at 30 June 2017 compared to EUR 3.6m as at 30 June 2016.

The Notes on pages 11 to 27 are an integral part of these consolidated financial statements.

Income statement - Parent Company

EUR thousands	Note	1 Jul 2016 - 30 Jun 2017	1 Jul 2015 - 30 Jun 2016
Revenue	2,25	442	450
Gross profit		**442**	**450**
Administrative expenses	4	-1,036	-1,287
Result from operating activities		**-594**	**-837**
Write-down/reverse write-down of shares in subsidiaries	13	-506	-826
Interest income from group companies	25	284	407
Other interest income and similar profit/loss items	6	3	-
Other interest expense and similar profit/loss items	7	-4	-3
Profit/loss before tax		**-817**	**-1,259**
Year-end appropriations	26	236	212
Tax expense	8	-	-
Profit for the year		**-581**	**-1,047**

Statement of comprehensive income - Parent Company

EUR thousands	1 Jul 2016- 30 Jun 2017	1 Jul 2015- 30 Jun 2016
Net profit for the year	-581	-1,047
Other comprehensive income	-	-
Total comprehensive income for the year	**-581**	**-1,047**

The Notes on pages 11 to 27 are an integral part of these consolidated financial statements.

Balance sheet - Parent Company

EUR thousands	Note	30 Jun 2017	30 Jun 2016
ASSETS			
Non-current assets			
Shares in subsidiaries	13	5,922	5,927
Receivables from Group companies	12, 25	7,652	-
Total non-current assets		**13,574**	**5,927**
Current assets			
Receivables from Group companies	14, 25	4,620	18,850
Other receivables		91	95
Cash and cash equivalents		149	155
Total current assets		**4,860**	**19,100**
Total assets		**18,434**	**25,027**
EQUITY AND LIABILITIES			
Shareholder's equity			
Restricted equity			
Share capital, 16,510 shares	16	17	17
Total restricted equity		**17**	**17**
Non-restricted equity			
Shareholders' contribution		44,846	49,915
Retained earnings		-25,922	-24,875
Profit for the year		-581	-1,047
Total equity		**18,343**	**23,993**
LIABILITIES			
Current liabilities			
Liabilities to Group companies	25	29	79
Accounts payable - trade		-	859
Current tax liabilities		27	38
Accrued expenses and deferred income		18	41
Total current liabilities		**74**	**1,017**
Total equity and liabilities		**18,434**	**25,027**

The Notes on pages 11 to 27 are an integral part of these consolidated financial statements.

Cash flow statement- Parent Company

EUR thousands	Note	1 Jul 2016 - 30 Jun 2017	1 Jul 2015 - 30 Jun 2016
Cash flow from operating activities			
Operating profit/-loss for the year		-594	-837
Increase/decrease in assets related to operating activities		407	-170
Increase/decrease in liabilities related to operating activities		-844	9
Cash flow from operating activities		**-1,031**	**-998**
Cash flows from investing activities			
Proceeds from merge of subsidiaries		5	-
Loans granted to Group companies		-25	-35
Repayments of loans granted from Group companies		4 173	515
Interest received		1 942	558
Cash flows from investing activities		**6,095**	**1,038**
Cash flows from financing activities			
Repayment of shareholders contribution		-5,069	-
Cash flows from financing activities		**-5,069**	**-**
Net decrease in cash and cash equivalents		**-5**	**40**
Cash and cash equivalents at the beginning of the year		155	118
Exchange rate differences in cash and cash equivalents		-1	-3
Cash and cash equivalents at the end of the year		**149**	**155**

Cash and cash equivalents in the Cash Flow Statement correspond with 'Cash and cash equivalents' in the Balance Sheet and comprise of bank balances.

Change in equity- Parent Company

EUR thousands	Restricted equity	Non-restricted equity		Total equity
	Share capital	Shareholders` contribution	Retained earnings, including net loss for the year	
Opening equity, 1 July 2015	**17**	**49,915**	**-24,875**	**25,057**
Total comprehensive income	-	-	-1,047	-1 047
Closing equity, 30 June 2016	**17**	**49,915**	**-25,922**	**24,010**
Opening equity, 1 July 2016	**17**	**49,915**	**-25,922**	**24,010**
Repayment of shareholders` contribution	-	-5,069	-	-5,069
Total comprehensive income	-	-	-581	-581
Closing equity, 30 June 2017	**17**	**44,846**	**-26,503**	**18,360**

The Notes on pages 11 to 27 are an integral part of these consolidated financial statements.

Note 1 Accounting principles

Compliance with standards and legislation

These consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) with the interpretative statements from the International Financial Reporting Interpretations Committee (IFRIC), as approved by the Commission of the European Communities for application within the EU. Furthermore, the Swedish Financial Reporting board recommendation RFR 1 has been applied.

The Parent Company applies the same accounting principles as the Group, except in the instances presented below in the section "Parent Company's accounting principles." Discrepancies arising between the Company's and the Group's principles are due to restrictions on the application of IFRS in the Company as a consequence of the Swedish Annual Accounts Act and the Income Tax Act.

The annual report and the consolidated financial statements were approved for issue by the Board on 25 October 2017. The Statement of Comprehensive Income and statement of financial position of the Group and Parent Company Income Statement and Parent Company Balance Sheet will be submitted to the shareholders' meeting for adoption on 9 November 2017.

Measurement basis for preparing the Parent Company and Group's financial reports.

Assets and liabilities are reported at historic acquisition cost, except for certain financial assets, liabilities and investment properties, which are measured at fair value.

Functional currency and presentation currency

The Parent Company's functional currency is euro (EUR), which is also the presentation currency for the Parent Company and the Group. Thus, all financial statement are presented in EUR. All amounts, unless stated otherwise, are rounded off to the nearest thousand. Note that certain figures may not total exactly due to rounding off.

Estimates and assumptions in the financial statements

Preparation of the financial reports in accordance with IFRS requires management to make estimates and assumptions affecting application of the accounting principles and the reported amounts of assets, liabilities, revenue and expenses. Actual outcome may differ from these estimates and assumptions, and the latter is reviewed regularly. The estimations and assumptions are based on historical experience and on a number of other factors which seem to be reasonable under the prevailing conditions. The results of these estimations and assumptions are subsequently used to assess the reported values of assets and liabilities which would not otherwise be clearly apparent from other sources.

Estimations and assumptions are regularly taken under review. Changes in estimations are reported in the period in which the change is made if the change effects only this period, or in the period in which the change is made and in subsequent periods if the change affects both the period in question and future periods.

Assessments made by management in applying IFRS having a significant impact on the financial statements and assessments made that may result in material adjustments in the subsequent year's financial statements are described in more detail in the paragraph "Critical accounting assumptions and estimations".

New and revised IFRS applicable to the current year

Changes in IFRSs to be applied for the first time in the current reporting year have not had any effect on the group's financial statements.

New and amended standards for future application

New and changed IFRSs to be applied in coming reporting years have not been early applied in these financial statements and are not planned to be early applied in coming reporting years.

An initial assessment of the two major new standards – IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, both with first application in annual reporting periods beginning on or after 1 January 2018 – indicates that there will be no material effects on the group's financial statements. The same assessment holds also for other new and changed IFRSs with future application.

Classification

Noncurrent assets and noncurrent liabilities consist predominantly of amounts expected to be used or paid more than 12 month after the statement of financial position date. Current assets and current liabilities consist predominantly of amounts expected to be utilised or paid within 12 month of the date of the statement of financial position.

In accordance with IFRS 5, "non current assets held for sale", all non current assets are tested at each Statement of Financial position date for indications that the benefit of that asset is obtained through the asset's sale rather than through its continuous use in the business. Such assets will be presented separately in the Statement of Financial position as "assets for sale".

CONSOLIDATED ACCOUNTS

Subsidiaries

Subsidiaries are companies under the controlling influence of East Capital Baltic Property Fund AB. Controlling influence means the direct or indirect right to govern the financial and operating policies of an entity so as to obtain financial benefit. In assessing whether controlling influence exists, potential shares which convey voting rights and which can be converted or utilised without delay shall be taken into consideration. Subsidiaries are accounted for using the purchase method. In accordance with this method, an acquisition is treated as a transaction in which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities.

The consolidated cost is determined by an acquisition analysis at the time of the business combination. In such analysis, the cost of the business combination is established, as are the fair values of recognised identifiable assets, liabilities and contingent liabilities. The difference between the cost of the shares of the subsidiary and the fair value of the acquired assets, assumed liabilities and contingent liabilities constitute, if the difference is positive, consolidated goodwill. When the difference is negative, it is recognised directly in the Statement of Comprehensive Income. Transaction expenditure is expensed and the effects of restating liabilities related to conditional purchase prices are reported as a revenue or cost in Comprehensive Income.

The financial statements of subsidiaries are consolidated from the date of the acquisition until the date when control ceases.

Transactions eliminated on consolidation

Intra-Group balances and any unrealised income and expenses or gains and losses from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

Foreign currencies

Transactions in foreign currencies

Transactions in currencies other than EUR are translated into the functional currency using the exchange rate prevailing on the transaction date. The functional currency is the currency in the primary economic environment in which the companies operate. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the closing rate of exchange. Exchange rate differences arising on currency translations are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities are recognised at historical acquisition cost translated at the exchange rate on the transaction date. The values of non-monetary assets and liabilities reported at fair value are translated into the functional currency at the exchange rate prevailing at the date of measurement, and changes in exchange rates are subsequently recognised in the same manner as other changes in value attributable to assets or liabilities.

Financial reports of foreign operations

The assets and liabilities and the revenues and expenses of foreign entities, including goodwill and fair value adjustments arising on consolidation, are in EUR therefore no exchange differences are recognised in other comprehensive income and in cumulative shareholders' equity of foreign entities.

Income

Rental income

All investment properties are leased under operating lease agreements. Rental income is accounted for in the period to which the income is related. Rental income is recognised in the Statement of Comprehensive Income on a straight-line basis, in accordance with the conditions of the lease agreements. Rents paid in advance are, consequently, recognised as 'Prepaid rental income'. Discounts provided as compensation, for example gradual occupancy, are recognised in the period in which they are provided. Other discounts are allocated over the duration of the rental agreement. Income from premature settlement of a rental agreement is recognised as income in the period in which the compensation is received.

Income from property sales

Income from the sale of properties is generally recognised on the date of taking possession, provided the risks and benefits of ownership have not been transferred to the purchaser on a prior date. Control of the asset may have been transferred on a date prior to the date of taking possession and, if such is the case, income from the sale is recognised on this earlier date. In determining the date on which revenue is to be recognised, consideration is taken for agreements between the parties regarding risks and benefits, as well as for engagement in the day-to-day management of the property. In addition, circumstances which could affect the outcome of the transaction and which lie outside the control of the purchaser's and/or the seller's control are also considered.

Criteria for revenue recognition are applied to each transaction, individually.

Financial income and expenses

Financial income and expenses comprise interest income from bank balances, receivables, interest-bearing securities, interest expenses on borrowings, dividends, exchange rate differences, unrealised and realised gains on financial investments, and derivative instruments used within the financial operations.

Interest income on receivables and interest expenses on liabilities are calculated applying the effective interest method. The effective interest is the amount of interest which makes the current value of all estimated future receipts and payments during the expected fixed-interest term equal to the reported value of the receivable or liability. The interest component of financial leasing is recognised in the Statement of Comprehensive Income via the application of the effective interest method. Interest income includes the allocated amount of transaction costs and any discounts, premiums and other differences between the original value of the receivable and the amount to be received on maturity.

Interest expenses include the allocated amount of share issue expenses and similar direct transaction costs for loans raised.
The portion of interest expenses referring to interest accrued during the production time for large new construction, expansion and renovation projects is capitalised and, consequently, reduces financial costs. Interest is calculated on the basis of the average weighted borrowing costs for the Group.

Financial instruments

Classification of financial assets and liabilities

All financial assets and liabilities are classified into the following categories:

a) Financial assets and liabilities at fair value through the Statement of Comprehensive Income
b) Held-to-maturity investments
c) Loans and receivables. Assets with fixed or determinable payments; liquid assets, accounts receivables and receivables are included in this category.
d) Available-for-sale financial assets
e) Other financial liabilities. Includes financial liabilities not held for trading.

Recognition and derecognition

A financial asset or liability is recognised in the statement of financial position when the Company becomes party to the terms and conditions of the instrument. Acquisitions and sales of financial assets are recorded on the transaction date, which is the date on which the Company becomes obligated to acquire or sell the asset. Borrowings are recognised on the date on which the transaction is completed, the settlement date.

Accounts receivables are recognised in the statement of financial position when an invoice is sent. Rent receivables, however, are recognised when the respective rental period has commenced. Liabilities are recognised when the counterparty has fulfilled its undertaking and a contractual payment obligation exists, regardless of whether or not an invoice has been received. Accounts payable are recognised when the invoice has been received.

A financial asset (or part thereof) is removed from the statement of financial position when the rights in the agreement are realised or expire, or when the Company has transferred substantially of the risks and benefits associated with the ownership. A financial liability (or part thereof) is removed from the statement of financial position when the obligation specified in the agreement is discharged or in any other manner extinguished. A financial asset and financial liability are offset and recognised in the statement of financial position in a net amount only when there is legal right to offset and when it is intended to settle the item with a net amount or to simultaneously realise the asset and settle the liability.

Derivatives have been acquired to decrease risks relating to interest rate. These derivatives are initially recognised at their fair value on the contract conclusion date and subsequently will be revaluated according to a change in the fair value of the instrument. The derivatives with positive market value are recorded as an asset and the derivatives with negative values are recorded as liabilities.

Classification and measurement

Financial instruments are initially recognised at acquisition cost equivalent to the fair value of the instrument, plus, in the case of receivables and liabilities valued at accrued acquisition cost, the addition of transaction cost. Financial instruments are classified upon first recognition based on the purpose for which the instrument was acquired. The classification determines how the financial instrument is valued after first recognition, as described below.

Cash and bank balances

Cash and cash equivalents include cash and immediately available bank balances. Overdraft facilities are classified among borrowings under current liabilities. Cash and bank balance are recognised at nominal value.

Interest-bearing assets and securities

Interest-bearing assets and securities are valued on a current basis at amortised cost with application of the effective interest method.

Accounts receivable - trade

Accounts receivable - trade are valued on a current basis at amortised cost, as the accounts receivable have short expected durations and valuation takes place at nominal amounts, with no discounting. Receivables are recognised in the amounts which, according to individual assessments of the risk for bad debt losses, are expected to be received.

Accounts payable - trade

Accounts payable - trade are valued on a current basis at amortised cost, as the accounts payable have short expected durations and valuation takes place at nominal amounts, with no discounting.

Loans

Loans are recognised at amortised cost, with application of the effective interest method.

Derivatives

Derivatives measured at fair value in the Statement of Financial position are measured at fair value based on a comparison of the contracted swap rate with the current market swap rate for the remaining tenor. The present value is calculated by discounting the cash flow differences between the contracted swap rate and the market swap rate multiplied by the outstanding principal amount on each coupon date. The value corresponds to the value which the swap would have if cancelled on the valuation date.

Fair value adjustments are reported in the Statement of Comprehensive income.

Equipment

Equipment is reported at acquisition cost, less accumulated depreciation and any write-downs. Acquisition cost includes the purchase price and costs directly attributable to putting the asset in place and in a condition in which it can be utilised according to the intentions of the acquisition.

Depreciation
Depreciation takes place on a straight-line basis over the estimated useful life of the asset. Depreciation takes place according to plan, which is based on the original acquisition cost, less estimated residual value and taking into consideration impairment.

The following periods of depreciation are applied:

Alarm systems	4 years
Equipment	4-5 years

Investment properties
Investment properties are properties held for the purpose of receiving rental income and / or recognising increases in value. Investment properties are initially recognised at acquisition cost, which includes expenditures directly attributable to the acquisition of the asset. Investment properties are subsequently recognised at fair value in the Statement of Financial position. Fair value is based on internal and, in certain instances external, valuations. Valuations normally take place annually. The fair value of properties is updated with purchases, sales and investments on an on-going basis, throughout the year. In addition, the fair value is assessed if there is any indication of a change depending on significant commencements or terminations of rental contracts or on important changes in yield requirements.

Both unrealised and realised changes in value are reported in the Statement of Comprehensive Income. Changes in value are recognised net in the Statement of Comprehensive Income.

Calculation of fair value
Fair value is mainly based on trades on an active market and is the transaction price to which an asset could be traded in the measurement date in an arm's length exchange motivated by normal business considerations. As these market transactions occur on an irregular basis, estimated values of the properties needs to be calculated. A discounted cash-flow model is used for calculating the fair value of each property. Future flows of revenue and specific risks for the property are taken into consideration.

To determine the fair value of the properties at each balancing date, a market valuation of all properties is done by external valuator, Colliers International. The fair value of investment properties reflects among other things rental income from current tenancy agreements and assumptions regarding rental income from future tenancy agreements, based on present market conditions. The fair value also reflects the negative cash-flows such as expenses belonging to the possession of the property.

The table below provides an analysis of the basis of measurement used by the Company to fair value its financial instruments at fair value, categorised by the following fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Additional costs
Additional costs are added to the carrying value only if it is likely that the future economic benefits associated with the asset will accrue to the Company and when the acquisition cost can be calculated reliably. All other additional costs are recognised as expenses in the period in which they arise. The decisive factor in an assessment of when an additional cost should be added to the carrying value is whether the cost refers to the replacement of an identified component, or part thereof, in which case the cost is capitalised. In cases in which a new component is created, the cost is also added to the carrying value. Repair costs are carried as an expense as such costs arise.

Impairment
The carrying values of the Group's assets, excluding financial assets and investment properties reported at fair value with changes in value reported in the Statement of Comprehensive Income, are tested each Statement of Financial position date for indications of impairment. IAS 36 is applied for impairment testing of assets other than financial instruments, assets held for sale and disposal groups reported according to IFRS 5, investment properties, and deferred tax assets. If there is any indication of impairment, the asset's recoverable amount is assessed in accordance with IAS 36 as the highest of value in use and net realisable value. The values of the assets exempted above are tested in accordance with the respective standard.

If there is an indication that the carrying amount of an asset recognised in the Group is too high, an analysis is performed in which the recoverable amounts of individual or naturally connected types of assets are established as the higher of net realisable value and value in use. The value in use is measured as the expected future discounted cash flow. Impairment comprises the difference between the carrying amount and the recoverable amount. A write-down is reversed if there is a change in the conditions used to determine the recoverable amount. The amount of a reversal may increase the carrying only up to the carrying amount that would have been recognised had the initial write-down not taken place, taking into consideration depreciation.

Equity
Asset management
The Company's investment target is to realise a long-term value increase in value of capital through the expected value growth in the investment area. Capital is defined as equity and amounts to EUR 41.8m (41.8m).

The Company's criteria for investing in portfolio companies include a target for the internal rate of return of at least 15 %. The manager will work actively with the investment to increase its value and to continuously assess possible exit alternatives during the holding period.

Provisions

A provision is recognised in the Statement of Financial position when the Group has an existing legal or constructive obligation as a result of past events, when it is likely that an outflow of resources will be required to settle the obligation and when the amount can be estimated reliably. When the point in time at which payment is to take place has a material effect, the amount of the provision is calculated via discounting of the expected future cash flow to an interest rate before taxes which reflects the relevant market assessments of the effect of the time value of money and, if applicable, the risks associated with the liability.

A provision for restructuring is reported when the Group has established an explicit, formal restructuring plan and restructuring has either begun or been publicly announced. No provision is established for future operating expenses.

Costs for environmental efforts associated with previous operations and which do not contribute to current or future income are carried as an expense as they arise.

Income taxes

Income tax comprises current and deferred tax. Income tax is reported in the Statement of Comprehensive Income, except when the underlying transaction, such as a Group contribution, is reported directly against equity. In such cases, associated tax effects are reported in equity. Current tax is tax to be paid on received during the current year, using the tax rates that have been enacted or substantively enacted by the statement of financial position date, and adjustments of current tax attributable to previous periods. Deferred tax is calculated according to the Statement of Financial position method on all temporary differences between the reported and tax values of assets and liabilities, applying the tax rates which have been determined or which have been announced as per the Statement of Financial position date. Temporary differences are not considered in goodwill arising on consolidation or in differences attributable to subsidiaries and associated companies which are not expected to be taxed within the foreseeable future. In legal entities, untaxed reserves are reported, including deferred income tax liabilities.

Deferred tax assets attributable to deductible temporary differences and loss carry forwards are recognised only to the extent it is likely that they will be utilised and will result in lower tax payments in the future. The value of deferred tax assets is reduced when it is no longer considered likely that they can be utilised. Deferred tax assets and deferred tax liabilities in the same country are reported net.

Earnings per share

Earnings per share are calculated for both ordinary and preferential shares, as both types of shares are entitled to dividends from reported profits. The pro rata right to the earnings serves as a basis for the allocation of the profit for the year to the two types of shares. The result allocated to each type of share is divided by the number of shares of the respective type.

Contingent liabilities

A contingent liability is recognised when there is a possible obligation relating to past events and which existence is confirmed by one or more uncertain future events, or when there is an obligation that is not recognised as a liability or provision as it is not probable that an outflow of resources will be required.

Leasing

The Company as a lessor

All completed investment properties are let under operational lease agreements and generate rental income. Rental income in property management is recognised in the period to which the rent relates.

The Company as a lessee

Leasing agreements are classified in the consolidated accounts as either financial or operational lease agreements. Leasing agreements in which, in all material respects, all risks and benefits associated with ownership are retained by the lessor are classified as operational lease agreements. All other leasing agreements are classified as financial lease agreements. All of the Group's lease agreements are classified as operational lease agreements. In operational leasing, lease charges from use are recognised as a cost, which may differ from the amounts paid de facto as leasing fees during the year.

Cash Flow Statement

The cash flow statement has been prepared in accordance with the indirect method. This implies that the net profit/loss is adjusted for transactions which have not resulted in payments during the period, and for any income or expenses attributable to cash flow from investing or financing activities.

PARENT COMPANY'S ACCOUNTING PRINCIPLES

The Parent Company applies the same accounting principles as the Group, unless otherwise specified below. The variances arising between the Parent Company's and the Group's principles result from limitations in the possibility of applying IFRS in the Parent Company as a result of the Swedish Annual Accounts Act (SFS 1995:1554) and the Income Tax Act.

The Parent Company has prepared its annual report in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2, Accounting for Legal Entities, as well as the pronouncements of the Swedish Financial Reporting Board for listed companies. Application of RFR 2 stipulates that, in its preparation of the annual report for the legal entity, the Company apply all of the IFRS and interpretive statement approved by the European Union to the extent possible within the framework of the Swedish Annual Accounts Act and with consideration for the relationship between reporting and taxation. The recommendation states which exceptions from and additions to IFRS which must be undertaken.

Swedish tax legislation allows companies to postpone tax payments by carrying out provisions to untaxed reserves in the Statement of Financial position via the Statement of Comprehensive Income item "Appropriations". In the consolidated Statement of Financial position, these provisions are treated as temporary differences, that is to say allocated between consolidated Statement of Comprehensive Income and equity. Changes in untaxed reserves are reported in the consolidated Statement of Comprehensive Income, allocated between deferred tax and profit/loss for the year.

The Swedish tax code permit Group contributions to be rendered and received by Swedish corporations, subject to special restrictions, with the contribution becoming taxable for the recipient and tax deductible for the rendering entity. Group contributions are reported according to their economic significance. This entails that Group contributions rendered and received in order to minimise the Group's total tax are reported directly against retained earnings, less the current tax effect of the transaction.

Critical accounting estimations and assessments

Investment property

Investment properties are recognised in accordance with the fair value method, which entails that the properties are recognised in the Statement of Financial position at estimated fair value and that changes in value are recognised in the Statement of Comprehensive Income. In assessing the fair value of investment properties, there is always a certain degree of uncertainty. The value is affected by many different factors, such as estimated rent levels, occupancy rates, the level of expected operating and maintenance payments, and the yield requirement prevailing in the markets for various types of properties in different locations at the time of valuation. Furthermore, changes in the business environment can result in a need to reassess assumptions made during the valuation.

Valuation is based on a 5-year cash flow model in which net earning capacity is discounted to a current value. The model is founded on annual cash flow, based on existing income and expenses, adjusted for expected changes in rent levels, occupancy rates and property costs. The total estimated fair value is subsequently calculated via a discounted cash flow over a 5-year period. This value also includes a discounted cash flow from a potential sale during the 6th year and exercising of any rights associated with the properties.

All relevant variables are assessed based on market events, such as transactions and changes in rent levels.

Deferred tax assets

Deferred tax assets attributable to tax loss carry-forward are recognised only to the extent it is likely that such assets can be utilised to reduce tax payments in the future. It is management's assessment that the Group, within the foreseeable future, will generate a fiscal surplus that will exceed the existing tax loss carry-forward. For this reason, deferred tax assets have been recognised in the full amount in the Statement of Financial position for both the Company and the Group.

Taxation of foreign subsidiaries

The Group's operations in Estonia have generated a surplus for which no tax effects have been provided in the Statement of Financial position. In accordance with the Income Tax Act in Estonia, it is the dividend and not the profit that is the triggering factor for income tax. Income taxes on payment of dividends are recognised as a cost in the Statement of Comprehensive Income when the decision regarding dividends is taken. It is not certain that profits in the Estonian subsidiaries will be distributed to the Company in the form of dividends, and management therefore deem grounds for a provision to be lacking.

Note 2 Revenue

EUR thousands	Group	2016/2017	2015/2016
Rental income		9,352	9,725
Parking income		69	66
Other income		119	131
Total income		**9,540**	**9,922**

EUR thousands	Parent Company	Note	2016/2017	2015/2016
Service fees		25	442	450
Total income			**442**	**450**

All properties have generated rental income during the year.

Note 3 Direct expenses

EUR thousands	Group	2016/2017	2015/2016
Maintenance expenses		-1,353	-1,405
Insurance		-43	-44
Property tax		-227	-241
Depreciation cost		-4	-3
Other		-206	-155
Total direct expenses		**-1,833**	**-1,848**

Note 4 Administrative expenses

EUR thousands	Group	Note	2016/2017	2015/2016
Management fees			-767	-1,061
Consulting fees			-224	-193
Audit fees		5	-60	-99
Personnel expenses			-59	-58
Non recoverable VAT expenses			-132	-163
Other expenses			-234	-354
Total administrative expenses			**-1,476**	**-1,928**

EUR thousands	Parent Company	Note	2016/2017	2015/2016
Management fees		25	-767	-1,061
Consulting fees			-123	-14
Audit fees		5	-12	-47
Non recoverable VAT expenses			-132	-163
Other expenses			-2	-2
Total administrative expenses			**-1,036**	**-1,287**

Note 5 Remuneration to auditors

EUR thousands	Group	2016/2017	2015/2016
KPMG audit services		-60	-97
Ernst & Young other services		-	-2
Total		**-60**	**-99**

EUR thousands	Parent Company	2016/2017	2015/2016
KPMG audit services		-12	-47
Total		**-12**	**-47**

Note 6 Other interest income and similar profit/loss items

EUR thousands	Group	2016/2017	2015/2016
Interest income		1	1
Net exchange rate differences		2	-
Fair value adjustment of interest swap		277	457
Total		**280**	**458**

EUR thousands	Parent Company	2016/2017	2015/2016
Net exchange rate differences		3	-
Total		**3**	**-**

Interest income mainly relates to cash and cash equivalents.

Note 7 Other interest expense and similar profit/loss items

EUR thousands	Group	2016/2017	2015/2016
Interest expense		-1,308	-1,198
Net exchange rate differences		-3	-3
Fair value adjustment of interest swap		-	-501
Total		**-1,311**	**-1,702**

EUR thousands	Parent Company	2016/20117	2015/2016
Net exchange rate differences		-4	-3
Total		**-4**	**-3**

Interest expenses relate mainly to financial liabilities valued at amortised cost.

Note 8 Income tax

EUR thousands	Group	2016/2017	2015/2016
Income tax reported in the Statement of Comprehensive Income			
Current tax		-	-
Deferred tax (Note 15)		-89	-63
Total		**-89**	**-63**
Reconciliation of effective tax			
Profit/loss before tax		5,189	6,467
Tax according to current tax rate for Parent Company	22%	-1,142	-1,423
Difference in tax rate in foreign operations:			
Estonia	0%	957	1,239
Latvia	15%	44	57
Lithuania	15%	20	15
Non-deductible expenses:			
Latvia	15%	-5	-5
Lithuania	15%	-30	-16
Non taxable income			
Latvia	15%	95	142
Lithuania	15%	84	138
Increase/decrease of deficit deduction without the corresponding activation of deferred tax:			
Latvia	15%	-2	-2
Lithuania	15%	-93	-159
Sweden	22%	-17	-49
Total income tax		**-89**	**-63**

The weighted average tax rate was -17% (2015/2016: 17%)

EUR thousands	Parent Company	2016/2017	2015/2016
Current tax	22%	-	-
Total		**-**	**-**
Reconciliation of effective tax			
Profit/loss before tax		-581	-1,047
Tax according to current tax rate for Parent Company	22%	128	230
Non-deductible expenses:			
Write-down on participations in group companies	22%	-111	-176
Other non-deductible expenses	22%	-	-6
Increase of deficit deduction without the corresponding activation of deferred tax	22%	-17	-48
Total income tax		**-**	**-**

The weighted average tax rate was -0% (2015/2016: 0%).

At 30 June 2017, the total unused tax losses amounted to EUR 0.43m (30 June 2016: EUR 0.41m), deferred tax assets have not been recognised.

Estonia – taxation of subsidiaries

According to income tax regulations in Estonia, companies are not liable to pay taxes for profits provided that the profits remain in the company. However, in the event that dividends are distributed, the company is liable for taxes on the distributed amount (from 1 January 2015, the tax rate on dividends is 20/80 (until 31 December 2014, the tax rate on dividends was 21/79), reduced by dividends from the companies in which the participating interest exceeds 15%). As income tax is based on dividends and not on profits, deferred tax assets and liabilities on temporary differences referring to the company's income disappear.

A company's potential income tax liabilities relative to the distribution of its retained earnings are not taken into account in the Statement of Financial position. The amount of the potential income tax liability is reported in the Note on deferred income tax.

Income tax on distribution of dividends is taken up as an expense in the Statement of Comprehensive Income when the decision to pay out dividends is taken.

Latvia and Lithuania – taxation of subsidiaries
According to the respective countries' income tax regulations, the profit of the company, adjusted for temporary and permanent differences according to national regulations, forms the basis for income tax in Latvia and Lithuania. The tax rate in Latvia and Lithuania has been 15% during both 2016/2017 and in the previous year.

Note 9 Earnings per share

EUR Group	2016/2017	2015/2016
Before and after dilution – Ordinary Shares		
Profit attributable to the Parent Company's ordinary shareholders (amount in EUR)	0	0
Weighted average number of outstanding ordinary shares	11,000	11,000
Earnings per ordinary share before and after dilution (amount in EUR)	**0.00**	**0.00**
Before and after dilution – Preferential Shares series A		
Profit attributable to the Parent Company's preferential shareholders (amount in EUR)	5,100,340	6,403,742
Weighted average number of outstanding ordinary shares	5,510	5,510
Earnings per preferential share series A before and after dilution (amount in EUR)	**925.65**	**1 162.20**

Each type of share in the company carries entitlement to dividends in accordance with the following:
Firstly, the series A preferential shares entitle allocation of all dividends in an amount pro rata to the shareholder's contributions provided for investment purposes, until these contributions have been repaid. Secondly, the series A preferential shares entitle allocation of all dividends until these shareholders have received an amount corresponding to a 10% annual interest (compounded) on the shareholder's contributions referred to in the previous sentence. Thirdly, the ordinary shares entitle dividends corresponding to 60% of remaining distributable earnings and series A preference shares entitle dividends corresponding to 40% of remaining distributable earnings, up to a maximum allocation corresponding to a distribution of 20% to the ordinary shares and 80% to the series A preferential shares, in addition to the repayment of the shareholders' contributions referred to in the first sentence. Lastly, in respect of any remaining distributable earnings after the first three allocations, 20% is to be distributed to the ordinary shares and 80% to the series A preferential shares. The Group's accumulated profit/loss at the end of the accounting period is currently on a level at which all of the income is attributable to the preferential shares.

Complete terms for the distribution are set out in the Company's articles of association.

Note 10 Equipment

EUR thousands Group	2016/2017	2015/2016
Acquisition cost		
Opening balance	**102**	**98**
Acquisitions	10	4
Accumulated acquisition cost	**112**	**102**
Depreciation and write-downs		
Opening balance	**-91**	**-88**
Depreciation for the year	-4	-3
Accumulated depreciation and write-downs	**-95**	**-91**
Closing carrying value	**17**	**11**

Note 11 Investment properties

Reconciliation of carrying amount:

EUR thousands Group	
Opening balance, 1 July 2015	**109,900**
Additional investments	-6,410
Changes in value	1,450
Closing balance, 30 June 2016	**104,940**
Opening balance, 1 July 2016	**104,940**
Disposals	220
Changes in value	-11
Closing balance, 30 June 2017	**105,149**

The fair value measurement for investment property of EUR 105.1m (2015/2016: 104.9m) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The table above "Reconciliation of carrying amount" shows also a reconciliation from the opening balances to the closing balances for Level 3 fair values.

EUR thousands	Group	2016/2017	2015/2016
Changes in value of investment properties			
Unrealised value changes		-11	1,450
Total changes in value		**-11**	**1,450**

During the financial year 2016/2017 and 2015/2016, a revaluation to a higher or a lower value has been made of all of the Group's investment properties.

The Company has no additional commitments regarding the investment properties.

Valuation of the investment properties has been made by the Company's property manager, East Capital Baltics AS, in accordance with the "European Private Equity & Venture Capital Association's Guidelines." The valuation has been conducted monthly, or at the request of the Company's Board of Directors. The most recent external valuation of the property portfolio was carried out in May 2017 by Colliers International. The fair value of investment properties is prepared using Income Approach (Discounted Cash Flow method), considering a five-year cash flow prognosis and the following assumptions: rent growth, vacancy rate, inflation rate, discount rate and exit yield.

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Significant unobservable inputs by country, 30 Jun 2017	Estonia	Latvia	Lithuania
Average rental income EUR/sq.m/month; year 1	7.0	8.3	6.4
Operating expenses	0.4	0.8	0.8
Average long-term income growth	2.3%	1.7%	2.5%
Average long-term vacancy rate	3.8%	4.8%	2.8%
Inflation rate	0.1%-3.1%	2.0%-3.0%	2.2%-2.8%
Capital structure			
equity	40%	35%	35%
loan	60%	65%	65%
Return on equity	18.0%	17.0%-19.0%	17.0%-18.0%
Interest rate	2.5%-3.0%	3.5%	3.0%
Average initial yield	7.6%	5.7%	7.4%
Average exit yield	8.2%	7.3%	8.1%

For sensitivity analysis, see Note 24.

Note 12 Other non-current receivables

EUR thousands	Parent Company	Note	30 Jun 2017	30 Jun 2016
Receivables from Group companies				
Interest-bearing loans				
Opening balance			**-**	**13,599**
Conversion to shareholders contributions			-480	-800
Loan repayments			-	-515
Reclassification to (-)/from (+) short-term loans		14	8,132	-12,284
Closing balance		25	**7,652**	**-**

Note 13 Subsidiaries

EUR thousands	Parent Company	30 Jun 2017	30 Jun 2016
Opening carrying value		**5,927**	**5,927**
Shareholders contributions		506	826
Merge of subsidiaries		-5	-
Write down shares		-506	-826
Closing carrying value		**5,922**	**5,927**

East Capital Baltic Property Fund AB has the following subsidiaries:

	Number of shares	Ownership share	Book value 30 Jun 2017	Book value 30 Jun 2016
EPF Neli OÜ, Corp. Identity No. 11240865, Tallinn, Estonia	1	100%	5,915	5,920
Tanassilma OÜ, Corp. Identity No. 11219954, Tallinn, Estonia	1	100%		
AS Norbert, Corp. Identity No. 10639832, Tallinn, Estonia	570,000	100%		
Tammsaare Ärimaja OÜ, Corp. Identity No. 11330077, Tallinn, Estonia	1	100%		
Kerese Keskuse OÜ, Corp. Identity No. 11346090, Tallinn, Estonia	1	100%		
Jõhvi Tsentraal OÜ, Corp. Identity No. 11365130, Tallinn, Estonia	1	100%		
JEWE Keskuse OÜ, Corp. Identity No. 11365199, Tallinn, Estonia	1	100%		
EPF Portus OÜ, Corp. Identity No. 11366112, Tallinn, Estonia	1	100%		
EPF Metal OÜ, Corp. Identity No. 11399264, Tallinn, Estonia	1	100%		
EPF Papiniidu OÜ, Corp. Identity No. 11404388, Tallinn, Estonia	1	100%		
ABPF Zemitana (Lat) AB, Corp. Identity No. 556691-4049, Stockholm, Sweden	1,000	100%	-	-
SIA EPF Latone, Corp. Identity No. 40003816265, Riga, Latvia	2,845	100%		
SIA Zemitana Centrs, Corp. Identity No. 44103022784, Riga, Latvia	9,147	100%		
ABPF Lithuainia AB, Corp. Identity No. 556693-7222, Stockholm, Sweden	1,000	100%	-	-
EPF Litone UAB, Corp. Identity No 300582233, Vilnius, Lithuania	100	100%		
Baldu Pasažas UAB, Corp. Identity No. 142183274, Klaipeda, Lithuania	1,000	100%		
Laracija UAB, Corp. Identity No. 163362686, Klaipeda, Lithuania	46,000	100%		
EPF Lit-two UAB, Corp.Identity No. 301114718, Vilnius, Lithuania	120,100	100%		
ABPF Jeruzalemes (Lat) AB, Corp. Identity No. 556702-2370, Stockholm, Sweden	1,000	100%	7	7
Jeruzalemes Centrs SIA, Corp. Identity No. 40003871977, Riga, Latvia	5,265,764	100%		
ABPF Duntes (Lat) AB, Corp. Identity No. 556693-6349, Stockholm, Sweden	1,000	100%	-	-
Duntes Nami SIA, Corp. Identity No. 40003669097, Riga, Latvia	6,087,845	100%		
Total			**5,922**	**5,927**

During the year EPF Neli OÜ signed a merger agreement with group companies Nurmenuku Kaubanduskeskuse OÜ and EPF TopSpa OÜ with the merge balance sheet date on 1 July 2016, merge was registered on 15th of August 2016.

During 2015/2016 EPF Neli OÜ signed a merger agreement with group companies (ABPF Nurmenuku (Est) AB, ABPF Pirita Top Spa (Est) AB, ABPF Go Spa (Est) AB, ABPF Tammsaare (Est) AB, ABPF Kerese Keskus (Est) AB, ABPF Jõhvitsent (Est) AB, ABPF Jewecent (Est) AB, ABPF Portus (Est) AB, ABPF Favorind (Est) AB, ABPF Papiniidu (Est) AB and ABPF Tänassilma (Est) AB) with the merger balance sheet date on 1 July 2015. On 15th of August 2016 the cross-border merge was entered into the Estonian Commercial Register.

During 2015/ 2016 East Capital Baltic Property Fund AB contributed an irrevocable and unconditional shareholders contribution to the ABPF Tänassilma (Est) AB by contributing all shares in the wholly-owned subsidiaries above and ABPF Tänassilma (Est) AB transferred same shares to its subsidiary EPF Neli OÜ to increase the share capital by non-monetary contribution.

Note 14 Other current receivables

EUR thousands	Group	30 Jun 2017	30 Jun 2016
VAT		-	13
Other receivables		496	110
Total		**496**	**123**

EUR thousands	Parent Company	Note	30 Jun 2017	30 Jun 2016
Receivables from Group companies				
Interest-bearing loans		12	-	12 284
Accrued receivables			3,730	5,617
Accounts receivable - service fee			890	949
Total			**4,620**	**18,850**

Interest on long-term interest-bearing loans has been 3% (3%).

Note 15 Deferred income tax

Deferred tax assets and liabilities are offset when there is a legal right to offset for current income tax assets and liabilities and when deferred taxes refer to the same tax authority.

EUR thousands	Reported deferred tax receivables and liabilities, Group	Deferred tax receivables		Deferred tax liability		Net	
		2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
Investment properties		-	-	-1,805	-1,747	-1,805	-1,747
Loss carry forward		910	940	-	-	910	940
Tax receivables/ liabilities		**910**	**940**	**-1,805**	**-1,747**	**-895**	**-807**
Setoff		910	940	910	940	-	-
Tax receivables/ liabilities, net		**-**	**-**	**-895**	**-807**	**-895**	**-807**

EUR thousands	Change of deferred tax in temporary differences and deficit deduction, Group	Balance, 1 July 2016	Reported in Statement of Comprehensive Income	Balance, 30 June 2017
Group				
Investment properties		-1,747	-58	-1,805
Change of loss carry-forward		940	-30	910
Total		**-807**	**-88**	**-895**

Deferred tax assets are reported as fiscal tax loss carry-forward to the extent that it is probable that they can be utilised by future taxable profits.

Potential unrealised tax effects on profits in the Estonian subsidiaries amount to a maximum total of EUR 5.3m (2015/2016: EUR 4.6m).

Deferred tax liabilities relate to temporary differences between tax value and fair value on investment properties.

Note 16 Share capital

EUR thousands	Parent Company	30 Jun 2017	30 Jun 2016
Ordinary shares with a nominal value of EUR 1 per share		11	11
Preferential shares with a nominal value of EUR 1 per share		6	6
Share capital		**17**	**17**

There are a total of 11,000 (11,000 shares) ordinary shares with a nominal value of EUR 1 per share (EUR 1). There are also 5,510 preferential shares (5,510 shares) with a nominal value of EUR 1 per share (EUR 1). The maximum number of shares in accordance with the articles of association is 44,000 (44,000 shares).

Asset management

According to the Board's policy, the Company's financial goal is to have a good capital structure with financial stability and thereby maintain the confidence of investors, lenders and the market, at the same time as this forms a basis for the on-going development of the operations. Capital is defined as equity. A financial goal for the Company is to give the investors a yearly dividend yield of 4-6%.

Annual return on equity of at least 15% has been set up as a target for the Company. The result for the financial year resulted in a negative return on equity of -3,2 % (2015/2016: -4.4%).

Neither the Company nor any of the subsidiaries are under external capital requirements.

Note 17 Interest-bearing liabilities

EUR thousands	Group	30 Jun 2017	30 Jun 2016
Maturity date 1-5 years from Statement of Financial position date		-	39,140
Maturity date within one year from Statement of Financial position date		68,365	31,830
Total		**68,365**	**70,970**

During the financial year, the weighted average interest rates of the Group's bank loans were 1.5% (1.6%). Additional information on loan security and interest rates is presented in Notes 21 and 24, respectively.

All loans are denominated in EUR.

Most of the companies have covenants to follow as regards loan obligations. These consist of various ratios including: Loan To Value (interest-bearing debt/property value), Equity ratio (equity/total assets), Debt Service Coverage Ratio (operating profit/interest expenses + amortisations on interest-bearing debt), Interest Coverage Ratio (operating profit/interest expense on interest-bearing debt) and Total Debt/EBITDA (interest-bearing debt/operating profit).

The bank loans of six properties were covered with an automatic extension option by twelve months from their maturities in June 2017, once a relevant decision on the extension of the Fund has been submitted. Two of these loan were prolonged at the same terms and conditions and new conditions were agreed for one loan agreement in connection with change in tenancy situation. For the rest three properties, a five-year extension until July 2022, in line with the Fund's term was agreed with the bank. The relevant loan agreement amendment was signed shortly after financial year end.

Note 18 Derivatives

EUR thousands Group	30 Jun 2017	30 Jun 2016
Liabilities held at fair value through profit and loss:		
Interest rate swap - non-current liability	-	-
Interest rate swap - current liability	-	277
Total	**-**	**277**
Opening balance	**277**	**734**
Fair value adjustment in the financial year	-277	-457
Closing balance	**-**	**277**

Derivative instruments are recognised in the group of financial assets and financial liabilities "at fair value through profit and loss". Interest swap agreement held as at 30 June 2016 to hedge 49% of the interest rate risk from one loan agreement with floating interest rate, are fixed at 5.45% and had a negative value of as of 30 June 2016 EUR 0.3m. The derivatives matured during the financial year 2016/2017 .

The fair values of the interest rate swaps have been calculated by banks and valuation of these liabilities are classified as Level 2 in the fair value hierarchy.

Note 19 Accrued expenses and deferred income

EUR thousands Group	30 Jun 2017	30 Jun 2016
Accrued administration fees	4	4
Accrued auditing expenses	67	91
Accrued interest expense	31	70
Other accrued expenses	223	221
Total	**325**	**386**

Note 20 Operational leasing

Operational leasing: as the lessee:
The Group has no leasing agreements in which it stand as lessee.

Operational leasing: as the lessor non terminable agreements
Future minimum leasing fees attributable to non-terminable operational lease agreements are distributed as follows:

EUR thousands Group	30 Jun 2017	30 Jun 2016
Within 1 year	1,862	2,576
Between 1 and 5 years	6,022	6,217
More than 5 years	4,930	5,911
Total	**12,814**	**14,704**

The operational leasing agreements refer to the rental agreements related to the Group's investment properties. The agreements are classified as non-terminable since both parties are entered into the agreement with the purpose to fulfill it. The agreements have to a limited extent been canceled prematurely.

Operational leasing: as the lessor terminable agreements
Future minimum leasing fees attributable to terminable operational lease agreements are distributed as follows:

EUR thousands	Group	30 Jun 2017	30 Jun 2016
Within 1 year		5,037	5,046
Between 1 and 5 years		8,729	8,279
More than 5 years		4,475	5,512
Total		**18,241**	**18,837**

Some of rental agreements have been signed with tenants with a fixed period of 1-3 years. Even if the rental agreement is signed for a longer time period, the agreements can be terminated with only three month notice. The information above includes rental income up until the end of the rental agreement, as both parties have entered the agreement with the purpose to fulfill it. However as an uncertainty exist, the operational leasing from the terminable rental agreements are presented separately.

Note 21 Pledged assets

EUR thousands	Group	30 Jun 2017	30 Jun 2016
Investment properties		123,983	120,757
Financial pledge		15	15
Other		338	378
Total		**124,336**	**121,150**

The investment properties have been pledged as security for bank loans. These pledges are measured based on the fair value in Lithuania and based on the value fixed at the contracts in Estonia and Latvia.

Note 22 Contingent liabilities

No provision has been made in the consolidated accounts for income tax on profits in the Estonian subsidiaries, which, for future dividends, may trigger a tax expense. For more information on future tax exposure, please see Note 8 and 15.

The loan agreement covering seven of the properties in the portfolio remains in force. The maturities of these loans is June 2018 (should the life term of the Company be extended until such date). The Company guarantees interest payments for one of the properties up to a maximum amount of EUR 300,000 during this period. The remaining six properties (each property a "Borrower") have an obligation to service principal amortizations, interest ayments (excluding the last principal payment) of the other Borrowers, if needed. The seven properties have also received a grace period for fulfillment of individual financial covenants during the period.

Note 23 Financial assets and liabilities at fair value

EUR thousands	Group 2016/2017	Loans and receivables	Other financial liabilities	Total book value
Accounts receivables		595		595
Other receivables		496		496
Cash and cash equivalents		5,987		5,987
Total		**7,078**		**7,078**
Other non-current liabilities			478	478
Current interest-bearing liabilities			68,365	68,365
Accounts payables – trade			200	200
Other liabilities			41	41
Total			**69,084**	**69,084**

EUR thousands	Group 2015/2016	Loans and receivables	Other financial liabilities	Total book value
Accounts receivables		644		644
Other receivables		123		123
Cash and cash equivalents		9,891		9,891
Total		**10,658**		**10,658**
Non-current interest-bearing liabilities			39,140	39,140
Other non-current liabilities			266	266
Current interest-bearing liabilities			31,830	31,830
Derivatives			277	277
Accounts payables – trade			1,022	1,022
Other liabilities			56	56
Total			**72,591**	**72,591**

EUR thousands	Parent Company 2016/2017	Loans and receivables	Other financial liabilities	Total book value
Non-current receivables		7,652		7,652
Other receivables		4,620		4,620
Cash and cash equivalent		149		149
Total		**12,421**		**12,421**
Current interest-bearing liabilities			29	29
Total			**29**	**29**

EUR thousands	Parent Company 2015/2016	Loans and receivables	Other financial liabilities	Total book value
Other receivables		18,945		18,945
Cash and cash equivalent		155		155
Total		**19,100**		**19,100**
Current interest-bearing liabilities			79	79
Accounts payables – trade			859	859
Total			**938**	**938**

The carrying amount is a reasonable estimate of fair value. Interest rates for the loans at the balance sheet date meet the conditions of loan contracts. Other financial assets and liabilities amount to insignificant values and are also largely short-term.

Here follows a summary of the main methods and assumptions used for determining the fair value of the financial instruments listed in the tables above:

Based on the accounting and reporting principles applied, the carrying amounts of financial assets and financial liabilities do not significantly differ from their fair values.

The fair values of Parent Company´s assets with a fixed interest rate are not significantly different from their carrying amounts because the fixed interest rate does not differ significantly from current market interest rates.
The fair value of accounts receivables and accounts payables with remaining terms of less than 12 month is considered to be equivalent to book value. Accounts receivables and accounts payables with remaining terms exceeding 12 months are discounted in connection with the determination of fair value.

Note 24 Financial risk management

As a net borrower, the Company is exposed to financial risk, mainly liquidity risks, interest rate risks, currency risks, credit risks and price risks. The financial policy is determined by the Board. The operative responsibility for the Group's borrowing, cash management and financial risk exposure lies with the management company East Capital Baltic AS, a wholly owned subsidiary of East Capital Holding AB. The financial policy is reviewed by way of reporting to the Board on a regular basis.

Liquidity risks
Liquidity risks are managed on the basis of a five-year strategy, adjusted approximately every six months in accordance with the Group's investment plan. The short-term management of liquidity risk is based on the Group's budget and is adjusted after each acquisition or disposal of an investment object. In order to decrease liquidity risk, the maturity dates for most loans taken to finance property transactions correspond with the expected disposal dates for the respective properties.
For payment term analysis for remaining contract periods of financial liabilities, see Note 17.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

EUR thousands	Carrying amount	Contractual cash flows				
		Total	2 months or less	2-12 months	1-2 years	2-5 years
Non-derivative financial liabilities						
Bank loans incl estimated interest	69,298	-69,298	-16,972	-52,326	-	-
Trade payables	200	-200	-200	-	-	-
Total	**69,498**	**-69,498**	**-17,172**	**-52,326**	**-**	**-**

Market risk
Interest rate risks
Interest rate risk refers to the risk for changes in interest rates and the effect of this on the Group's borrowing costs.
The Group's long-term loans are primarily linked to EURIBOR and are therefore affected by fluctuations in the international financial market. The Group continually evaluates the potential risk for losses due to fluctuations in market interest rate levels with regard to the cost of hedging strategies. Sensitivity analysis for changes in interest rates:

Sensitivity analysis EUR thousands	Change in P/L			
	Estonia	Latvia	Lithuania	Total
Interest expenses as interest rate is changed, +/-1%	-/+422	-/+165	-/+96	-/+683

Currency risk
The majority of the Fund contracts are related to Euro (EUR). Consequently, the Group has no significant liabilities or receivables in any other currency than Euro (EUR). All longterm loan agreements have been drafted in Euro (EUR).

Taken the above into consideration, the Group's currency risk is low as Estonia, Latvia and Lithuania use the Euro.

The remaining exposure for other exchange rates than the EUR is limited and the sensitivity to fluctuations in currency rates is marginal.

Real Estate market risk

Sensitivity analysis property value EUR thousands	Change in P/L			
	Estonia	Latvia	Lithuania	Total
+/-1%	+/-794	+/-135	+/-123	+/-1,052

Sensitivity on exit yield EUR thousands				
-100bps	7,510	1,403	1 220	10,133
+100bps	-5,860	-1 086	-950	-7,896

Sensitivity on discount rate EUR thousands				
-100bps	3,260	565	510	4,335
+100bps	-3,050	-535	-490	-4,075

Political risk

The severe deterioration of the relationship between Russia and Ukraine in 2016 due to the annexation of the Crimea peninsula and the civil war in Eastern Ukraine, has increased the geopolitical tensions in the whole region, including the Baltic States, as well as resulted in trade sanctions imposed by both EU, the US and Russia, affecting the Baltic economies negatively. Continued geopolitical tension could lead to further sanctions and an increase of political and national security risks in the Countries. These geopolitical risk concerns following the Ukraine crisis can also affect international investors' interest in the Baltic markets.

Credit risks
Credit risk refers to the risk of loss if the counterparty is not able to fulfill is obligations.
The Group does not have any significant concentration of credit risks. To manage credit risk, the Group companies regularly check clients' historical credit ratings, which enable the necessary measures to be taken in time.
As the Group utilises credit institutions to finance a large number of property transactions, credit risk management is also conducted in cooperation with banks. The maximum exposure to credit risks is the reported value of the financial assets in the Statement of Financial position. Subsequently, the Group deems that the maximum exposure is reflected in the amount of Accounts receivable - trade, reduced by provision for bad debts, and long-term receivables that have been capitalised in the Statement of Financial position. According to the Company's policy, reservations are made for accounts receivable, unless under payment plan, more than 90 days overdue at a rate of 50%, and for receivables more than 180 days overdue at a rate of 100%.

Ageing of debts: EUR thousands	Estonia	Latvia	Lithuania	Total	Share in %
Not expired	262	24	81	367	61%
Expired by 1-30 days	61	36	25	122	21%
Expired by 31-60 days	32	26	12	70	12%
Expired by 61-180 days	11	16	10	37	6%
Expired by 181 days or more	11	11	57	79	13%
Provision for bad debt	-9	-11	-60	-80	-13%
Total accounts receivables	**368**	**102**	**125**	**595**	**100%**

Note 25 Transactions with related parties

The Company has, in addition to the close relationships specified for the Group, a controlling influence over its subsidiaries, see Note 13. Furthermore, all companies related to East Capital are considered to be related parties.
Transactions within the Group are all based on businesslike conditions.
The Company's receivables contain loan receivables from the Swedish subsidiaries of EUR 7.7m (2015/2016: 12.3m) with final maturity date on 30 June 2022. Agreed interest rate was 3% (2015/2016: 3%) for the financial year. Accrued interest for the loans is EUR 2.0m (2015/2016: 3.7m). Remaining current receivable is EUR 2.6m (2015/2016: 2.9m).

EUR thousands	Group	Sales of services to related parties	Purchase of services from related parties	Liabilities with related parties per 30 Jun 2017	Liabilities with related parties per 30 Jun 2016
East Capital Baltics AS		16	834	9	862
Total		**16**	**834**	**9**	**862**

EUR thousands	Parent Company	Interest income	Sales of services to related parties	Purchase of services from related parties	Liabilities with related parties per 30 Jun 2017	Liabilities with related parties per 30 Jun 2016
East Capital Baltics AS		-	-	767	-	853
Subsidiary/Group company		284	442	-	29	79
Total		**284**	**442**	**767**	**29**	**932**

The Chairman of the board Albin Rosengren is employed by East Capital (Dubai) Ltd and is a board member of the following affiliated companies: East Capital AB, East Capital Baltic Property Fund AB, (Chairman), East Capital Financials Fund AB, (Chairman), East Capital Financials Investors AB (Publ), (Chairman), East Capital (Dubai) Ltd, East Capital Asset Management S.A. and East Capital Baltics AS, (Chairman).
The board member, Peter Elam Håkansson, is employed by East Capital Asset Management S. A. – Sweden branch, and is board member of the following affiliated companies: Rytu Invest AB, (Chairman); East Capital Holding AB, (Chairman); East Capital Baltic Property Fund AB; East Capital AB, (Chairman); East Capital International AB (Chairman); East Capital Private Equity AB (Chairman); East Capital Asset Management S.A; East Capital SICAV; East Capital (Lux) General Partner S. à r. l. and East Capital Baltics AS.
The board members Biljana Pehrsson and Pami Pihlström are not employed by or hold any board positions in any affiliated companies.

Note 26 Information about the parent company

East Capital Baltics AS, Corporate Identity No. 11085028, domiciled in Tallinn, Estonia, owns 66.63% of the shares. Its complete address is: Tartu mnt 2, 10145, Tallinn, Republic of Estonia.

The shareholders' agreement between the partners in the Company regulates in detail how the Company's distributable earnings shall be allocated between the shareholders. However, despite its voting majority, East Capital Baltics AS has not any power to influence how the subsidiary's distributable earnings are appropriated. According to IAS 27 Consolidated and Separate Financial Statements, a Parent Company loses its controlling influence if it does not have the power to govern a subsidiary's financial and operating policies to obtain benefit from its activities. If a controlling influence is lacking, so is the basis for consolidation with the Parent Company. With reference to IAS 27, the Company, with subsidiaries, will not be consolidated with East Capital Baltics AS.

Year-end appropriations:

EUR thousands	Parent Company	Note	2016/2017	2015/2016
Group contribution:				
received			237	213
given			-1	-1
Total appropriations			**236**	**212**

Note 27 Significant events after the end of the financial year

In July 2017, loan agreement amendments were signed for three of the properties in the Fund, extending the loan repayment date until 30 June 2022, in line with the Fund term. Also, an amortization holiday was agreed for the financial year 2017/18.

Stockholm, 25 October 2017

Albin Rosengren
Chairman of the Board

Biljana Pehrsson
Member of the Board

Peter Elam Håkansson
Member of the Board

Pami Pihlström
Member of the Board

Our audit report was presented 2017
KPMG AB

Mårten Asplund
Authorised Public Accountant