

Company EfTEN Real Estate Fund AS  
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Attachments:

- EREF\_1st quarter\_2024\_ENG.pdf (<http://oam.fi.ee/en/download?id=8352>)
- EREF\_3kuud\_vahearuanne\_2024\_EST.pdf (<http://oam.fi.ee/en/download?id=8353>)

Currency

Title EfTEN Real Estate Fund AS unaudited results for 1st quarter 2024

Signs of stabilization in the Eurozone interest markets and Baltic economies were reflected in the consolidated results of EfTEN Real Estate Fund AS for the first quarter of 2024. The fund's net rental income increased by 0.6% on an annual basis, and the vacancy rate in the real estate portfolio remained low at 2.9%. Interest expenses in the first quarter were higher compared to the same period last year but slightly lower than the fourth quarter of 2023. Construction continued on the elderly home being built next to the Estonian National Museum in Tartu. Completion of the works is scheduled for the upcoming summer, and the new elderly home is set to open to clients in the fall.

The consolidated sales income of EfTEN Real Estate Fund AS for the first quarter of 2024 was 7.961 million euros (2023 I quarter: 7.788 million euros). Sales revenue increased mainly in the retail sector.

The Fund's net rental income (NOI) totalled 7.343 million euros in 2024 I quarter (2023 I quarter: 7.298 million euros). The consolidated net rental income margin was 92% (2023: 94%), so costs directly related to property management (including land tax, insurance, maintenance and improvement costs) and distribution costs were 8% (2023: 6%) of sales income.

The Fund's consolidated net profit was 3.808 million euros in the I quarter of 2024 (2023 I quarter: 4.634 million euros). The decrease in net profit compared to the previous year is due to the increase in EURIBOR.

The volume of the Group's assets as of 31.03.2024 was 384.846 million euros (31.12.2023: 380.944 million euros), including the fair value of investment properties made up 94% of the volume of assets (31.12.2023: the same).

Investment portfolio



As of the end of March 2024, the Group has 35 (31.12.2023: 35) commercial investment properties, the fair value of which on the balance sheet date is 360.327 million euros (31.12.2023: 357.916 million euros) and the acquisition cost was 356.819 million euros (31.12.2023: 354.408 million euros). In addition, the group's joint venture owns the Palace hotel in Tallinn, the fair value of which as of 31.03.2024 was 9.0 million euros (31.12.2023: same).

In the first 3 months of 2024, the Group earned a total of 7.637 million euros in rental income, which is 2% more than at the same time in 2023. As of 31.03.2024 the vacancy of investment properties belonging to the Group per portfolio was 2.9% (31.12.2023: 2.6%). The largest vacancy is in the office buildings segment (12%), where it takes longer than before to fill vacant rental premises.

Financing

The increase in Eurozone interest rates has had a significant impact on the Group's cash flows, bringing the interest coverage ratio (ICR) to a 2,9 instead of 4,2 last year same time.

During the first 3 months of 2024, the fund's subsidiaries EftEN Autokeskus OÜ and EftEN Jurkalne SIA extended their loan agreements. Within the next 12 months, the loan agreement of one of the Group's subsidiaries will expire, the balance of which is 2,240 thousand euros as of 31.03.2024. The LTV of the expiring loan agreement is 33%, and the investment properties a stable, strong rental cash flow, so according to the Group's management, there are no obstacles to extending the loan agreement.

The weighted average interest rate of the Group's loan agreements is 5.9% as of 31.03.2024 (31.12.2023: the same) and the LTV (Loan to Value) is 42% (31.12.2023: the same). All loan agreements of the Fund's subsidiaries are linked to a floating interest rate.

Share information

The net value of the share of EftEN Real Estate Fund AS as of 31.03.2024 was 20.56 euros (31.12.2023: 20.21 euros). The net value of EftEN Real Estate Fund AS shares increased by 1.7% in the first three months of 2024.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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I quarter		
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	2024	2023
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EUR thousands		
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Sales income	7,961	7,788
Cost of services sold	-418	-394
Gross profit	7,543	7,394
Marketing costs	-200	-96
General and administrative expenses	-939	-867
Other operating income and expense	42	10
Operating profit	6,446	6,441
Profit / loss from joint ventures	-50	-9
Interest income	101	6
Other finance income and expense	-2,235	-1,550
Profit before income tax	4,262	4,888
Income tax expense	-454	-254
Net profit for the financial year	3,808	4,634
Total comprehensive income for the period	3,808	4,634
Earnings per share		
- basic	0.35	0.43
- diluted	0.35	0.43

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.03.2024	31.12.2023
EUR thousands		
ASSETS		



Cash and cash equivalents	16,868	14,712
Short-term deposits	3,400	3,400
Receivables and accrued income	1,741	2,360
Prepaid expenses	139	106
Total current assets	22,148	20,578

Long-term receivables	199	214
Shares in joint ventures	2,028	2,078
Investment property	360,327	357,916
Property, plant and equipment	144	158
Total non-current assets	362,698	360,366
TOTAL ASSETS	384,846	380,944

LIABILITIES AND EQUITY		
Borrowings	8,604	16,907
Liabilities and prepayments	2,529	3,417
Total current liabilities	11,133	20,324

Borrowings	139,644	130,849
Other long-term liabilities	1,834	1,790
Deferred income tax liability	9,729	9,283
Total non-current liabilities	151,207	141,922
TOTAL LIABILITIES	162,340	162,246



Share capital	108,198	108,198
Share premium	84,721	84,721
Statutory reserve capital	2,749	2,749
Retained earnings	26,838	23,030
TOTAL EQUITY	222,506	218,698
TOTAL LIABILITIES AND EQUITY	384,846	380,944

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