

Toivo Group Plc's HALF-YEAR REVIEW 1 January–30 June 2022

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CFO Samuli Niemelä

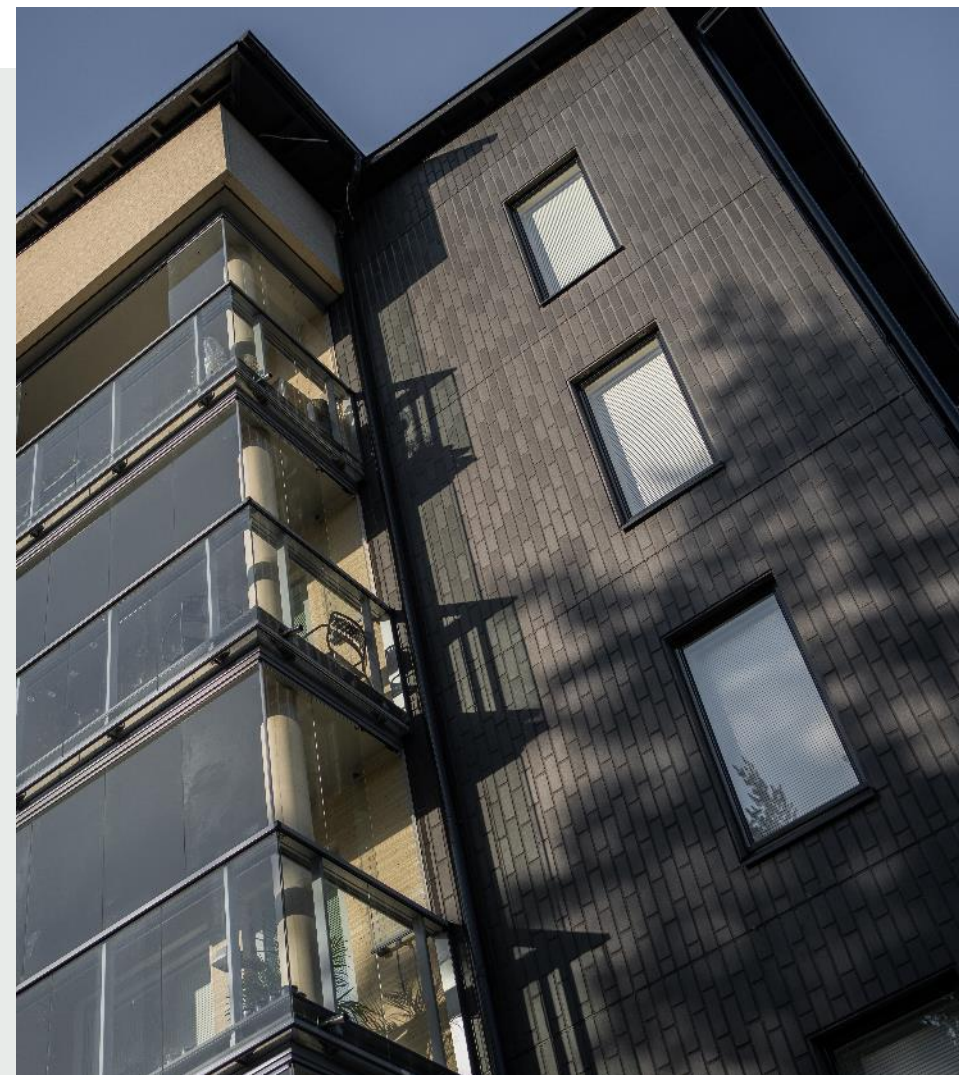
Event main points

- Operating profit EUR 13.3 M (EUR 6.0 M), +123%
- Review period in short
- Change in the operating environment
- Directed share issue EUR 3.7 M
- Prospects for 2022 unchanged



January–June 2022 in short

- Operating profit EUR 13.3 M (EUR 6.0 M), +123%
- **DEVELOPMENT:** Contracts for 182 (296) new apartments
- **CONSTRUCTION:** 417 (390) apartment start-ups (280 apartments in energy class A)
- **OWNERSHIP OF APARTMENTS:** 242 (95) apartments were completed
(158 apartments in energy class A)
- The operating environment challenges the housing market
- Increasing construction costs
- 5 new people were added to the staff
- Occupancy rate 98.8%





Key figures*

EUR thousand	1 January–30 June 2022	1 January–30 June 2021	change %
Revenue	6,576	7,940	-17%
Operating profit	13,318	5,986	123%
Profit or loss for the financial year	10,037	4,489	124%
Earnings per share (EUR)	0.19	0.10	94%
Fair value of investment properties	144,965	77,371	87%
Economic occupancy rate	98.8%	98.7%	0%
Total equity	67,972	47,973	42%
Total assets	173,058	98,166	76%

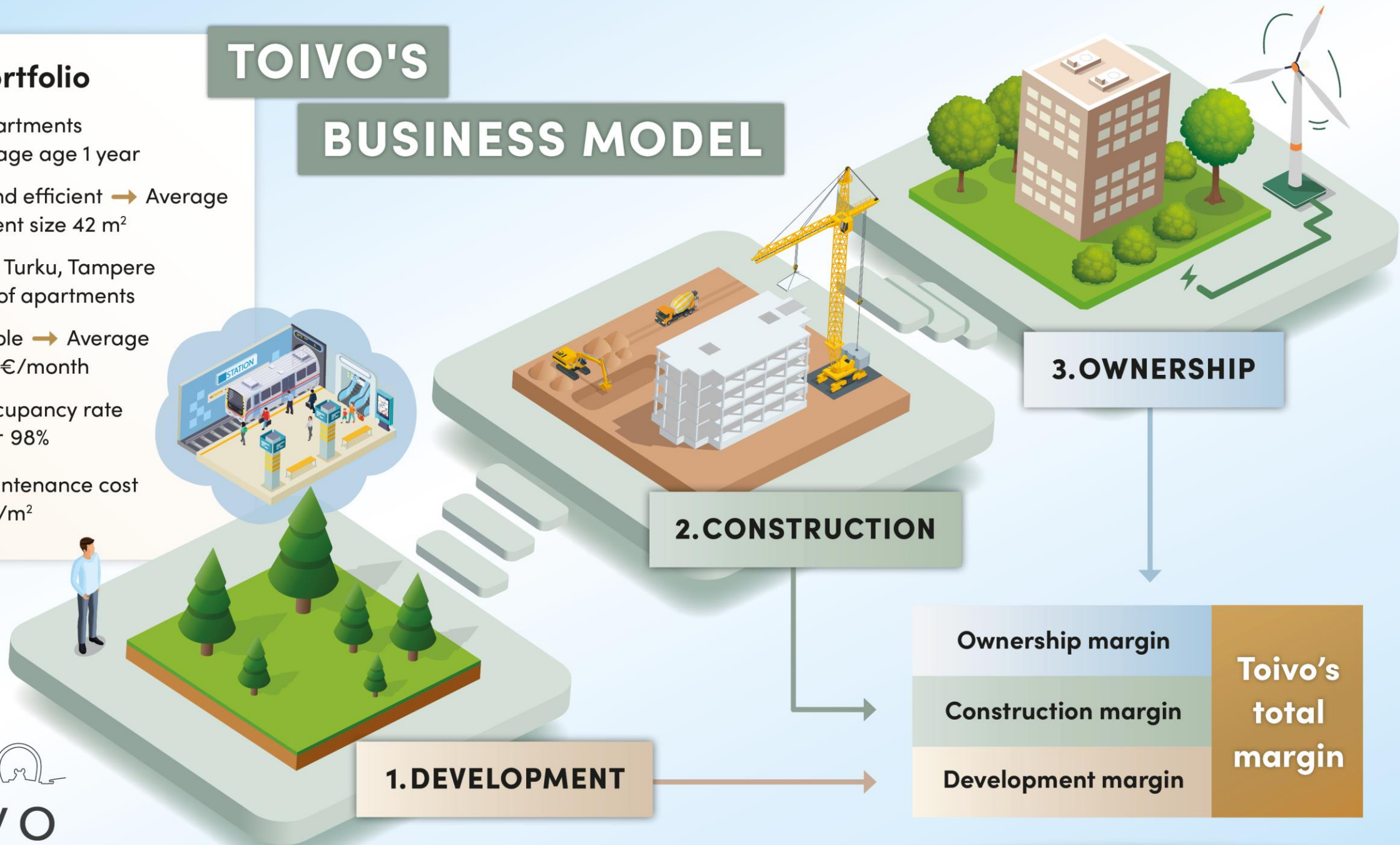
* Unaudited

Toivo's portfolio

-  New apartments
→ Average age 1 year
-  Small and efficient → Average apartment size 42 m²
-  Helsinki, Turku, Tampere
→ 98% of apartments
-  Affordable → Average rent 825€/month
-  High occupancy rate
→ Over 98%
-  Low maintenance cost
→ 2.6€/m²

TOIVO'S

BUSINESS MODEL



Strategic priorities of the apartments

Apartments currently under construction, completed apartments and Toivo's land portfolio fulfill the strategic priorities as follows:

STRATEGIC PRIORITIES



New
apartments



Small and
efficient
apartments



Apartments in the
Helsinki metropolitan
area, Turku and
Tampere



Affordable
housing



High
occupancy
rate



Low maintenance
charges

TOIVO'S PORTFOLIO

c. **1** year

Average
age of
apartments

c. **42** m²

Average size
of
apartments

98%

Of apartments
located in the
regions of Helsinki,
Turku and Tampere

EUR **825** /
month

Average
rent

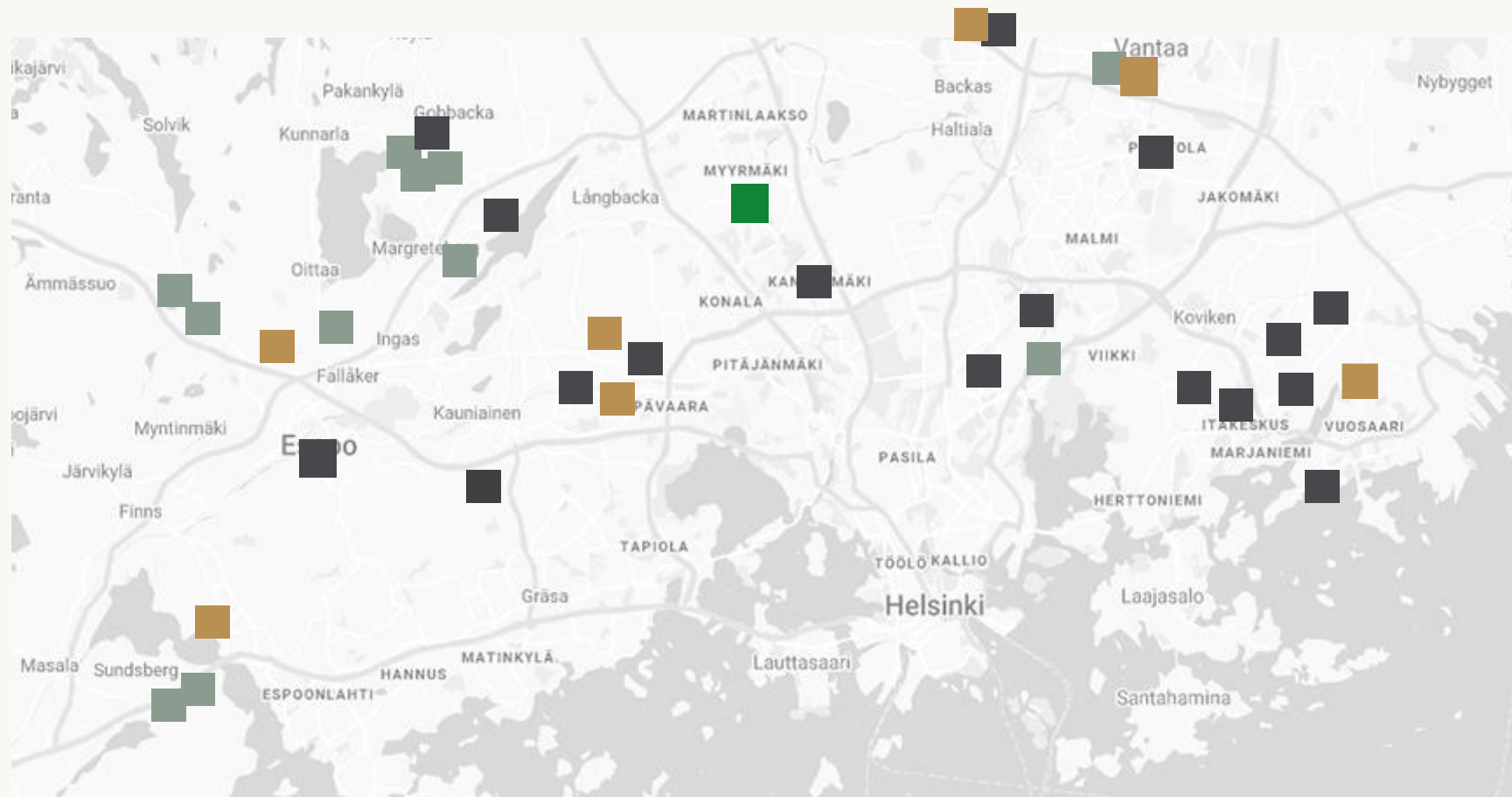
98.8%

Occupancy rate
of apartments

c. EUR **2,6**
/m²


Maintenance
charge of
housing properties

Toivo's projects on a map

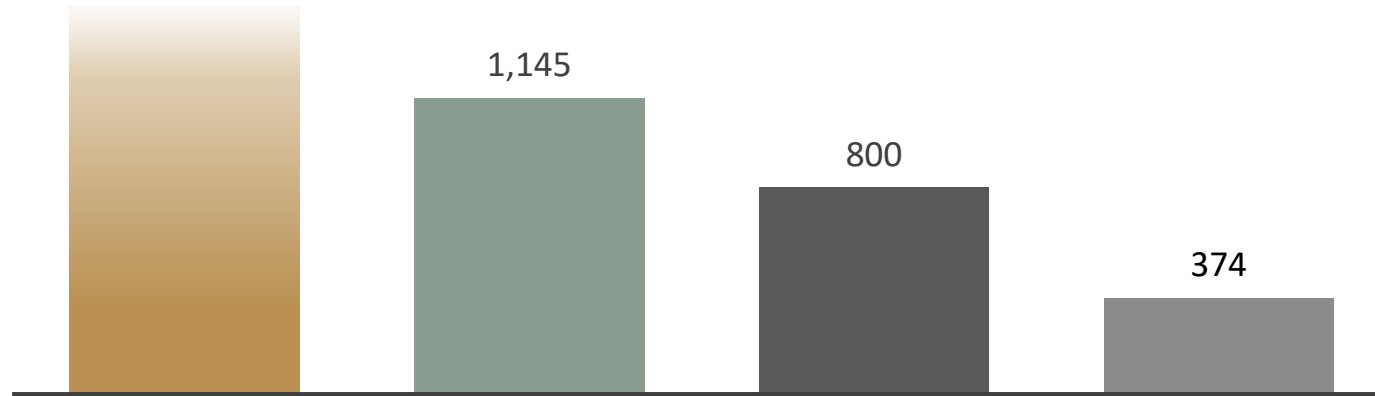


Toivo's project portfolio in the metropolitan area is strong.

The locations of the projects in contracts are attractive.

-  Completed
-  Under construction
-  Contracts
-  New contracts 4-6/2022

Project development portfolio



REAL ESTATE DEVELOPMENT IS A LONG PROCESS AND TOIVO HAS DONE A SIGNIFICANT AMOUNT OF WORK FOR ITS CURRENT PROJECT DEVELOPMENT PORTFOLIO.

694

developed residential apartments

~ 28%

average development margin

c. 1,950

residential apartments in project development portfolio

c. 86,000 m²

leasable area in project development portfolio

~EUR 420M

fair value of project development portfolio

Examples of started sites



As Oy Vantaan Räätäli

- Aviapolis
- Apartment building
- 49 apartments
- 2/2024



As Oy Tuusulan Olympiatalo

- Hyrylä
- Apartment buildingrenovation
- 39 apartments
- 6/2023



As Oy Vantaan Neliapila

- Koivuhaka
- Semi-detached home
- 12 apartments
- 2/2023



As Oy Pirkkalan Veturi

- Solja
- Apartment building
- 35 apartments
- 6/2023

Operating environment of housing investment

YEAR 2019

- Interest rates below 1% since 2012
- Low inflation since 2012
- Steady demand for rental housing
- Costs and availability of construction good

YEAR 2022

- 12-month Euribor exceeded 1%
- Inflation in 2022 clearly above 5%
- Ample supply of rental housing
- Costs and availability of construction vary
- Swedish housing market is turbulent

Mega-decisions
of 2019



The decisions will
help with the more
difficult market in
2022



INVESTMENT PARAMETERS

- New apartments** →
Average age 1 year
- Small and efficient** →
Average size of apartments 42 m²
- Helsinki, Turku, Tampere** →
98% of apartments
- Affordable** →
Average rent EUR 825/month
- High occupancy rate** → over 98%
- Low maintenance charges** → EUR 2.6/m²

ASUNTOMESTARIT®



BUSINESS MODEL



Land developer



**Constructor
of the building**



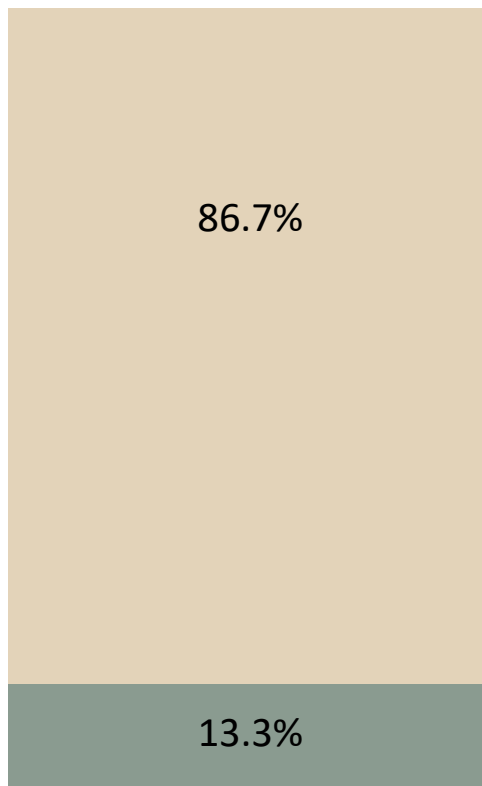
**Owner of the
apartment**

ENERGY CLASS A



Cash flow structure EUR/m²/month (residential site)

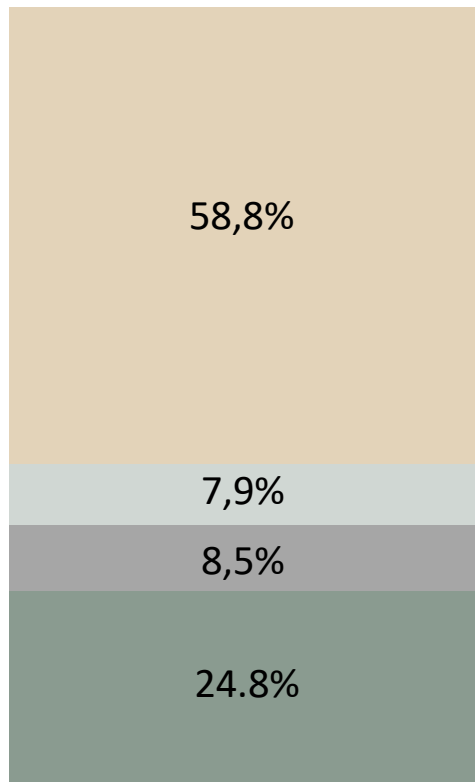
Toivo's gross rent
EUR 19.6/m²/month



Toivo's net rent
EUR 17/m²/month

Toivo's maintenance costs
EUR 2.6/m²/month

Typical gross rent
EUR 17.7/m²/month



Typical net rent
EUR 10.4/m²/month

Typical underuse costs EUR 1.4/m²/month

Typical renovation costs EUR
1.5/m²/month

Typical maintenance costs EUR
4.4/m²/month



Directed share issue EUR 3.7 M

- The company organised a directed share issue on 21 June 2022, raising gross revenue of EUR 3.7 M.
- An accelerated offer procedure in which 1.9 million new shares were issued to a limited group of institutional and other experienced investors.
- The issue plays a major role in facilitating the Company's long-term growth strategy and liquidity of the share.
- Helps to make use of the opportunities provided by the current market.
- Part of the exploration work announced on 18 February 2022 to transfer to the Nasdaq Helsinki stock exchange.

Financial prospects

PROSPECTS FOR 2022

- The company expects the operating profit of the financial year of 1 January–31 December 2022 to be EUR 22–28 million.
(Unchanged)
- The company expects the fair value of investment properties to be approximately EUR 175 (12/2021: 97.6) million at the end of 2022.
(Unchanged)

FINANCIAL TARGETS 2021–2026

- The fair value of investment properties will be EUR 500 million by the end of 2026.
- Toivo's non-current net assets per share (Net asset value, NAV/share) will increase significantly every year.
- The loan to value (LTV) rate will be under 60%.
- Toivo will not pay dividends or only minimal dividends in the coming years as the potential profit from business will be invested in securing the continued growth of Toivo.

Thank you!



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Appendices

TOIVO

Appendix 1. Key figures 30 June 2022

Group	1-6/2022	1-6/2021	Change
Revenue	6,576	7,940	-1,364
Lease income	1,520	1,160	360
Net lease income	1,104	921	182
Operating profit	13,318	5,986	7,333
Cash flow before changes in working capital (Funds from Operations, FFO)	1,030	968	62
Fair value of investment properties	144,965	77,371	67,594
Investments in investment properties	31,497	13,297	18,200
Sales of investment properties	2,678	0	2,678
Net debt with interest	72,262	24,030	48,232
Non-current net assets (Net asset value, NAV)	57,343	33,660	23,683
Loan to value (LTV), %	49.8%	31.1%	18.7%
Equity ratio	40.5%	49.4%	-8.9%
Non-current net assets per share, EUR	1.04	0.63	0.41
Increase in non-current net assets per share, %	64.5	206.5	
Earnings per share (EPS), EUR ¹⁾	0.19	0.10	0.10
Occupancy rate, %	98.8%	98.7%	0.1%
Total leasable apartment area, square metres	15,064	9,212	5,852
Other leasable area, square metres	16,617	21,135	-4,518

* Unaudited

¹⁾ The reverse stock split decided on by the company's Annual General Meeting on 22 April 2021 is taken into account in the number of shares



Group income 1–6/2022*

Group Income Statement

EUR 1,000	1 January–30 June 2022	1 January–30 June 2021	1 January–31 December 2021
Revenue	6,576	7,940	13,574
Changes in the fair values and the profit and loss on the disposal of investment properties	11,506	4,564	13,252
Other operating income	-	-	4
Raw materials and services	-3,380	-5,018	-8,475
Staff expenses	-579	-525	-1,060
Depreciation, amortisation and reduction in value	-21	-30	-68
Other operating expenses	-784	-945	-1,409
Operating profit (loss)	13,318	5,986	15,818
Financial income	42	8	18
Financial expenses	-569	-301	-703
Net financial expenses	-527	-293	-685
Profit (loss) before taxes	12,791	5,693	15,133
Current tax based on financial year's taxable income	-309	-231	-756
Deferred taxes, change	-2,445	-972	-2,306
Income taxes, total	-2,754	-1,204	-3,062
Financial year profit (loss)	10,037	4,489	12,071
Distribution of the profit (loss) of the financial year			
Parent company owners	10,055	4,515	11,918
Non-controlling interests	-18	-25	153

Group's statement of comprehensive income

EUR 1,000	1 January–30 June 2022	1 January–30 June 2021	1 January–31 December 2021
Financial year profit (loss)	10,037	4,489	12,071
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	-17	-0	-1
Other comprehensive income for the financial year	-17	-0	-1
Total comprehensive income for the financial year	10,020	4,489	12,070
Distribution of total comprehensive income for the financial year			
Parent company owners	10,038	4,515	11,917
Non-controlling interests	-18	-25	153

* Unaudited

Group balance sheet 30 June 2022*

EUR 1,000	30 June 2022	30 June 2021	31 December 2021	EUR 1,000	30 June 2022	30 June 2021	31 December 2021
ASSETS				LIABILITIES			
Non-current assets				Non-current liabilities			
Investment properties	144,965	77,371	97,649	Financial institution loans	71,001	24,170	46,125
Right-of-use assets	27	37	16	Lease liabilities	7,149	4,246	4,105
Tangible assets	59	71	61	Loans granted to associates	2,300	3,369	-
Intangible assets	163	70	45	Other financial liabilities and other non-current liabilities	1,295	1,462	1,263
Deferred tax assets	59	243	57	Deferred tax liabilities	6,578	2,969	3,972
Non-current assets, total	145,272	77,792	97,828	Non-current liabilities total	88,323	36,215	55,466
Current assets				Current liabilities			
Inventories	8,110	48	4,808	Financial institution loans	921	681	971
Rent, trade and other receivables	8,763	3,603	3,143	Lease liabilities	509	38	26
Cash and cash equivalents	10,912	16,724	15,275	Loans granted to associates	-	-	3,000
Current assets total	27,785	20,374	23,226	Provisions	-	-	123
Investment properties available for sale	-	-	-	Trade and other payables	15,333	13,259	7,049
Assets, total	173,058	98,166	121,054	Current liabilities total	16,763	13,978	11,169
EQUITY				Liabilities, total	105,085	50,193	66,634
Share capital	1,000	1,000	1,000	Liabilities associated with investment properties available for sale	-	-	-
Subordinated loans	16,921	16,921	16,921	Total equity and liabilities	173,058	98,166	121,054
Share premium account	19,214	14,868	14,529				
Currency translation differences	-19	-0	-2				
Retained earnings	30,630	15,066	21,726				
Equity belonging to the owners of the parent company	67,745	47,855	54,175				
Non-controlling interests	227	118	245				
Total equity	67,972	47,973	54,420				

* Unaudited

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