



**Toivo Group Plc's  
half-year review  
1 January–30 June 2022**

# Toivo Group Plc's half-year review 1 January– 30 June 2022: Operating profit more than doubled to EUR 13.3 (6.0) million, growth of 123%. 800 apartments being built. (Unaudited)

EUR thousand	1 Jan.–30 June 2022	1 Jan.–30 June 2021	Change, %	1 Jan.–31 Dec. 2021
Revenue	6,576	7,940	-17%	13,574
Operating profit	13,318	5,986	123%	15,818
Profit or loss for the financial year	10,037	4,489	124%	12,071
Earnings per share (EUR)	0.19	0.10	94%	0.24
Fair value of investment properties	144,965	77,371	87%	97,649
Economic occupancy rate	98.8%	98.7%	0%	98.9%
Total equity	67,972	47,973	42%	54,420
Total assets	173,058	98,166	76%	121,054

EUR thousand	1 April– 30 June 2022	1 April– 30 June 2021	Change, %
Revenue	2,945	4,210	-30%
Operating profit	6,325	3,242	95%
Profit or loss for the financial year	4,715	2,416	95%
Earnings per share (EUR)	0.09	0.05	70%
Fair value of investment properties	144,965	77,371	87%
Economic occupancy rate	98.70%	99.30%	-1%
Total equity	67,972	47,973	42%
Total assets	173,058	98,166	76%

## FINANCIAL PERIOD 1 JANUARY–30 JUNE 2022 KEY EVENTS

- Operating profit MEUR 13.3 (6.0).
- Contracts for building a total of 182 (296) apartments were made during the period under review.
- 417 (390) apartment start-ups during the period under review.
- 242 (95) apartments were completed during the period under review.

## PROSPECTS FOR 2022 UNCHANGED

- 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)



# CEO MARKUS MYLLYMÄKI



**T**he first half of 2022 challenged the housing investment market in general. Thanks to the choices it made in 2019, the company has been able to operate well in the challenging market.

The company more than doubled its operating profit to MEUR 13.3. For the first time, the number of apartment being built exceeded the threshold of 800 apartments. The occupancy rate remained high at 98.8%.

In 2019, the company made important decisions in spite of low interest rates and the stable market environment. The company decided on a very strict investment strategy. The company only accepts the best sites. In addition, the company decided to implement all sites using its own develop, build and own business model. Most sites are built in energy class A and all sites are leased and managed using own Asuntomestarit®.

The year 2022 has challenged housing investors of all kinds in an exceptional way. Inflation is high. Interest rates began to increase rapidly. Construction costs have increased and availability has varied. At times, supply has exceeded demand in the housing market.

The strict choices made by the company in 2019 have proven their strengths in the challenging market situation. I would like to thank everyone at Toivo for their disciplined work in line with the strategy.

**DEVELOPMENT:** The challenging market conditions open up opportunities in development in particular. During the review period, the company launched and continued several negotiations on different sites. During the period, the company agreed on the construction of

185 new apartments. The pursued number of new signed contracts was not reached in the short term, but the situation is expected to be remedied during the remainder of 2022.

**CONSTRUCTION:** The increase in the prices of building materials during the period under review was exceptional. Towards the end of the review period, stabilisation was visible in the costs of building materials. During the review period, the company started up the construction of 417 apartments, and for the first time, the total number of apartments under construction exceeded 800. Overall, an indication of successful construction and development is that the company has managed to hold on to development margin levels. The value changes of the sites under production by the company have compensated for the increased costs related to the sites in relation to original forecasts.

**OWNERSHIP:** With regard to lease activities and management, Asuntomestarit® have succeeded well. The economic occupancy rate for the period was 98.8%. Toivo's competitive, high-quality apartment product combined with the services of Asuntomestarit has proved its price-quality ratio in the challenging market.

Toivo's business is growing strongly and it is vitally important to secure an optimal financial structure to facilitate the growth. The company's equity ratio was 40.5% and the financial loan to value (LTV) rate of its properties was 49.8%, both providing Toivo with financial resources.

The first half of 2022 was good for our company. I would like to thank everyone at Toivo for their disciplined and determined work for good results. I would also like to thank for the many customers that have chosen us.

## NEW CONTRACTS 1 APRIL–30 JUNE 2022 (DEVELOPMENT)

Four new contracts were signed during the second quarter. The four new contracts include approx. 97 apartments to be built in total. Tuusulan Hyrylä is a 39-apartment renovation of an apartment building. It has received a building permit and will be started immediately. Helsingin Honkasuo is a 17-apartment terraced house project that will be started during 2022. Kaarina Hulkio is an 8 semi-detached house project that has received a building permit and will be started immediately. Turku Mälikkälä is a 33-apartment apartment building that has received a building permit and will be started during 2022. Construction in each project is estimated to begin mainly in 2022–2023. At the end of the period under review, the company held a project development portfolio of about 1,950 apartments and EUR 420 million.

City	District	Apartment product	Number of apartments (estimate)
Tuusula	Hyrylä	Apartment building	39
Helsinki	Honkasuo	Terraced house	17
Kaarina	Hulkio	Semi-detached house	8
Turku	Mälikkälä	Apartment building	33

## NEW SITES 1 APRIL–30 JUNE 2022 (CONSTRUCTION)

During the second quarter, the company started building six new residential buildings with a total of 155 apartments. As Oy Vantaan Neliapila is a 12-apartment semi-detached house project in Koivuhaka, Vantaa. As Oy Tuusulan Olympiatalo is a 39-apartment renovation of an apartment building in Hyrylä, Tuusula. As Oy Tuusulan Rauha is a 12-apartment terraced house project in Lahela, Tuusula. As Oy Hulkion Horisontti is an 8 semi-detached house project in Hulkio, Kaarina. As Oy Vantaan Räätäli is a 49-apartment apartment building project in Aviapolis, Vantaa. As Oy Vantaan Räätäli is the first part of a 250-apartment apartment building project in Aviapolis, Vantaa, announced on 21 October 2021. As Oy Pirkkalan Veturi is a 35-apartment apartment building project in Solja, Pirkkala.

Site	District	Apartment product	Number of apartments	Completion (estimate)	Energy efficiency class A
As Oy Vantaan Neliapila	Koivuhaka	Semi-detached house	12	2/2023	
As Oy Tuusulan Olympiatalo	Hyrylä	Apartment building	39	6/2023	
As Oy Tuusulan Rauha	Lahela	Terraced house	12	6/2023	
As Oy Hulkion Horisontti	Hulkio	Semi-detached house	8	6/2023	
As Oy Vantaan Räätäli	Aviapolis	Apartment building	49	2/2024	Yes
As Oy Pirkkalan Veturi	Solja	Apartment building	35	6/2023	Yes

## COMPLETED SITES 1 APRIL–30 JUNE 2022 (OWNERSHIP)

Five new residential sites were completed during the second quarter, featuring a total of 63 apartments and 500 m<sup>2</sup> of office space. As Oy Espoon Rattaansiipi is a 14-apartment terraced house project in Vesirattaanmäki, Espoo. As Oy Espoon Rupatus is a 41-apartment terraced house project in Vesirattaanmäki, Espoo, of which 25 apartments were completed during the review period. As Oy Espoon Swan is a 16-apartment semi-detached house project in Perusmäki, Espoo, of which 8 apartments were completed during the review period. Koy Toivo Päämaja is Toivo's new head office in Leppävaara, Es-poo. As Oy Vantaan Syreeni is a 23-apartment terraced house project in Koivuhaka, Vantaa, of which 16 apartments were completed during the review period.

Site	District	Apartment product	Apartment qty	Completion	Energy efficiency class A
As Oy Espoon Rattaansiipi	Vesirattaanmäki	Terraced house	14	4/2022	
As Oy Espoon Rupatus	Vesirattaanmäki	Terraced house	25*	6/2022	
As Oy Espoon Swan	Perusmäki	Semi-detached house	8*	6/2022	
Koy Toivo Päämaja	Leppävaara	Office	500 m <sup>2</sup>	6/2022	
As Oy Vantaan Syreeni	Koivuhaka	Terraced house	16*	6/2022	



## OTHER ACTIVITIES 1 APRIL–30 JUNE 2022

10 new companies were established during the period.

On 11 May 2022, the company announced that it had received Advanced rating for its Green Finance Framework from Moody's ESG Solutions.

On 15 June 2022, the company announced the proposal of the Shareholders' Nomination Board for Jonna Toikka to be elected as a new member of the Board of Directors. Jonna Toikka, MSc (Econ), has served as the Country Lead of Google Ads in Finland since 2019.

On 21 June 2022, the company announced that it had successfully completed the directed share issue of new shares raising EUR 3.7 million.

On 30 June 2022, the company gave notice to shareholders to participate in the Extraordinary General Meeting, with e.g. election of a new member of the Board of Directors and amending the Articles of Association on the agenda.

The company's personnel grew by 5 persons.



## CHANGE IN THE OPERATING ENVIRONMENT OF HOUSING INVESTMENT

The company started its business in 2019, when the operating environment of housing investment was quite different. Interest rates have remained at below one per cent since 2012, as has mainly inflation. There was stable demand for rental apartments, which did not require housing investors to invest in their product so as to withstand changes in demand. In addition, construction costs had remained stable for a long time and the construction materials availability was good.

In spite of the stable market, the company made important mega-decisions in 2019, ensuring that it will withstand even more difficult market situations in terms of risk control.

**There were four mega-decisions:**

### 1. Investment strategy

In its investment strategy, the company decided to focus on A) new apartments, B) small and efficient apartments C) in the Helsinki, Turku and Tampere regions D) Affordable apartments E) High occupancy rate and F) Low maintenance charges.

### 2. Develop, build and own business model

The company decided not to buy readymade apartment building sites on the market but to implement all sites using its own develop, build and own business model. This way, the company can ensure reaching the parameters of the investment strategy with high lease income.

### 3. Own Asuntomestarit®

The company decided not to outsource leasing and managing activities but to carry them out in-house with its own Asuntomestarit®. The own Asuntomestarit® play a significant role in reaching a high occupancy rate and low maintenance charges.

### 4. Energy efficiency class A

The company decided to build most of the properties in energy efficiency class A. Energy efficiency class A means an energy-efficient building whose energy is produced using smart energy solutions. Energy efficiency class A plays a significant role in the company's low maintenance charge structure, but also class A energy solutions cut down the costs increased strongly by inflation.

## DIRECTED ISSUE OF SHARES

On 21 June 2022, the company successfully issued 1,900,000 new shares in a directed issue to a limited group of institutional and other experienced investors. The received gross proceeds of approximately EUR 3.7 million as a result of the placing. The directed share issue has an important role in the facilitation of the company's long term growth strategy and in improving the liquidity of the company's shares. The issue will also help the company to make use of the opportunities provided by the current market. The share issue is part of the exploration work announced on 18 February 2022 to transfer to the Nasdaq Helsinki stock exchange and financing the faster growth of the company.



## OPERATING ENVIRONMENT

Strong urbanisation will continue in Finland.

### Megatrends identified by the company in 2018:

#### 1. Urbanisation

Prediction: 245,000 people will move to the sub-regions of Helsinki, Turku and Tampere by 2040. <sup>1)</sup>

#### 2. Small apartments will continue to become more popular

77% of all households consist of 1 or 2 people. <sup>2)</sup>

#### 3. Affordability

59% of the Finnish population have low income or lower middle income (gross earnings less than EUR 2,300/month). <sup>3)</sup>

#### 4. Increased value

Increases in rental rates and values of apartments focused in the sub-regions of Helsinki, Turku and Tampere. <sup>4)</sup>



The company does not see significant changes in its operating environment that require changing the strategic cornerstones of its business model. By implementing the selected strategy, the company has accumulated the following apartment portfolio:

#### 1. New apartments

The average age of the portfolio is about 1 year.

#### 2. Small and efficient apartments

The average size of the apartments in the portfolio is about 42 m<sup>2</sup>.

#### 3. Sub-regions of Helsinki, Turku and Tampere

98% of the apartments in portfolio are located in the sub-regions of Helsinki, Turku and Tampere.

#### 4. Affordable

The average monthly rent of the apartments in the portfolio is EUR 825.

1) Statistics Finland, Population projection 2019. 2) Statistics Finland, Household-dwelling units by size and type. 3) Finnish Business and Policy Forum EVA, Me olemme keskiluokka, May 2018. 4) Statistics Finland, price index, rent index and average rent per square metre of old apartments.

## FINANCIAL OPERATING ENVIRONMENT

Finland's GDP is expected to increase by 1.4% in 2022. The Russian invasion of Ukraine has increased energy, raw material and food prices very rapidly. The following increase in consumer prices will clearly cut the purchasing power of households, consumption and economic growth. Foreign trade with Russia will wane and growth in exports will slow down. Increased uncertainty will postpone investments. GDP growth will slow down to 1.1% in 2023 and continue moderate growth of 1.3% in 2024. (Source: Ministry of Finance, Economic Survey, summer 2022)

The development of apartments in the construction sector has been exceptionally high in 2018–2020, with the construction of up to 44,600 new apartments beginning every year. However, this trend is estimated to have remained at the level of 2020 in 2021 and expected to decline a little in 2022. (Source: The Confederation of Finnish Construction Industries RT sectoral report October 2021)

Interest rates have begun to rise in 2022. Consumer price inflation has already accelerated to 7% and inflation will increase to an average of 5.8% this year, measured by national consumer price. The ECB increased all three of its key interest rates by 0.5 percentage points. The 12-month Euribor rate is now positive after remaining negative for several years, settling at around 1% during summer 2022. With regard to medium-term (2022–2023) interest rates, the focus is on the European Central Bank's key interest rate and how it controls potential inflation. (Source: Ministry of Finance, Economic Survey, summer 2022, Bank of Finland statistics 29 July 2022)





## REVIEW OF FINANCES

### Development of finances

The Group's revenue was EUR 6.6 (7.9) million and it decreased by 17% compared to the reference period (1 January–30 June 2021). Changes in the fair values and the profit and loss on the disposal of investment properties were EUR 11.5 (4.6) million. Changes in the fair values of investment properties were better than in the reference period due to the fact that the company's business has grown strongly in the past 12 months. The development margin of properties has remained at a good level and in line with the company's goals.

At the end of the period, the company had 374 apartments, 67 leased plots/real estate units and 2 commercial properties generating rental cash flow.

The maintenance costs of properties were EUR -0.42 (-0.24) million. The maintenance costs of properties were 75% higher than in the reference period, mainly due to the increase in the number of apartments.

Staff expenses were EUR -0.58 (-0.53) million, growing by 9%. The increase is attributable to an increase in the number of personnel and increased wages.

Operating profit was EUR 13.3 (6.0) million, growing by 123%. The increase in operating profit was largely due to the growth of business.

Net financial income and expenses were EUR -0.53 (-0.30) million. Current income tax was EUR -0.31 (-0.23) million and, largely due to the changes in the fair values of properties, the deferred tax was EUR -2.4 (-1.0) million.

The net profit of the period was EUR 10.0 (4.5) million, growing by 124% compared to the reference period. Earnings per share was EUR 0.19 (0.1).

## INVESTMENTS

The consolidated balance sheet total at the end of the period was EUR 173.0 (98.2) million, growing by 76% compared to the reference period. During the period, investments worth a total of EUR 31.5 (13.3) million in acquisition value were made in properties.

## FINANCING

At the end of the period, the company's debts with interest were EUR 75.5 (29.7) million. The company's financing position was good throughout the period under review. The company's sources of finance consisted of cash, drawn investment loans, investment loans to be drawn according to loan agreements and bills of trade to be issued according to the business programme. Bills of trade (EUR 50 million) remained unused throughout the period.

## PROPERTY SITES AND CONTRACTS

By 30 June 2022, the company had 374 apartments, 67 leased plots/real estate units and 2 commercial properties. An additional 23 properties with a total of 800 apartments were also being built. Five sites were completed in full or part during the review period: As Oy Espoon Rattaansiipi 14 apartments, As Oy Espoon Rupatus 25 apartments, As Oy Espoon Swan 8 apartments, Koy Toivo Päämaja, As Oy Vantaan Syreeni 16 apartments.

With the exception of three sites, all residential sites are located in the Helsinki metropolitan area. The sites under construction are located in the Helsinki metropolitan area, Turku or Tampere. The sites specified in the contracts are located in the Helsinki metropolitan area (1,104 apartments) and Turku (41 apartments).



## PERSONNEL AND MANAGEMENT

The average number of Toivo's personnel between 1 January and 30 June 2022 was 36 people. At the end of the period, Toivo employed 40 people.

The management group of Toivo consists of CEO Markus Myllymäki, CFO Samuli Niemelä, Director of Finance and Risk Management Aleksi Kallio, Director of Real Estate Development Tuomas Hemmilä, Construction Director Heikki Myllymäki and Director of Building Urho Myllymäki.

## 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.

## ASSESSMENT OF OPERATIONAL RISKS AND UNCERTAINTIES

### Operational risks

Operational risks include the dependency on the expertise of key personnel. It is important that the key personnel will remain at the company. Success is largely based on the skills of the company's management and employees. Recruiting skilled employees to the company poses a potential challenge. The company conducts employee satisfaction surveys regularly a few times a year.

### Financial risks

Financial risks include, for example, risks related to interest rates and the availability and adequacy of financing. During the period under review, the company managed to secure the financing it required for the sites under construction. The Group's solvency was good during the period of 1 January–30 June 2022. The cash flow is enough to cover the Group's running costs and debt management costs (repayments + interest). The company's rental income involves a risk that its customers may be unable to carry out their duties. The company's lease agreements (regarding apartments) typically include a security deposit equal to the rent of 1 month, which reduces the risk of the company facing loss of income. The agreements for leased plots include a priority mortgage equal to the rent of 2–3 years. This also considerably reduces the risk of loss of income.

### Damage risks

The company estimates that it has secured adequate insurance coverage required in the industry. All properties are insured with full value insurance, which includes a coverage for interruption in lease income. The company has valid indemnity insurance.

### Financial risks related to operations

The company estimates that the risks and uncertainties of the current financial year are largely related to the development of Finnish economy. The development of the economy is reflected in the housing and financing markets. These factors may affect Toivo's result and cash flow.

For example, the development of Finnish economy, higher interest rates or new demands on returns from property investors may cause fluctuation in the prices of apartments, which may in turn affect the fair value of the Group's property portfolio.

The supply of rental apartments may grow locally in Toivo's key operating areas and this fluctuation in supply and demand may affect the turnover rate of Toivo's tenants or economic occupancy rate and, consequently, the company's lease income. The project development portfolio involves risks related to financing, zoning and building permits, for example.

### Geopolitical risks and war in Ukraine

The company estimates that the strong geopolitical risks that emerged during 2022 will be reflected in the residential and financial markets. These factors may affect Toivo's result and cash flow.

The geopolitical situation can have impacts on inflation, interest rate hikes, availability and price of materials, availability of labour or changes in the yield requirements of apartments. This may cause

fluctuation in the prices of apartments, which may in turn affect the fair value of the Group's property portfolio.

## SHARES AND SHAREHOLDERS

A total of 54,986,226 Toivo Group Plc shares were entered in the trade register on 30 June 2022.

On 30 June 2022, Toivo had a total of 2,129 shareholders.

## FINANCIAL ANNOUNCEMENTS

Toivo Group Plc estimates that it will publish its interim report for January–September 2022 on 9 November 2022.

## MEDIA AND ANALYST CONFERENCE

A public media and analyst conference in Finnish will be held on 10 August 2022 at 10:00 in Sanomatalo, address Töölönlahdenkatu 2, 00100 Helsinki. The review will also be available as a webcast. You can join the webcast with the following link:

<https://toivo.videosync.fi/2022-h1-tulos/>

The review will be presented by CEO Markus Myllymäki and CFO Samuli Niemelä. The presentation materials will be published later at: [sijoittajille.toivo.fi](https://sijoittajille.toivo.fi) and [investors.toivo.fi](https://investors.toivo.fi)

**Helsinki, 10 August 2022**

**Toivo Group Plc**

Board of Directors



# GROUP INCOME STATEMENT

EUR thousand	1 January–30 June 2022	1 January–30 June 2021	1 Jan.–31 Dec. 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
<b>Operating profit (loss)</b>	<b>13,318</b>	<b>5,986</b>	<b>15,818</b>
Financial income	42	8	18
Financial expenses	-569	-301	-703
<b>Net financial expenses</b>	<b>-527</b>	<b>-293</b>	<b>-685</b>
<b>Profit (loss) before taxes</b>	<b>12,791</b>	<b>5,693</b>	<b>15,133</b>
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
<b>Financial year profit (loss)</b>	<b>10,037</b>	<b>4,489</b>	<b>12,071</b>
<b>Distribution of the profit (loss) of the financial year</b>			
Parent company owners	10,055	4,515	11,918
Non-controlling interests	-18	-25	153
<b>THE GROUP'S STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>Financial year profit (loss)</b>	<b>10,037</b>	<b>4,489</b>	<b>12,071</b>
<b>Other comprehensive income</b>			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	-17	-0	-1
<b>Other comprehensive income for the year</b>	<b>-17</b>	<b>-0</b>	<b>-1</b>
<b>Total comprehensive income for the financial year</b>	<b>10,020</b>	<b>4,489</b>	<b>12,070</b>
<b>Distribution of total comprehensive income for the financial year</b>			
Parent company owners	10,038	4,515	11,917
Non-controlling interests	-18	-25	153

# CONSOLIDATED BALANCE SHEET

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



## KEY FIGURES

Group, EUR thousand	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	0.09
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

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

# KEY FIGURE CALCULATION FORMULAE

Key figure	Definition
Net lease income	= Lease income - Maintenance costs
Cash flow before changes in working capital (Funds from Operations, FFO)	= Cash flows before changes to net working capital and financial items - Interest paid - Income tax expense
Fair value of investment properties	= Investment properties + Investment properties available for sale
Gross investments in investment properties	= Acquisition cost-based gross investments
Sales of investment properties	= Investment properties sold at fair value
Net debt with interest	= Financial institution loans + Lease liabilities + Loans to related parties + Loans related to investment properties available for sale + Other financial liabilities and other non-current liabilities - Cash and cash equivalents
Non-current net assets (Net asset value, NAV)	= Equity attributable to the owners of the parent company - Subordinated loans + Deferred tax liabilities - Deferred tax assets
Loan to value (LTV) rate	= $\frac{\text{Net debt with interest}}{\text{Fair value of investment properties}}$
Equity ratio	= $\frac{\text{Total equity}}{(\text{Assets total} - \text{Deferred revenue})}$
Non-current net assets per share (Net asset value, NAV)	= $\frac{\text{Non-current net assets (Net asset value, NAV)}}{\text{Number of shares at end of year}}$
Increase in non-current net assets per share	= $\frac{(\text{Non-current net assets per share} - \text{Non-current net assets per share of the previous year})}{\text{Non-current net assets per share of the previous year}}$
Earnings per share (EPS)	= $\frac{\text{Profit (loss) of the financial year attributable to owners of the parent company}}{\text{The weighted average of the number of issued ordinary shares (during the financial year), with the exception of any shares potentially held by Toivo}}$
Occupancy rate	= $\frac{\text{Net lease income from properties}}{\text{Potential lease income with full occupancy rate} \times 100, (\text{including apartments older than two months})}$

# TOIVO GROUP PLC IN BRIEF

Toivo is a Finnish real estate company that was founded in 2015. Its business consists of developing apartment lots, constructing housing and ownership of apartments. The Company's business model is unique as Toivo's business combines the value chain of real estate business from development and construction to ownership, management and rental of a completed property. Toivo manages the entire life cycle of residential real estate with its own team, from raw land development to renting apartments. This way Toivo is able to generate additional value to its customers, shareholders and stakeholders.

Toivo's strategy is to develop apartments in accordance with the Toivo concept. The apartments aim for a strong development margin and a stable and attractive return, and this way enable long-term ownership and the generation of higher additional value to Toivo's customers. Toivo has a knowledgeable and experienced team of experts with strong merits in the real estate business. The members of Toivo's team have been involved in the development and construction of over 17,000 apartments, and they have an average of ten years of experience.

Toivo's revenue in 2021 was EUR 13.6 million and its operating profit was EUR 15.8 million.

## FURTHER INFORMATION

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