



**Toivo Group Plc
Financial Statement
Release 2021**

Toivo Group Plc Financial Statement Release 2021: Operating profit more than doubled to EUR 15.8 million (growth 120%). The number of apartments under construction more than doubled to 753 (337) apartments. (Unaudited)

EUR thousand	1 January–31 December 2021*	1 January–31 December 2020	change %
Revenue	13,574	4,250	219%
Operating profit	15,818	7,189	120%
Profit or loss for the financial year	12,071	5,127	135%
Earnings per share (EUR)	0.24	0.11	116%
Fair value of investment properties	97,649	57,022	71%
Economic occupancy rate	98.9%	99%	0%
Total equity	54,420	27,290	99%
Total assets	121,054	63,837	90%

EUR thousand	1 October–31 December 2021*	1 October–31 December 2020	change %
Revenue	2,454	1,653	48%
Operating profit	5,891	3,267	80%
Profit or loss for the financial year	4,304	2,541	69%
Earnings per share (EUR)	0.08	0.06	47%
Fair value of investment properties	97,649	57,022	71%
Economic occupancy rate	99.5%	98.8%	0.7%
Total equity	54,420	27,290	99%
Total assets	121,054	63,837	90%

*Unaudited

FINANCIAL YEAR 2021 KEY EVENTS

- Operating profit MEUR 15.82 (7.19).
- 114 (40) apartments were built in the financial year, 79 of which belong to energy efficiency class A.
- The construction of 575 (337) apartments started during the financial year, 342 of which belong to energy efficiency class A.
- Contracts for building a total of 985 (803) apartments were made during the financial year.

PROSPECTS FOR 2022

- The company expects the operating profit of the financial year of 1 January–31 December 2022 to be EUR 20–28 million.
- The company expects the fair value of investment properties to be approximately EUR 175 (12/2021: 97.6) million at the end of 2022.



CEO MARKUS MYLLYMÄKI



The company had a good financial year in 2021. The company more than doubled its operating profit from the previous compared to the previous financial year and, at the end of the financial year, the company had more than double the amount of apartments under construction.

The company's business model, according to which it develops, builds and owns all of its apartments, is exceptional. There is high demand for the products of the company's business model, apartments, in the rental market. The business model is highly predictable in terms of the long-term results. The company controls its residential real estate throughout its lifecycle and it can respond to changes in the market quickly.

The result was at the expected level.

LAND DEVELOPMENT: Competition over good construction sites was fierce during the financial year. Nevertheless, the company concluded contracts for building 335 new apartments in the final quarter of 2021. The total number of contracts for new apartments concluded during the financial year was nearly a thousand.

CONSTRUCTION: The increase in the prices of building materials during the financial year was exceptional. An indication of successful construction and development is

that the company has managed to hold on to development margin levels even when the costs of construction have risen. The improved values of the sites under production by the company have compensated for the increased costs related to the sites in relation to original forecasts.

OWNERSHIP OF APARTMENTS: Competition over good tenants was fierce during the period under review. With regard to lease activities and management, Asuntomestarit® have succeeded well. The economic occupancy rate for the financial year was 99%. Toivo's competitive, high-quality apartment product combined with the services of Asuntomestarit has proved its price-quality ratio in the competitive 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 45% and the financial loan to value (LTV) rate of its properties was 41%, both at a secure level to provide financial resources.

2021 was very good for our company. As the CEO, I am very happy about how the market, investors, customers and partners have understood, treated and found us. I am very proud of the people of Toivo who incessantly work to achieve the best results for our customers without failing to achieve good financial results. We are ready for 2022.

COMPLETED SITES 1 OCTOBER–31 DECEMBER 2021 (APARTMENT OWNER)

No new sites were completed in the final quarter of the financial year.

NEW SITES 1 OCTOBER–31 DECEMBER 2021 (BUILDING CONSTRUCTOR)

In the final quarter of the financial year, the company started building two new residential buildings and a commercial property with a total of 111 new apartments: Koy Toivo Studios, Koy Espoon Loiste and As Oy Helsingin Piippuhylly. Toivo Studios is a complex of 101 studios to be built in Leppävaara, Espoo, where a new co-housing model is being piloted. The future residents will have access to a gym, a spa, a library, a co-working space and a cinema. Espoon Loiste is a day-care centre to be built for a major party in the day care business. The lease agreement for the property is valid for 15 years with a ten-year option under certain conditions. Helsingin Piippuhylly is a regional construction project involving 10 apartments in an excellent location.

Site	District	Apartment product	Number of apartments	Completion (estimate)	Energy efficiency class A
Koy Toivo Studios	Leppävaara	Apartment building	101	10/2022	
Koy Espoon Loiste	Leppävaara	Day-care centre	250 m ²	7/2022	
As Oy Helsingin Piippuhylly	Vuosaari	Regional construction	10	12/2022	

NEW CONTRACTS 1 OCTOBER–31 DECEMBER 2021 (LAND DEVELOPER)

In the final quarter of the financial year, six new contracts covering the construction of about 335 apartments were concluded. All of the six projects are located on plots with plans that are in force. The company announced the Aviapolis, Vantaa project during the final quarter with a stock exchange release. The projects include the normal risks related to the building permit application process. Construction in each project is estimated to begin in 2022–2023. At the end of the financial year, the company held a project development portfolio of about 2,000 apartments and EUR 430 million.

City	District	Apartment product	Number of apartments (estimate)
Helsinki	Vuosaari	Regional construction	10
Espoo	Perusmäki	Regional construction	12
Vantaa	Aviapolis	Apartment building	250
Helsinki	Mellunkylä	Apartment building	28
Tuusula	Lahela	Regional construction	15
Klaukkala	Vanhamäki	Rented plot	20

OTHER ACTIVITIES 1 OCTOBER–31 DECEMBER 2021

Two new companies were established in the final quarter of the financial year.

On 9 November 2021, the company announced that it is ending a pilot project in Sweden. Teemu Kaikkonen also left his position as the Managing Director of Toivo Sweden Ab and left the management group on 31 December 2021.

On 23 November 2021, the company announced the long-term incentive system for key personnel that covers three (3) earning periods, each one (1) year long, in 2022–2024. A total of 16 people representing the company's key personnel were selected for the first earning period.

The company's personnel grew by one person.

EVENTS AFTER THE PERIOD UNDER REVIEW

After the period under review, the company announced that the appointments committee will propose at the Annual General Meeting that the number of members of the Board of Directors remains the same at four (4).

The appointments committee proposes that Asko Myllymäki, Harri Tahkola, Petri Kärkkäinen and Tomi Koivukoski are reappointed as full members of the company's Board of Directors.



OPERATING ENVIRONMENT

Despite the COVID-19 pandemic, 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. ¹⁾

2. Small apartments will continue to become more popular

77% of all households consist of 1 or 2 people. ²⁾

3. Affordability

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

4. Increased value

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

The company does not see any 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 m².

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

The economy is expected to grow steadily in the coming years. According to a forecast published by the Ministry of Finance, gross domestic product grew by 3.4% in 2021 and will grow by 3% in 2022. (Source: Ministry of Finance, Economic Survey, December 2021)

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 are expected to remain low in the coming years. According to a forecast by the Bank of Finland, short-term interest rates will remain negative or slightly positive in 2022. The low rates provide Finnish households and companies with the ideal conditions to consume and invest. With regard to long-term interest rates, the focus is on the European Central Bank's key interest rate and how it controls potential inflation. (Source: Bank of Finland statistics 31 January 2022)

The Ministry of Finance is predicting nominal wages to grow annually by 2.5–3% in 2022–2023. (Source: Ministry of Finance, Economic Survey, December 2021)

REVIEW OF FINANCES

Development of finances

The Group's revenue was EUR 13.6 (4.3) million and it grew by 219% compared to the previous financial year (1 January–31 December 2020). The growth of revenue is based on the sold apartments and new project management contracts. Changes in the fair values and the profit and loss on the disposal of investment properties were EUR 13.3 (5.6) 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 financial year, the company had 177 apartments, 50 leased plots/real estate units and 2 commercial properties generating rental cash flow.

The maintenance costs of properties were EUR -0.69 (-0.84) million. The maintenance costs of properties were 17% lower than in the reference period.

Staff expenses were EUR -1.06 (-0.65) million, growing by 62%. The increase is due to the strong growth of business and the related higher number of personnel and shares issued to the personnel.

Operating profit was EUR 15.8 (7.2) million, growing by 120%. The growth of operating profit was largely due to the growth of business.

Net financial income and expenses were EUR -0.69 (-0.70) million. Current income tax was EUR 0.76 (0.43) million and, largely due to the changes in the fair values of properties, the deferred tax was EUR -2.31 (0.94) million.

The net profit of the financial year was EUR 12.1 (5.1) million, growing by 135% compared to the reference period. Earnings per share was EUR 0.24 (0.11).

INVESTMENTS

The consolidated balance sheet total at the end of the financial year was EUR 121.1 (63.8) million, growing by 90% compared to the reference period. During the financial year, investments worth a total of EUR 34.0 (18.4) million in acquisition value were made in properties.

FINANCING

At the end of the financial year, the company's debts with interest were EUR 51.4 (24.7) million.

The company's financing position was good throughout the financial year. 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 remained unused throughout the financial year.

PROPERTY SITES AND CONTRACTS

By 31 December 2021, the company had 177 apartments, 50 leased plots/real estate units and 2 commercial properties. An additional 18 properties with a total of 753 apartments were also being built. Three residential sites were completed during the financial year: As Oy Järvenpään Garden, 79 apartments, As Oy Espoon Block, 16 apartments and As Oy Turun Marjamäki, 19 apartments.

With the exception of two 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 (1,201 apartments) and Tampere (31 apartments).

The share of sites in Sweden of the portfolio included in the contracts was 0.4%.

PERSONNEL AND MANAGEMENT

The average number of Toivo's personnel between 1 January and 31 December 2021 was 25 people. At the end of the financial year, Toivo employed 28 people.

The management group of Toivo consists of CEO Markus Myllymäki, CFO Samuli Niemelä, Director of Finance and Risk Management Aleks 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. Despite the global COVID-19 pandemic, the company managed to secure the financing it required for the sites under construction during the financial year. The Group's solvency was good during the financial year of 1 January–31 December 2021. The cash flow from completed sites 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.

SHARES AND SHAREHOLDERS

Issued shares and ordinary shares

The average number of issued shares during the financial year of 2021 was 49,790,126 (45,000,000) and, at the end of the financial year on 31 December 2021, the number of shares was 53,086,226 (45,000,000) .

Shareholders

A total of 53,086,226 Toivo Group Plc shares were entered in the trade register on 31 December 2021.

On 31 December 2021, Toivo had a total of 2,005 shareholders.

BOARD OF DIRECTORS PROPOSAL REGARDING THE PROFIT OF THE FINANCIAL YEAR

According to the financial statement dated 31 December 2021, the total divisible equity of the parent company was EUR 9,225,204. The Board of Directors has decided to suggest the Annual General Meeting that no dividends will be paid out for the financial year of 1 January–31 December 2021.

ANNUAL GENERAL MEETING 21 APRIL 2021

The Annual General Meeting of Toivo Group Plc was held in Helsinki on 22 April 2021. The Annual General Meeting approved the company's financial statement, annual report and audit report for 2020.

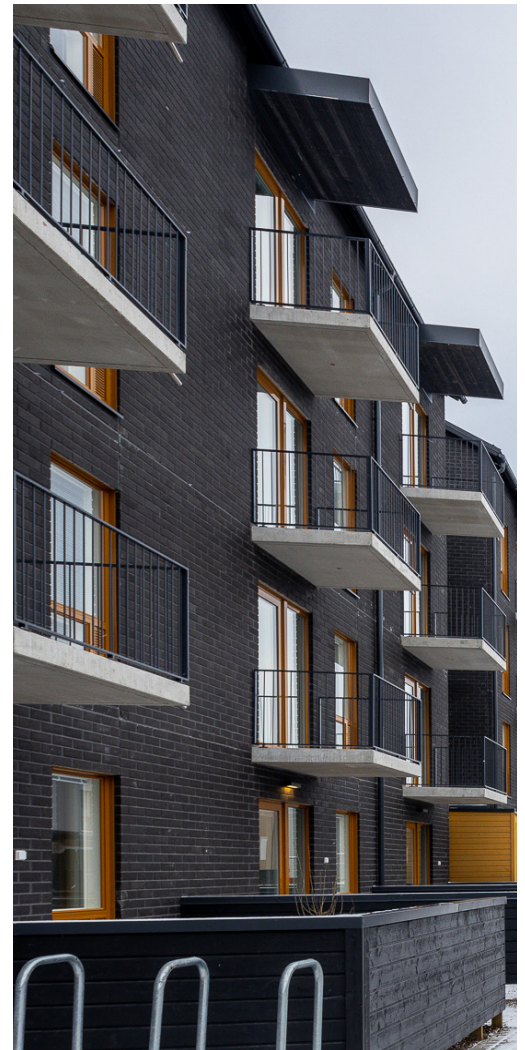
The Annual General Meeting approved the proposal of the Board of Directors that no dividends are paid out and that the profit indicated by the balance sheet remains unrestricted equity.

The Annual General Meeting granted discharge to the members of the Board of Directors and the CEO for the financial year of 1 January–31 December 2020.

The Annual General Meeting decided to appoint new members to the Board of Directors. Asko Myllymäki, Harri Tahkola, Petri Kärkkäinen and Tomi Koivukoski were reappointed as members of the Board of Directors. In its first meeting immediately after the Annual General Meeting, the Board of Directors appointed Asko Myllymäki Chairman of the Board.

The Annual General Meeting decided that the company's shares are added to a book entry system as part of the company's preparations to become listed on the First North Growth Market Finland market.

The Annual General Meeting decided that the company will become a public limited company and that the company's articles of association will be changed. As a result of the changes to the articles of association and the company structure, the company's name became Toivo Group Plc.



The Annual General Meeting decided to set up a shareholder appointments committee for the company. The proposals made by the Board of Directors regarding the rules of procedure of the appointments committee were also approved.

The Annual General Meeting made a decision regarding the reverse stock split. Prior to the Annual General Meeting, the company had 91,836,736 shares registered in the trade register managed by the Finnish Patent and Registration Office. The Annual General Meeting decided on a reverse stock split so that a new share of the company can be bought with two old shares (2:1). After the reverse stock split, the total number of company shares was 45,918,368.

FINANCIAL ANNOUNCEMENTS AND ANNUAL GENERAL MEETING

The company will publish a business review for Q1 on 11 May 2022.

The company will publish a half-year review for H1 on 10 August 2022.

The company will publish a business review for Q3 on 9 November 2022.

The Annual General Meeting of Toivo Group Plc is scheduled for Thursday 31 March 2022. The company's Board of Directors will assemble the Annual General Meeting separately.

The company will publish the Group's annual report and financial statement for 2021 on Wednesday 2 March 2022 at about 9:00 a.m. with a release. They can be accessed as attachments to the release and at sijoittajille.toivo.fi after the release has been published.

MEDIA AND ANALYST CONFERENCE

A public media and analyst conference in Finnish will be held on 18 February 2021 at 10:00 as a webcast broadcast. You can join the webcast with the following link:

<https://toivo.videosync.fi/2021-h2-tulokset/>. The review will be presented by CEO Markus Myllymäki and CFO Samuli Niemelä. The presentation material will be published later at sijoittajille.toivo.fi.

Helsinki, 18 February 2022

Toivo Group Plc
Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR thousand	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Revenue	13,574	4,250
Changes in the fair values and the profit and loss on disposal of investment properties	13,252	5,627
Other operating income	4	68
Raw materials and services	-8,475	-858
Staff expenses	-1,060	-654
Depreciation, amortisation and reduction in value	-68	-70
Other operating expenses	-1,409	-1,174
Operating profit (loss)	15,818	7,189
Financial income	18	21
Financial expenses	-703	-718
Net financial expenses	-685	-697
Profit (loss) before taxes	15,133	6,492
Current income tax	-756	-427
Deferred taxes, change	-2,306	-938
Income taxes, total	-3,062	-1,365
Financial year profit (loss)	12,071	5,127
Distribution of the profit (loss) of the financial year		
Parent company owners	11,918	4,983
Non-controlling interests	153	144
Earnings per share calculated from the profit belonging to the parent company owners		
Basic and diluted earnings per share, EUR	0.24	0.11
THE GROUP'S STATEMENT OF COMPREHENSIVE INCOME		
Financial year profit (loss)	12,071	5,127
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	-1	-1
Other comprehensive income for the year	-1	-1
Total comprehensive income for the year	12,070	5,126
Total comprehensive income attributable to		
Parent company owners	11,917	4,982
Non-controlling interests	153	144

CONSOLIDATED BALANCE SHEET

EUR thousand	31 Dec 2021	31 Dec 2020
Assets		
Non-current assets		
Investment properties	97,649	57,022
Right-of-use assets	16	17
Property, plant and equipment	61	195
Intangible assets	45	65
Deferred tax assets	57	21
Non-current assets total	97,828	57,320
Current assets		
Inventories	4,808	500
Rent, trade and other receivables	3,143	2,863
Cash and cash equivalents	15,275	3,154
Current assets total	23,226	6,517
Assets total	121,054	63,837
Equity		
Ordinary shares	1,000	1,000
Subordinated loans	16,921	15,661
Share premium	14,529	-
Currency translation differences	-2	-1
Retained earnings	21,726	10,537
Equity attributable to the owners of the parent company	54,175	27,198
Non-controlling interests	245	92
Total equity	54,420	27,290
Liabilities		
Non-current liabilities		
Financial institution loans	46,125	23,097
Lease liabilities	4,105	2,463
Loans granted to associates	-	-
Other financial liabilities and other non-current liabilities	1,263	631
Deferred tax liabilities	3,972	1,982
Non-current liabilities total	55,466	28,173
Current liabilities		
Financial institution loans	971	600
Lease liabilities	26	28
Loans granted to associates	3,000	369
Provisions	123	
Trade and other payables	7,049	7,378
Current liabilities total	11,169	8,375
Liabilities total	66,634	36,547
Total equity and liabilities	121,054	63,837

STATEMENT OF CASH FLOWS

EUR thousand	1 Jan–31 Dec 2021	1 Jan–31 Dec 2020
Cash flows from operating activities		
Profit or loss for the financial year	12,071	5,127
<i>Adjustments:</i>		
Changes in the fair values and the profit and loss on the disposal of investment properties	-13,252	-5,627
Depreciation, amortisation and reduction in value	68	69
Finance income and cost	685	697
Income tax expense	3,062	1,365
Cash flows before changes to net working capital and financial items	2,634	1,632
Change to net working capital:		
Increases (-)/decreases (+) to rent, trade and other receivables	-280	-2,344
Increases (-)/decreases (+) to inventories	-4,308	-303
Increases (-)/decreases (+) to current payables with no interest	941	914
Cash flows before financial items	-1,013	-102
Interest paid	-643	-623
Interest received	5	0
Income tax paid	-277	-372
Net operating cash flow (A)	-1,928	-1,097
Investing cash flows		
Investments in investment properties	-34,002	-18,361
Acquisitions of tangible assets	-28	-192
Acquisitions of intangible assets	-	-67
Proceeds from disposal of tangible assets	137	21
Proceeds from the disposal of intangible assets	17	
Sales of investment properties	3,980	4,331
Investing cash flow (B)	-29,896	-14,268
Cash flows from financing activities		
Proceeds from subordinated loans	1,260	4,465
Initial public offering	14,529	
Proceeds from shares issued	1,147	
Subordinated loan interests	-	-128
Proceeds from financial institution borrowings	37,276	10,994
Proceeds from other borrowings	4,260	77
Repayments of borrowings	-13,857	-229
Repayments of other borrowings	-411	
Repayments of lease liabilities	-258	-39
Net financing activity cash flow (C)	43,946	15,140
Changes in cash flows (A+B+C)	12,121	-225
Cash and cash equivalents and bank overdrafts at beginning of year	3,154	3,379
Cash and cash equivalents and bank overdrafts at end of year	15,275	3,154

CHANGES IN EQUITY

Equity attributable to the owners of the parent company

EUR thousand	Ordinary shares	Subordinated loans	Share premium	Currency translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity 1 January 2021	1,000	15,661	-	-1	10,537	27,197	92	27,290
Comprehensive income								
Financial year profit (loss)					11,918	11,918	153	12,071
Corrections to the retained earnings of previous financial years					-1,673	-1,673		-1,673
Other comprehensive income				-1		-1		-1
Total comprehensive income for the year	-	-	-	-1	10,245	10,244	153	10,396
Transactions with owners								
Increase in subordinated loans		1,260				1,260		1,260
Subordinated loan interests					-190	-190		-190
Proceeds from shares issued			14,529		1,147	15,676		15,676
Changes in non-controlling interests ¹						-	0	0
Transactions with owners total	-	1,260	14,529	-	957	16,746	0	16,747
Equity 31 December 2021	1,000	16,921	14,529	-2	21,726	54,174	245	54,420

Equity attributable to owners of the parent company

EUR thousand	Ordinary shares	Subordinated loans	Share premium	Currency translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Equity 1 January 2020	1,000	11,079	-	-	5,682	17,761	223	17,984
Comprehensive income								
Financial year profit (loss)	-	-	-	-	4,983	4,983	144	5,127
Other comprehensive income	-	-	-	-1	-	-1	-	-1
Total comprehensive income for the year	-	-	-	-1	4,983	4,982	144	5,126
Transactions with owners								
Increase in subordinated loans	-	4,582	-	-	-	4,582	-	4,582
Subordinated loan interests	-	-	-	-	-128	-128	-	-128
Changes in non-controlling interests ¹	-	-	-	-	-	-	-274	-274
Transactions with owners total	-	4,582	-	-	-128	4,454	-274	4,180
Equity 31 December 2020	1,000	15,661	-	-1	10,537	27,197	92	27,290

¹ Due to the sale of the Valokoti complex in November 2020.

KEY FIGURES

Group, EUR thousand	1-12/2021	1-12/2020	Change
Revenue	13,574	4,250	9,324
Lease income	2,676	3,213	-537
Net lease income	1,979	2,371	-392
Operating profit	15,818	7,189	8,629
Cash flow before changes in working capital (Funds from Operations, FFO)	1,714	637	1,077
Fair value of investment properties	97,649	57,022	40,627
Investments in investment properties	34,002	18,361	15,641
Sales of investment properties	12,085	29,674	-17,589
Net debt with interest	40,215	24,033	16,182
Non-current net assets (Net asset value, NAV)	41,169	13,498	27,671
Loan to value (LTV), %	41.2%	42.1%	-0.9 percentage points
Equity ratio	45.3%	42.8%	+2.5 percentage points
Non-current net assets per share, EUR	0.78	0.30	0.48
Increase in non-current net assets per share, %	158.5	75.2	
Earnings per share (EPS), EUR ¹⁾	0.24	0.11	0.13
Occupancy rate, %	98.9%	99%	-0.1%
Total leasable apartment area, square metres	6,776	13,006	-6,230
Other leasable area, square metres	17,784	19,582	-1,798

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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