



**Toivo Group Plc's  
Financial Statement Release  
1 January–31 December  
2024**

# Toivo Group Plc's Financial Statement

## Release 1 January–31 December 2024: Over

### EUR 200 million in news against the tide in

# 2024

EUR thousand	1 January–31 December 2024	1 January–31 December 2023	Change, %
Revenue	39,810	43,692	-9%
Operating profit	4,543	-305	1,588%
Operating profit without changes in values of investment properties	4,202	10,525	-60%
Profit or loss for the financial year	734	-4,364	117%
Earnings per share (EUR)	0.01	-0.08	116%
Fair value of investment properties	108,035	164,122	-34%
Economic occupancy rate	92.3%	97.0%	-5%
Total equity	69,434	68,830	1%
Total assets	144,467	192,132	-25%

EUR thousand	1 October–31 December 2024	1 October–31 December 2023	Change, %
Revenue	7,223	10,073	-28%
Operating profit	1,138	-8,058	114%
Operating profit without changes in values of investment properties	797	2,772	-71%
Profit or loss for the financial year	402	- 8,476	105%
Earnings per share (EUR)	0.01	-6.57	100%
Fair value of investment properties	108,035	164,122	-34%
Economic occupancy rate	94.9%	95.0%	0%
Total equity	69,434	68,830	1%
Total assets	144,467	192,132	-25%

## FINANCIAL YEAR 1 JANUARY–31 DECEMBER 2024 KEY EVENTS

- Revenue EUR 39.8 (43.7) million.
- Contracts for building a total of 271 (126) apartments were signed during the period under review.
- 276 (118) apartment start-ups during the period under review.
- 165 (377) apartments were completed during the period under review.
- Toivo's total trading volume in 2024 was EUR 205 million, broken down as follows:
  - Sales of completed properties worth EUR 55 million
  - Start-ups of new balance sheet investments worth EUR 32 million
  - Sales of projects under construction worth EUR 118 million

## PROSPECTS FOR 2025

- The company expects the operating profit for the financial year of 1 January–31 December 2025 to be EUR 6–11 million.
- The company expects the operating profit without changes in values of investment properties for the financial year of 1 January–31 December 2025 to be EUR 6–11 million.



# CEO MARKUS MYLLYMÄKI



2024 was a challenging year for property developers and investors, but it also offered opportunities for bold players. Toivo went against the tide and increased its market share in a difficult environment. In addition, operating profit turned out to be fairly good.

Despite the challenges in the real estate market, Toivo signed contracts for more than EUR 200 million and was involved in four of the 20 largest real estate transactions in Finland during the year. This shows that we have strengthened our position in the market. In addition, the company's expansion in community properties from piloting to production is pleasing.

The housing shortage is already visible in the Helsinki metropolitan area, and the demand for new apartments is growing. Toivo's market share in non-subsidised apartment building production increased to approximately 10 per cent, which is an indication of successful acquisitions and investments.

Construction costs have stabilised and signs of recovery can be seen in the rental market. This opens up opportunities for long-term investments. Now is the right time to take advantage of the market situation and further strengthen our position.

**DEVELOPMENT:** The company is prepared for the future and the opening up of the market with a project development portfolio of some 3,200 apartments, of which approximately 91% are located in the Helsinki metropolitan area. During the final quarter, the company signed four

new contracts for new projects, two residential properties and two care facilities.

**CONSTRUCTION:** The company started four new projects in October–December. Two of the properties are semi-detached house projects. One of the projects was a community property to be built for an investor. In addition, the company began the construction of a new non-subsidised rental building for its own balance sheet.

**OWNERSHIP:** Toivo handles lease activities and management in-house by using the company's own Asuntomestarit®. The company's economic occupancy rate fell to the lowest figures in history in H2/2024, but the occupancy rate has gradually begun to improve.

**SELLING:** The last quarter of the year was strong in terms of sales for Toivo, and the company succeeded in completing significant property transactions. The largest deals were the sale of EUR 20 million of care facilities under construction to NREP and the sale of a EUR 35 million completed apartment building portfolio to Sirius.

Toivo's business is capital-intensive, and its strong balance sheet provides the company with excellent conditions for growth. The equity ratio increased to 48.9 per cent and LTV decreased to 43.9 per cent, which indicates the company's balanced financing structure. The financing base, which mainly consists of long-term bank financing, will also enable strategic investments in 2025.

I would like to thank our customers, partners and the Toivo team for an excellent year in 2024 – the journey will continue strongly in 2025!

## NEW CONTRACTS 1 OCTOBER–31 DECEMBER 2024

Toivo signed four new contracts during the final quarter of the year. Two of the projects were care facilities for Esperi in Järvenpää and Rovaniemi. In addition, the company signed an agreement for one terraced house project and one semi-detached house project, with a total of 75 apartments.

Site	District	Apartment product	Number of apartments	Completion	Energy efficiency class A
Helsingin Torpparinmäki	Torpparinmäki	Semi-detached houses	12	12/2025	
Espoo Suurpelto	Suurpelto	Terraced houses	63	2026	
Esperi Järvenpää	Järvenpää	Care facility		2026	X
Esperi Rovaniemi	Rovaniemi	Care facility		2026	X

## NEW SITES 1 OCTOBER–31 DECEMBER 2024

The company started four projects during the final quarter. The new projects comprise a total of 80 apartments, as well as one care facility.

Site	District	Apartment product	Number of apartments	Completion	Energy efficiency class A
As Oy Vantaan Räätäli	Aviapolis	Apartment building	49	12/2025	X
As Oy Espoon Paroni	Perusmäki	Semi-detached houses	14	6/2025	X
Esperi Kangasala	Lamminrahka	Care facility		2026	X
As Oy Espoon Alppirinne	Suvela	Semi-detached houses	17	12/2025	X

## COMPLETED SITES 1 OCTOBER–31 DECEMBER 2024

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

## OTHER ACTIVITIES 1 OCTOBER–31 DECEMBER 2024

- On 24 October 2024, the company issued the following release: Toivo Group Plc announced the composition of the shareholder appointments committee.
- On 25 October 2024, the company issued the following release: Toivo Group Plc is lowering its guidance for 2024 due to a delay in the launch of construction projects.
- On 20 November 2024, the company issued the following release: Toivo Group Oyj has sold a portfolio of three residential apartment buildings comprising 240 apartments to Sirius Capital Partners for approx. 35 million euros
- On 12 December 2024, the company issued the following release: The Board of Directors of Toivo Group has decided on a long-term incentive programme for key personnel
- On 16 December 2024, the company issued the following release: Toivo Group Oyj invests in E-Heat Oy and expands into sustainable energy business.
- On 23 December 2024, the company issued the following release: Toivo Group Plc has signed sale agreements for two community properties valued approximately EUR 20 million with a fund managed by Nrep

## EVENTS AFTER THE PERIOD UNDER REVIEW

- On 14 February 2025, the company issued the following release: Toivo Group Oyj has signed a preliminary agreement to acquire the entire share capital of E-Heat Oy.

## 2024 WAS A YEAR OF GOING AGAINST THE TIDE

Toivo navigated through 2024 in an exceptional market environment, where high interest rates, slower construction and market uncertainty challenged the real estate industry. Contrary to the general market trend, however, Toivo managed to contractually return to growth, expand its business and strengthen its position in the housing market.

### Trade and investments

Toivo's total trading volume in 2024 was EUR 205 million, broken down as follows:

- Sales of completed properties worth EUR 55 million
- Start-ups of new balance sheet investments worth EUR 32 million
- Sales of projects under construction worth EUR 118 million

Although the property transactions were generally quiet in the market, Toivo was able to carry out significant transactions and investments that support the company's long-term strategy.

### New business initiatives

In 2024, Toivo expanded its operations in two significant areas:

1. Community properties moved from piloting to full-scale production, which diversifies Toivo's business and reduces the impact of cycles on the company's profitability.
2. The investment in E-Heat, as well as the possible acquisition of the entire company, opens up new business opportunities for Toivo and may support long-term growth.

## **Increasing business efficiency and personnel**

In 2024, Toivo focused on improving operational efficiency:

Improving staff, production and business efficiency allowed us to improve profitability in a challenging market. Recruitments were gradually started, which indicates a gradual market recovery and Toivo's strategic growth.

## **Performance and market position**

Toivo strengthened its position in the Finnish housing market and achieved a significant market share: Toivo's market share in non-subsidised apartment building production was approximately 10% in 2025 (220 apartments/2,500 apartments). At the end of the year, Toivo's balance sheet only contained seven completed unsold apartments and one plot on which construction had not been started, which indicates efficient sales and controlled inventory management.

## **Future outlook**

The effects of the trading and investment decisions made in 2024 will materialise especially in 2025, when the market is expected to recover and interest rates to fall. Toivo's strategic business efficiency improvements, the exploitation of new market initiatives and successful trading lay down a strong foundation for future growth.

Toivo is determined to continue on its chosen path and leverage market changes to create long-term value for its owners.

## **E-HEAT**

Founded in 2021, E-Heat Oy is a Tampere-based data centre and energy company that builds modular data centres. The business includes data centre management services, waste heat sales and the balancing electricity market.

### **Finnish district heating market**

In Finland, district heating accounts for 45% of heating, and in 2024, 80% of it was produced by combustion. At the same time, fuel prices have risen, which has led to sharp increases in the price of heat for end customers over just a few years. The energy market is undergoing a transformation and district heating companies are looking for new ways to produce heat inexpensively and with zero emissions.

E-Heat's concept offers a solution to both challenges. The waste heat generated by its data centres reduces approximately 720,000 kilogrammes of carbon dioxide emissions per megawatt per year, and its price is competitive compared to other forms of production, which reduces price increase pressures for district heating companies. With new wind and solar power investments, Fingrid needs more flexible consumption in the grid, and E-Heat's data centres are part of Fingrid's balancing energy and balancing capacity market (mFRR).

E-Heat's sales pipeline is currently 98 megawatts, while the entire Finnish district heating market is approximately 3,600 megawatts. In addition, greenhouses, industry and large properties that are not connected to district heating are struggling with the same problems.

## Reducing the carbon dioxide emissions of one data centre

A 2-megawatt E-Heat data centre saves 1,440,000 kg of CO<sub>2</sub> emissions. This corresponds to 10.2 million kilometres driven by passenger cars, 1,600 forest square metres' annual carbon binding, 2,460 return passenger flights between Helsinki and Munich.

## E-Heat's business model

E-Heat has 10 data centres in the site-specific data centre development phase, which will produce 28 megawatts of heat once completed. 6 data centres are in the construction and commissioning of data centres phase, which will produce 13 megawatts of heat once completed, and 5 data centres are in the data centre service and heat business phase, which will produce 6 megawatts of heat.

The company's revenue in 2024 was approximately EUR 2 million. The company aims for approximately EUR 7.5 million in 2025, approximately EUR 15 million in 2026 and approximately EUR 24 million in revenue in 2027.

## WHY E-HEAT?

Data centres and zero-emission energy are probably the biggest opportunities in the real estate business in 2025–2030. In recent years, Toivo has been pursuing opportunities in the energy business alongside the real estate business. E-Heat combined data centre business, zero-emission energy business and technology business. Toivo and E-Heat have similar business models in place and Toivo can support the growth of E-Heat with broader shoulders.

If we succeed with E-Heat in utilising the data centre and the energy business opportunities.

- We will be able to provide E-Heat's data centre customers with more server space and heat customers with more zero-emission heat.
- Toivo's and E-Heat's shareholders will enjoy increased shareholder value.

## STARTING POINTS FOR 2025

### Market outlook

2025 will not bring about any significant market change, but the first signs of recovery can be seen. Particularly in the Helsinki metropolitan area, the oversupply of apartments is starting to decrease, which supports the turnaround of the value of apartments to a clearer increase. Housing sales are showing signs of an upturn, and property transaction volumes are gradually starting to rise from the trough of 2024.

Although interest rates will remain high, the moderate decrease in interest rates will support the gradual recovery of both housing trade and investment demand. Market uncertainty continues to be significant, but long-term structural factors, such as increased housing demand and reduced supply, create a stable basis for value development.

### Toivo's business

Toivo's business has reached a stage where the company is no longer directly dependent on fluctuations in the market situation. Sales to consumers and investors as well as managing the increased production volume support stable development.



## Focus of operations in 2025:

Sales to consumers and investors as an active part of market recovery.

Management of production volumes – Toivo has been able to increase its production volume and is preparing for changes in market demand. Moving against the tide – Toivo continues to increase its market share, with a target volume of EUR 100 million in 2026.

## Toivo's strategic direction is clear:

One of the company's medium-term goals is to reach an annual development and construction volume (revenue and investments) of EUR 100 million by 2026. The volume for 2025 is estimated at approximately EUR 80 million.

Toivo will continue its determined growth and business development, taking advantage of the opportunities provided by the market and strengthening its position as an industry leader.

## ECONOMIC OPERATING ENVIRONMENT

In 2024, the Finnish economy contracted by 0.3 per cent, but the economy is expected to turn to growth in 2025. According to various forecasts, the growth in gross domestic product (GDP) will range from 0.8% to 1.5% in 2025. Inflation slowed down significantly in 2024 and was 0.7 per cent in December 2024. In 2025, European inflation is expected to remain close to the European Central Bank's target of 2%. (Source: Bank of Finland, bulletin 12 February 2025)

In the construction sector, housing production was at an exceptionally high level in 2018–2021, when the construction of up to 44,600 apartments was started up annually. In 2022, the number of housing start-ups and new building permits turned to a sharp decline, and this trend continued to be significant in 2023–2024. (Source: Confederation of Finnish Construction Industries RT, economic survey, December 2024, Ministry of Finance)

Interest rates rose during 2023 and the 12-month Euribor rose to a positive figure after remaining negative for several years, being just under 4% at the end of 2023. Interest rates began to fall in 2024, and the European Central Bank's key interest rate is expected to fall further in 2025, which supports the economic recovery. (Source: Ministry of Finance, Economic Survey, winter 2024, Bank of Finland statistics 12 February 2025)

In summary, the Finnish economy is transitioning from a recession to moderate growth in 2025, with inflation remaining under control and interest rates falling, creating favourable conditions for economic recovery.

## REVIEW OF FINANCES 1 JANUARY–31 DECEMBER 2024

### Development of finances

The Group's revenue was EUR 39.8 (43.7) million, representing a decrease of 9% when compared to the reference period (1 January–31 December 2023). Changes in the fair values and the profit and loss on the disposal of investment properties were EUR -1.8 (-7.1) million. The change in the fair values of investment properties was better than in the reference period due to a moderate increase in property values. This value also includes disposal losses arising from the sale of a few portfolios in relation to the fair value on the balance sheet.

At the end of the review period, the company had 563 apartments, 29 leased plots/real estate units and two commercial properties completed and generating rental cash flow.

The maintenance costs of properties amounted to EUR -2.50 (-1.82) million. The maintenance costs of properties were 37% higher than in the reference period due to the increase in the number of apartments and rising costs.

Staff expenses were EUR -1.0 (-1.2) million, representing a decrease of 15%. The decrease is due to a decline in staff expenses allocated to projects under construction.

Operating profit was EUR 4.5 (-0.31) million.

Net financial income and expenses were EUR -4.10 (-3.86) million. The financial year's current income tax was EUR -1.08 (-1.28) million and, largely due to the changes in the fair values of properties, the deferred tax was EUR 1.5 (1.1) million.

The net profit for the period under review was EUR 0.7 (-4.4) million, representing a year-on-year increase of 117%. Earnings per share were EUR 0.01 (-0.08).

## INVESTMENTS

The consolidated balance sheet total at the end of the period was EUR 144.5 (192.1) million, a decrease of 25% when compared to the reference period. During the period, investments worth a total of EUR 5.4 (19.8) million in acquisition value were made in properties.

## FINANCING

At the end of the period, the company's debts with interest were EUR 59.0 (100.6) 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.

## PROPERTY SITES AND CONTRACTS

On 31 December 2024, the company had 563 completed apartments, 29 leased plots/real estate units and two commercial properties. An additional 12 properties with a total of 428 apartments and 1 commercial unit were also being built. Of these, 149 apartments will be added to the company's balance sheet.

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 and the Tampere region.

## PERSONNEL AND MANAGEMENT

The average number of Toivo's personnel between 1 January and 31 December 2024 was 40 people. At the end of the period under review, Toivo employed 39 people.

The management group of Toivo consists of CEO Markus Myllymäki, CFO Samuli Niemelä, Director of Finance and Risk Management Lauri Rekola and Director of Building Urho Myllymäki.

## FINANCIAL TARGETS 2024–2026

- Non-current net assets per share (Net asset value, NAV/share) will increase significantly every year.
- Operating profit without changes in values of investment properties EUR 20 million in 2026.
- In development and construction, achieve an annual volume of EUR 100 million (revenue and investments) by the end of 2026.
- Equity ratio more than 40%.
- In dividend distribution, the company's investment needs and financial position will be taken into consideration.

## 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–31 December 2024. 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 the economic occupancy rate of Toivo Group Plc and, consequently, the company's lease income. The authorities' interpretations regarding VAT liability for the rental of furnished apartments may have an impact on the occupancy rate or cash flow of Toivo's apartment properties or the fair value of the Group's property assets.

The project development portfolio involves risks related to financing, zoning and building permits, for example.

### **Geopolitical risks and the war in Ukraine**

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

### **Issued shares and ordinary shares**

The average number of issued shares during the financial year 2024 was 58,688,029 (55,243,578) and, at the end of the financial year on 31 December 2024, the number of shares was 58,759,559 (58,539,559).

### **Shareholders**

The number of Toivo Group Plc shares entered in the trade register on 31 December 2024 was 58,759,559. On 31 December 2024, Toivo had a total of 2,294 shareholders.

## **BOARD OF DIRECTORS PROPOSAL REGARDING THE RESULT FOR THE FINANCIAL YEAR**

The Board of Directors proposes that the parent company's profit for the period, EUR 321,082.70, be transferred to the retained earnings account. The Board of Directors proposes that no dividend be distributed.

There have been no significant changes in the company's financial position after the end of the financial year.

## **ANNUAL GENERAL MEETING 2024**

The Annual General Meeting of Toivo Group Plc was held in Espoo on 12 April 2024. The Annual General Meeting adopted the financial statements, Board of Directors' report and audit report for 2023.

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 discharged the members of the Board of Directors and the CEO from liability for the financial year 1 January–31 December 2024.

The Annual General Meeting decided to appoint five members to the Board of Directors. Asko Myllymäki, Harri Tahkola, Petri Kärkkäinen and Tomi Koivukoski were re-elected as members of the Board of Directors, with Margit Lindholm as a new member. In its first meeting immediately after the Annual General Meeting, the Board of Directors appointed Asko Myllymäki as the Chair of the Board.

The Board of Directors decided that KPMG Oy Ab, authorised public accountants, be re-elected as the company's auditor for the term ending at the close of the next Annual General Meeting. KPMG Oy Ab has announced that it will appoint Pekka Alatalo, APA, as the auditor with principal responsibility.

The Annual General Meeting resolved to authorise the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the Company's own shares, as proposed by the Board of Directors. The authorisation covers a maximum of 5,853,956 shares. The proposed number of shares corresponds to approximately ten (10) per cent of the company's total share capital. Own shares may be repurchased on the basis of this authorisation only by using unrestricted equity. The authorisation is effective until the end of the next Annual General Meeting; however, no longer than until 30 June 2025.

The Annual General Meeting resolved to authorise the Board of Directors to decide on the issue of shares and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act in accordance with the proposal of the Board of Directors. The number of own shares to be issued may not exceed 20,000,000 shares, which corresponds to approximately 34% of the company's total share capital. The authorisation is effective until the end of the next Annual General Meeting; however, no longer than until 30 June 2025.

## FINANCIAL DISCLOSURES AND ANNUAL GENERAL MEETING

7 May 2025 Business review Q1/2025

6 August 2025 Half-year review H1/2025

29 October 2025 Business review Q3/2025

The Annual General Meeting of Toivo Group Plc is scheduled for 10 April 2025. The company's Board of Directors will issue a notice of the Annual General Meeting separately.

The company will publish the Group's annual report and financial statements for 2024 on Wednesday 12 March 2025 at about 9:00 a.m. in the form of a release. The annual report and financial statements will be attached to the release and will subsequently be available on the company's website at: [sijoittajille.toivo.fi](https://sijoittajille.toivo.fi).

## MEDIA AND ANALYST CONFERENCE

A public media and analyst conference in Finnish will be held on Wednesday, 26 February 2025, at 10:00 in the form of a webcast. Use the following link to join the webcast:

<https://toivo.videosync.fi/q4-2024>

The review will be presented by CEO Markus Myllymäki, Finance and risk management director Lauri Rekola and E-Heat CEO Lauri Pispä. The presentation materials will be published later at: [sijoittajille.toivo.fi](https://sijoittajille.toivo.fi) and [sijoittajille.toivo.fi/en](https://sijoittajille.toivo.fi/en).

**Espoo, 26 February 2025**

**Toivo Group Plc**  
Board of Directors

# GROUP INCOME STATEMENT

EUR thousand	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
Revenue	39,810	43,692
Changes in the fair values of investment properties and gains and losses on the disposal of investment properties	-1,754	-7,107
Other operating income	-	-
Raw materials and services	-28,560	-32,569
Staff expenses	-1,020	-1,198
Depreciation, amortisation and reduction in value	-113	-78
Other operating expenses	-3,820	-3,045
<b>Operating profit (loss)</b>	<b>4,543</b>	<b>-305</b>
<b>Share of the result of associated companies</b>	<b>-160</b>	<b>-22</b>
Financial income	243	73
Financial expenses	-4,340	-3,931
<b>Net financial expenses</b>	<b>-4,097</b>	<b>-3,857</b>
<b>Profit (loss) before taxes</b>	<b>286</b>	<b>-4,184</b>
Current tax based on the financial year's taxable income	-1,076	-1,283
Deferred taxes, change	1,524	1,103
Income taxes, total	447	-180
<b>Financial year profit (loss)</b>	<b>734</b>	<b>-4,364</b>
<b>Distribution of the profit (loss) of the financial year</b>		
Parent company owners	747	-4,426
Non-controlling interests	-13	61
<b>THE GROUP'S STATEMENT OF COMPREHENSIVE INCOME</b>		
<b>Financial year profit (loss)</b>	<b>734</b>	<b>-4,364</b>
<b>Other comprehensive income</b>		
Items that may be subsequently reclassified to profit or loss	-	-
Translation differences	-27	-2
<b>Other comprehensive income for the financial year</b>	<b>- 27</b>	<b>-2</b>
<b>Total comprehensive income for the financial year</b>	<b>707</b>	<b>-4,367</b>
<b>Distribution of total comprehensive income for the financial year</b>		
Parent company owners	720	-4,428
Non-controlling interests	- 13	61
Earnings per share (EPS), EUR	0.01	-0.08
Non-cash flow based expenses associated with the share-based incentive system	-201	-292

# CONSOLIDATED BALANCE SHEET

EUR thousand	31 December 2024	31 December 2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment properties	108,035	138,382
Right-of-use assets	41	98
Tangible assets	216	146
Intangible assets	11	10
Non-current receivables	120	209
Equity method investments	1,758	48
Deferred tax assets	481	267
<b>Non-current assets, total</b>	<b>110,661</b>	<b>139,159</b>
<b>Current assets</b>		
Inventories	10,520	13,278
Rent, trade and other receivables	11,594	8,596
Cash and cash equivalents	11,693	5,359
<b>Current assets total</b>	<b>33,806</b>	<b>27,233</b>
Investment properties available for sale	-	25,740
<b>Assets, total</b>	<b>144,467</b>	<b>192,132</b>
<b>EQUITY</b>		
Ordinary shares	1,000	1,000
Subordinated loans	17,051	17,280
Share premium account	20,998	20,998
Translation differences	-	-27
Retained earnings	30,117	29,325
<b>Equity belonging to the owners of the parent company</b>	<b>69,166</b>	<b>68,576</b>
Non-controlling interests	268	254
<b>Total equity</b>	<b>69,434</b>	<b>68,830</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial institution loans	47,641	80,730
Lease liabilities	7,911	6,913
Loans granted to associates	-	2,500
Other financial liabilities and other non-current liabilities	760	463
Deferred tax liabilities	4,409	5,699
<b>Non-current liabilities total</b>	<b>60,721</b>	<b>96,305</b>
<b>Current liabilities</b>		
Financial institution loans	2,000	3,738
Lease liabilities	649	559
Loans granted to associates	106	107
Provisions	-	-
Trade and other payables	11,559	9,556
Deferred tax liabilities	-	-
<b>Current liabilities total</b>	<b>14,313</b>	<b>13,960</b>
<b>Liabilities, total</b>	<b>75,033</b>	<b>110,264</b>
Liabilities associated with investment properties available for sale	-	13,038
<b>Total equity and liabilities</b>	<b>144,467</b>	<b>192,132</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand

1 Jan–31 Dec 2024 1 Jan–31 Dec 2023

	1 Jan–31 Dec 2024	1 Jan–31 Dec 2023
<b>Cash flows from operating activities</b>		
Profit or loss for the financial year	734	-4,306
<i>Adjustments:</i>		
Changes in the fair values of, and profit and loss on the disposal of, investment properties	1,754	7,081
Depreciation, amortisation and reduction in value	113	127
Finance income and cost	4,097	3,857
Result of associated company	160	22
Other	395	-
Income tax expense	-447	122
Cash flows before changes to net working capital and financial items	6,805	6,903
Change to net working capital:		
Increases (-)/decreases (+) to rent, trade and other receivables	-5,963	2,824
Increases (-)/decreases (+) to inventories	2,758	1,747
Increases (-)/decreases (+) to current payables with no interest	4,501	-1,367
Cash flows before financial items	8,101	10,106
Interest paid	-4,060	-4,322
Interest received	79	-
Income tax paid	-760	-860
<b>Net operating cash flow (A)</b>	<b>3,361</b>	<b>4,924</b>
<b>Investing cash flows</b>		
Investments in investment properties	-5,445	-19,843
Acquisitions of tangible assets	-180	-159
Proceeds from the disposal of tangible assets	-6	-
Investments in associated companies	-1,870	-
Sale of subsidiaries less acquired cash	-	-
Sales of investment properties	12,346	276
<b>Investing cash flow (B)</b>	<b>4,846</b>	<b>-19,726</b>
<b>Cash flows from financing activities</b>		
Proceeds from subordinated loans	-	-
Proceeds from shares issued	-	2,938
Dividends paid	-	-40
Proceeds from financial institution borrowings	3,916	33,751
Proceeds from other borrowings	22	63
Repayments of borrowings	-5,618	-20,751
Repayments of other borrowings	-2,500	-658
Loan receivables from joint ventures	2,916	-1,390
Repayments of lease liabilities	-609	-174
<b>Net financing activity cash flow (C)</b>	<b>-1,873</b>	<b>13,739</b>
<b>Changes in cash flows (A+B+C)</b>	<b>6,334</b>	<b>-1,063</b>
<b>Cash and cash equivalents and bank overdrafts at beginning of year</b>	<b>5,359</b>	<b>6,423</b>
<b>Cash and cash equivalents and bank overdrafts at end of year</b>	<b>11,693</b>	<b>5,359</b>



# CHANGES IN EQUITY

## Equity attributable to owners of the parent company

EUR thousand	Ordinary shares	Subordinated loans	Share premium reserve	Translation differences	Retained earnings	Total	Non-controlling interests	Equity total
<b>Equity 1 January 2024</b>	1,000	17,280	20,998	-27	29,325	68,576	254	68,830
<b>Comprehensive income</b>								
Financial year profit (loss)					720	720	13	734
Corrections to retained earnings					14	14	-	14
Other comprehensive income				27		27		27
<b>Total comprehensive income for the financial year</b>	-	-	-	27	734	747	13	760
<b>Transactions with owners</b>								
Increase in subordinated loans		-229				-229		-229
Subordinated loan interests					-187	-187		-187
Proceeds from shares issued					44	44		44
Dividend distribution								
Share bonus system					201	201		201
Non-controlling interest change								
<b>Transactions with owners total</b>	-	-229		0	58	-171		-171
<b>Equity 31 December 2024</b>	1,000	17,051	20,998	0	30,117	69,166	267	69,433

## Equity attributable to owners of the parent company

EUR thousand	Ordinary shares	Subordinated loans	Share premium reserve	Translation differences	Retained earnings	Total	Non-controlling interests	Equity total
<b>Equity 1 January 2023</b>	1,000	17,280	18,061	-24	33,498	69,814	193	70,007
<b>Comprehensive income</b>								
Financial year profit (loss)					-4,426	-4,426	61	-4,364
Corrections to retained earnings						-		0
Other comprehensive income				-2		-2		-2
<b>Total comprehensive income for the financial year</b>	-	-	-	-2	-4,426	-4,428	61	-4,367
<b>Transactions with owners</b>								
Increase in subordinated loans								
Subordinated loan interests								
Proceeds from shares issued			2,938			2,938		2,938
Dividend distribution					-40	-40		-40
Share bonus system					292	292		292
Non-controlling interest change							0	0
<b>Transactions with owners total</b>	-	-	2,938	-	252	3,190	-	3,190
<b>Equity 31 December 2023</b>	1,000	17,280	20,998	-27	29,325	68,576	254	68,830

# CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## BASIC INFORMATION ABOUT THE GROUP

Toivo Group Plc (hereinafter referred to as “Toivo” or “the Group”) is a Finnish limited liability company, established in 2015 in accordance with Finnish legislation (Business ID 2687933-2). The company’s domicile is Helsinki and its registered address is Gransinmäki 6, 02650 Espoo. The parent company Toivo Group Plc was listed on Nasdaq First North Growth Market Finland in summer 2021.

Toivo is a Finnish operator specialising in construction, real estate development and property ownership. The Group’s mission is to transform the value chain of real estate properties and create a differentiated business model. Our investment portfolio comprises housing, plots of land and commercial properties.

The Board of Directors of Toivo Group Plc approved this financial statement release for publication on 26 February 2025. Pursuant to the Finnish Limited Liability Companies Act, shareholders have the opportunity to adopt or reject the financial statements at the General Meeting of Shareholders held after their publication. The General Meeting of Shareholders may also decide to amend the financial statements.

During the financial year 2024, Toivo Group Plc established eleven new subsidiaries, sold fifteen subsidiaries and acquired two subsidiaries.

## ACCOUNTING POLICIES

### Basis for preparation

This financial statement release has been prepared in accordance with the IAS 34 Interim Financial Reporting standard and by applying the same accounting policies as in the previous annual financial statements. The figures in the financial statement release have not been audited.

The figures for 2024 are based on Toivo Group Plc’s audited financial statements for 2024. The figures in brackets refer to the corresponding period in 2023, and the comparison period is the corresponding period in the previous year, unless otherwise indicated.

The preparation of the financial statement release in accordance with the IFRS standards requires Toivo’s management to apply estimates and assumptions that affect the reported amounts of assets and liabilities on the balance sheet date and the reported amounts of income and expenses for the period. Toivo’s management also needs to exercise judgement with regard to the application of the accounting policies. Actual results may differ from the estimates and assumptions used. The most significant area in which the management has exercised judgement in the preparation of this financial statement release is the fair value measurement of investment properties. The war in Ukraine may have exceptional impacts on the housing and financial markets. These factors may have an impact on Toivo’s result and cash flow as well as the fair value of housing properties.

## RELATED PARTY TRANSACTIONS

### Transactions and open balances with related parties

EUR thousand	Sales	Purchases	Interest expenses	Interest income	Receivables	Liabilities
<b>Financial year 2024 / 31 December 2024</b>						
Key management personnel (including controlled companies)	27	-16	-138	-	-	6,919
Associated companies	10,705	-4	-	144	5,560	103
Parent company Raatihuone Oy	-	-	-163	-	-	10,110
<b>Total</b>	<b>10,732</b>	<b>-20</b>	<b>-301</b>	<b>144</b>	<b>5,560</b>	<b>17,132</b>

EUR thousand	Sales	Purchases	Interest expenses	Interest income	Receivables	Liabilities
<b>Financial year 2023 / 31 December 2023</b>						
Key management personnel (including controlled companies)	5,150	-115	-70	-	-	15,840
Associated companies	13,524	-59	-	-68	3,045	107
Parent company Raatihuone Oy	-	-	-219	-	-	3,798
<b>Total</b>	<b>18,674</b>	<b>-174</b>	<b>-289</b>	<b>-68</b>	<b>3,045</b>	<b>19,745</b>

## REVENUE BREAKDOWN

EUR thousand	2024	2023
Lease income	7,376	7,205
Project management contracting	24,917	30,344
Real estate development services	-9	961
Sales of properties	7,308	5,067
Other sales	218	115
<b>Total</b>	<b>39,810</b>	<b>43,692</b>

## INVESTMENT PROPERTIES

<b>EUR thousand</b>	<b>2024</b>	<b>2023</b>
Fair value of investment properties, 1 January	138,382	155,716
Purchases during the financial year	5,445	10,595
Capitalised borrowing costs	- 725	- 676
Sales during the financial year	-39,019	-276
Other transfers	0	-25,740
Right-of-use assets (leased plots of land)	1,816	5,870
Development profit	1,795	3,723
Change in fair values	341	-10,830
<b>Fair value of investment properties, 31 December</b>	<b>108,035</b>	<b>138,382</b>

## GUARANTEES, COMMITMENTS AND CONTINGENT LIABILITIES

<b>EUR thousand</b>	<b>Loans taken from financial institutions</b>	
	<b>2024</b>	<b>2023</b>
Loans guaranteed by mortgages, shares or other guarantees	49,857	98,342
Mortgages given	124,261	168,265
Shares pledged	47,489	54,147
Directly enforceable guarantees	49,426	95,842
<b>Guarantees total</b>	<b>221,176</b>	<b>318,254</b>

## KEY FIGURES

Group, EUR thousand	1-12/2024	1-12/2023	Change
Revenue	39,810	43,692	-3,882
Lease income	7,509	7,205	304
Net lease income	5,008	5,383	-374
Operating profit	4,543	-305	4,849
Operating profit without changes in values of investment properties	4,202	10,525	-6,323
Cash flow before changes in working capital (Funds from Operations, FFO)	1,985	1,721	264
Fair value of investment properties	108,035	164,122	-56,087
Investments in investment properties	5,445	19,843	-14,399
Sales of investment properties	64,505	276	64,229
Net debt with interest	47,373	102,687	-55,314
Non-current net assets (Net asset value, NAV)	56,043	56,729	-686
Loan to value (LTV), %	43.9%	62.6%	-19%
Equity ratio	48.9%	36.47%	12.4%
Non-current net assets per share, EUR	0.95	0.97	-0.02
Increase in non-current net assets per share, %	-1.6	-9.8	
Earnings per share (EPS), EUR <sup>1)</sup>	0.01	-0.08	0.09
Occupancy rate, %	92.3%	97.0%	-4.7%
Total leasable apartment area, square metres	18,404	34,052	-15,648
Other leasable area, square metres	14,210	14,893	-683

<sup>1)</sup> 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

## RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

EUR thousand	1 January–31 December 2024	1 January–31 December 2023
Operating profit	4,543	-305
Adjustments	341	-10,830
<b>Operating profit without changes in values of investment properties</b>	<b>4,202</b>	<b>10,525</b>

Toivo discloses Alternative Performance Measures (APMs). These APMs are not defined in IFRS or other applicable accounting standards. They do not substitute for any IFRS measures of performance either. For these reasons, they might not be comparable to other companies' APMs. The APMs Toivo discloses are meant to provide better information about Toivo's operational profitability, which is also monitored by the management.

Performance measures regulated by IFRS or other legislation are not regarded as APMs. All APMs are disclosed with comparison numbers and are consistently used over the years, unless otherwise noted.

# KEY FIGURE CALCULATION FORMULAE

Key figure	Definition
Net lease income	= Lease income - Maintenance costs
Operating profit without changes in values of investment properties	= Operating profit - fair value changes of investment properties
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 2024 was EUR 39.8 million and its operating profit was EUR 4.5 million.

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## FURTHER INFORMATION

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