Toivo Group Plc's business review 1 January – 31 March 2025

Toivo Group Plc's business review 1 January–31 March 2025: Strong execution, heading towards the Main Market (Unaudited)

EUR thousand	1 Jan - 31 March 2025	1 Jan - 31 March 2024	change, %
Revenue	11,534	10,268	12%
Revenue and investments, total	19,653	11,585	70%
Value of the project portfolio (MEUR)*	394	680	-42%
Operating profit	1,978	1,181	67%
Operating profit without changes in values of investment properties	1,978	1,181	67%
Profit or loss for the financial year	877	81	978%
Earnings per share (EUR)	0.02	0.00	837%
Economic occupancy rate	91.4%	92.9%	-2%
Total equity	70,282	68,673	2%
Total assets	155,168	189,918	-18%

* The portfolio includes those projects for which the company has the right to purchase the related land areas under pre-agreed conditions, such as the fulfillment of certain criteria like zoning. The value is based on management's view of the market value of these projects when completed, assuming that all projects in the portfolio are realized. There is a risk associated with the projects that they may not achieve legally binding zoning or building permits, or that the confirmed zoning or building permit does not allow for the implementation of a project as valuable as initially estimated.

FINANCIAL PERIOD 1 JANUARY-31 MARCH 2025 KEY EVENTS

- Revenue EUR 11.5 (10.3) million.
- Contracts for building a total of 81 (0) apartments and one parking facility were signed during the period under review.
- 124 (0) apartment and one parking facility start-ups during the period under review.
- 39 (72) apartments were completed during the period under review.

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

The year 2025 has begun with encouraging signs. Despite a challenging operating environment, we are increasingly seeing signs of market stabilization. The decline in interest rates, the slowdown in inflation, and the gradual return of consumer confidence are laying the groundwork for more sound decision-making in construction, investment, and home ownership.

The low level of new construction has led to a situation where a structural housing shortage is forming in the long term, particularly in areas experiencing strong net migration. We believe that housing demand, especially in the Helsinki metropolitan area, will strengthen significantly in the coming years.

The turnaround we anticipated in the rental market has not yet fully materialized, but we expect it to take place between 2025 and 2026. We are prepared for this development both in terms of our product and our operating model. Our in-house rental operations continue to improve efficiency, and we expect our occupancy rate to increase during 2025.

Financially, we are on solid ground. Revenue in Q1 grew by 12%, and the operating profit increased significantly compared to the comparison period. Our equity ratio was 46.0 percent, and our loan-to-value (LTV) ratio was 45.6 percent, indicating a strong financial position. Our balance sheet enables sustainable growth without excessive debt.

Operationally, we made progress across all key areas:

In development, we signed agreements for 81 new apartments and one parking facility

In construction, we launched the construction of 124 apartments and one parking garage

In ownership, 15 apartments were completed

In sales, we signed two new sales agreements for projects in the Helsinki area and agreed with Nuveen on the construction of one new property as part of the approximately €42 million portfolio agreement announced in 2024.

Toivo's strength lies in its comprehensive control of the value chain. We have a clear focus: we develop, build, manage, own, and sell projects profitably, cost-effectively, and responsibly. The transition to the main list, for which preparatory work has been ongoing since 2022, will enable us to grow, gain visibility, and broaden our investor base.

Finally, I would like to warmly thank our customers, partners, and employees for their contributions during the first quarter. We have all the foundation to seize the opportunities ahead and to build a sustainable future.

NEW CONTRACTS 1 JANUARY – 31 MARCH 2025

During the first quarter, the company signed contracts on four sets of projects, that comprise of a total of 81 apartments and one parking facility.

Site	District	Product	Number of apartments /m²	Completion	Energy efficiency class A
Parking facility 5.2 M €	Aviapolis	Parking facility	3,750	Q1/2026	
Apartment building 9 M €	Aviapolis	Apartment building	60	Q2/2026	Yes
As Oy Vantaan Clara	Vapaala	Detached houses	6	Q2/2026	
As Oy Ogelin Verso	Oulunkylä	Terraced houses	15	Q2/2026	

NEW SITES 1 JANUARY – 31 MARCH 2025

The company started five projects during the first quarter.

Site	District	Product	Number of apartments /m²	Completion	Energy efficiency class A
As Oy Helsingin Taksvärkki	Torpanmäki	Semi detached and detached houses	12	12/2025	Yes
As Oy Espoon Louhi	Tillinmäki	Semi detached and detached houses	22	12/2025	Yes
Esperi Järvenpää 4 M €	Järvenpää	Care property	30	12/2025	
Parking facility 5.2 M €	Aviapolis	Parking facility	3,750	Q1/2026	
Apartment building 9 M €	Aviapolis	Apartment building	60	Q2/2026	Yes

COMPLETED SITES 1 JANUARY – 31 MARCH 2025

The company completed two projects during the first quarter.

Site	District	Product	Number of apartments /m²	Completion	Energy efficiency class A
As Oy Järvenpään Lallankulma	Järvenpää	Terraced houses	15	1/2025	
As Oy Helsingin Paraati	Oulunkylä	Apartment building	24	1/2025	Yes

OTHER ACTIVITIES 1 JANUARY – 31 MARCH 2025

- On 14 February 2025, the Company announced it had signed a preliminary agreement to acquire the entire share capital of E-Heat Oy.
- On 12 March 2025, the Company announced it had published the Annual Report, the Report of the Board of Directors, and the Financial Statements for the year 2024.
- On 13 March 2025, the Company announced a share issue in accordance with the terms of the share-based incentive plan.
- On 13 March 2025, the Company announced a free share issue to itself.

EVENTS AFTER THE PERIOD UNDER REVIEW

- On 4 April 2025, the Company announced its intention to transfer its shares to the Nasdaq Helsinki Main Market.
- On 10 April 2025, the Company announced the resolutions of the Annual General Meeting.
- On 10 April 2025, the Company announced the decisions of the Board of Directors' organisational meeting.
- On 14 April 2025, the Company announced a directed share issue for consideration in accordance with the terms of the 2023 share-based incentive plan.
- On 16 April 2025, the Company announced it had signed an agreement for a EUR 3.6 million area development project in Töyrynummi, Helsinki.

MAIN MARKET TRANSFER

Toivo Group is aiming to transfer to the Main Market of Nasdaq Helsinki in 2025 for the following reasons:

1. Accelerating business and seizing growth opportunities
The company is pursuing growth and aims to capitalize on emerging opportunities in the real estate sector while increasing its market share.

2. Strengthening shareholder value and credibility
The transfer supports brand awareness, builds trust among stakeholders, and enhances the company's attractiveness as an investment.

3. Development of governance and processes
The company has developed its governance, reporting, and operational processes to meet the requirements of the Main Market. Toivo has been listed on the Nasdaq First North Growth Market Finland since 2021. In the long term, improved governance and processes also strengthen the business itself.

4. Increasing share liquidity and broadening the shareholder base
The goal is to improve the tradability of the share and attract new domestic and international institutional investors in particular.

5. Supporting long-term strategy
Transferring to the Main Market is part of the company's strategic goals toward sustainable and strong future growth.

6. Potential reduction in risk premium
Many investors view Main Market companies as more stable and secure, which can lead to a lower risk premium.

FOCUS ON DEVELOPMENT AND CONSTRUCTION

Toivo Group's real estate development operations are based on a comprehensive understanding of the value chain, where approximately 80% of a project's success and profitability are determined by choices and decisions made before the construction phase. The operations are guided by a strong understanding of factors such as land purchase price, zoning processes, soil conditions, and parking arrangements, all of which have a decisive impact on profitability. Additionally, design solutions, the size distribution of housing production, building efficiency, aesthetic requirements for facades, and building heights significantly influence the success of projects.

Between 2019 and 2025, Toivo has developed approximately 1,700 residential units and around 50 housing projects. The average project profitability has been about 15%, with the duration of a single project typically ranging from two to four years. Notably, 94% of these projects have been profitable, demonstrating a strong concept, risk management, and value creation expertise across all development phases, from land acquisition to managing the completed property.

TOIVO'S FOCUS AS A REAL ESTATE DEVELOPER

Toivo Group's strategic focus is to build a project portfolio worth one billion euros in the Helsinki metropolitan area and Tampere. The billion-euro value comprises the value of projects built on the land portfolio upon completion. Projects are primarily developed to the zoning phase within Toivo's or a partner's balance sheet. The company's finished products are residential and community properties that stand out for their architecture and clarity.

Toivo's operations are guided by a 15% project profitability target across economic cycles. The company does not aim for volume growth at the expense of profitability but concentrates its resources on the best projects. Managing the value chain from development to construction and from ownership to sales provides a competitive advantage. Toivo allocates its resources where the return-risk ratio is optimal.

To ensure resilience against economic fluctuations, Toivo maintains a moderate cost level and an efficient balance sheet. This enables profitable operations even in uncertain market environments. The company's clientele in development and construction includes both Europe's and Finland's largest real estate asset managers and homebuyers, supporting business stability and diversity.

TOIVO'S BUSINESS MODEL

Toivo Group's business model is based on managing the entire real estate value chain, combining development margin, construction margin, and management margin. Together, these constitute Toivo's total margin. The model offers Toivo the opportunity to optimize returns at different stages of a project's lifecycle and create value efficiently despite economic fluctuations.

At of the end of March 2025, Toivo's development phase portfolio included approximately 1,600 apartments and 3 community properties. The land portfolio's value was around 400 million euros, and the company is on its way toward the strategic goal of one billion euros.

In the construction phase, Toivo had initiated the implementation of 355 apartments and two community properties, with a total value of 89 million euros.

In the management phase, the company owned 577 apartments and managed 356 apartments.

Toivo continues to focus on projects in the Helsinki metropolitan area, where housing needs and demand remain strong. The company's operations are guided by five business focuses: a project portfolio valued at one billion euros, emphasis on residential and community properties, a 15% project profitability target, management of the entire value chain, and strong economic resilience.

Toivo serves both Europe's and Finland's largest real estate asset managers and homebuyers, delivering value to a diverse clientele with a stable and efficient operating model.

IMPACT OF THE SHIFT IN FOCUS ON STRATEGY

As part of the shift in focus, the company is updating its strategy published on February 28, 2024. The most significant changes pertain to volume targets, the use of the company's balance sheet, and sales.

Strategy from May 2025 onwards:
Development, construction, management, ownership, and sale of residential and community properties. Toivo only owns and builds buildings that it has mainly developed and designed itself. This approach allows the company to influence the efficiency, optimal quality, productivity, and marketability of buildings from the outset.

Business volume:
Growing by an average of 20% annually. The volume includes both projects built directly for others, visible in revenue, and direct investments made into the company's own balance sheet, some of which will be sold later.

Volume target allocation:

- Approximately 0–50% for the company's own balance sheet for privately financed rental use.
- Approximately 50–100% for direct sales to end-users.

Sales:
The company actively sells properties it has developed, those under construction, and those it owns, ranging from individual apartments to large portfolios.

Residential property criteria:

- Only in the Helsinki metropolitan area, Turku, and Tampere.
- Energy class A (Apartment buildings).
- Standard apartment buildings and row houses.
- Following Toivo's concept and business model.

Community property criteria:

- Only long-term leases exceeding 10 years.
- For the best tenants in the industry.
- Properties with technical construction expertise from Toivo.
- Following Toivo's concept and business model.

NEW MEDIUM-TERM TARGETS

As part of a strategic shift, the company is replacing the financial targets for 2024–2026, published on February 28, 2024, with new medium-term targets. The company will remove the financial targets for the year 2026 and will provide guidance for 2026 at the latest in conjunction with the 2025 financial statements.

OLD FINANCIAL TARGET FOR 2024-2026

- Significantly increase the long-term net asset value per share (NAV/share) annually.
- Operating profit excluding changes in the fair value of investment properties to reach EUR 20 million by 2026.
- Achieve an annual volume of EUR 100 million (revenue and investments) in development and construction by the end of 2026.
- Equity ratio above 40%.
- Dividend payments will consider the company's investment needs and financial position.

NEW MEDIUM-TERM TARGETS

- Annual volume (revenue and investments, total) will grow on average by 20%
- Annual operating profit will grow on average by 20%
- Equity ratio over 40%
- Dividend payments will consider the company's investment needs and financial position. The company aims for growing dividends, with a target to distribute 30–50% of the annual profit as dividends.

E-HEAT

On 14 February 2025, it was announced that Toivo Group Oyj and E-Heat Oy had signed a preliminary agreement regarding the acquisition of the entire share capital of E-Heat Oy. According to the agreement, Toivo and the founding shareholders of E-Heat Oy committed to advancing the transaction, aiming to strengthen Toivo's position in the data center and sustainable energy sectors.

Negotiations have continued following the signing of the preliminary agreement. However, final decisions have not yet been made due in part to the potential change in Finland's electricity tax classification. The transaction also involves typical terms and uncertainties associated with corporate acquisitions, and the signing of the final agreement is subject to, among other things, the completion of Toivo's due diligence review.

Current status:

- The potential change in Finland's electricity tax classification has delayed the negotiation process.
- Toivo Group Oyj and E-Heat Oy are continuing negotiations for the full or partial acquisition of E-Heat Oy's share capital.
- Final decisions on the transaction are still pending. Toivo will announce them as soon as they are made.
- Toivo is assessing the impact of the planned acquisition in light of the new market situation before making final decisions.

ECONOMIC OPERATING ENVIRONMENT

In 2024, the Finnish economy essentially showed no growth, but cautious signs of recovery have emerged in Q1 2025. According to the Ministry of Finance, GDP growth forecasts are 1.2% for 2025 and 1.6% for 2026, and the economic outlook has improved. Consumer price inflation has remained moderate: the annual change in the harmonized index of consumer prices was around 1.1% in February 2025, and inflation is expected to stay within 1–2% throughout the year. (Sources: Ministry of Finance Spring 2025 Economic Review; Statistics Finland, April 2025)

The residential construction cycle remained weak at the beginning of 2025. According to the Confederation of Finnish Construction Industries (RT), an estimated 3,800 housing starts were recorded in January–March, forecasting a total of about 15,000 starts for the year—still a decrease from around 16,500 in 2024. The share of market-based apartment building projects remains low, and the number of new building permits is still subdued. (Source: Confederation of Finnish Construction Industries, Spring 2025 Review)

Monetary policy normalization has continued in early 2025. Inflation in the eurozone has slowed, enabling the European Central Bank to continue lowering interest rates in March 2025. This has increased market confidence. Business investment appetite and household purchasing power are strengthening. In the housing market, this is reflected in growing demand for first homes and rising interest in new developments, although price levels remain stable. (Sources: Bank of Finland, Monetary Policy and the Economy 1/2025; ECB, Press Release 7.3.2025)

FINANCIAL REVIEW 1 JANUARY – 31 MARCH 2025

Financial development

The Group's revenue was EUR 11.5 million (compared to EUR 10.3 million in the same period in 2024), representing 12% growth. Changes in the fair value of investment properties and gains/losses from disposals were EUR 1.3 million (EUR -0.1 million). The positive fair value changes were mainly due to an increase in the volume of properties under own balance sheet construction.

As of the end of the review period, the company had 577 completed and rental-income-generating apartments, 20 leased plots/land areas, and 2 commercial properties.

Property maintenance costs were EUR -0.47 million (EUR -0.64 million), a 26% decrease due to a reduction in the number of apartments.

Personnel costs were EUR -0.6 million (EUR -0.7 million), a 14% decrease, mainly due to a higher share of personnel costs being capitalized to development projects.

Operating profit was EUR 2.0 million (EUR 1.2 million), up 67%.

Net financial income and expenses were EUR -0.6 million (EUR -1.2 million). Taxes based on taxable income were EUR -0.17 million (EUR 0.02 million), and deferred taxes mainly related to fair value changes were EUR -0.3 million (EUR 0.1 million).

Net profit for the review period was EUR 0.9 million (EUR 0.1 million), up 978%. Earnings per share were EUR 0.02 (€0.00).

INVESTMENTS

At the end of the review period, the Group's total assets amounted to EUR 155.2 million (EUR 189.9 million), a 18% decrease. Investments in properties during the review period totaled EUR 8.9 million (EUR 1.3 million).

FINANCING

Interest-bearing debt excluding lease liabilities at the end of the review period was EUR 55.7 million (EUR 100.0 million).

The company maintained a good financial position during the review period. Sources of financing included cash, drawn investment loans, and loans available under existing agreements.

PROPERTY ASSETS AND CONTRACTS

As of March 31, 2025, the company had 577 completed apartments, 20 leased plots/land areas, and 2 commercial properties. There were 12 ongoing projects comprising 355 apartments. During the review period, one apartment building in Helsinki and one row house project in Järvenpää were completed.

The projects under construction are located in the Helsinki Metropolitan Area and the Tampere region.

PERSONNEL AND MANAGEMENT

The average number of employees from January 1 to March 31, 2025, was 41. At the end of the period, Toivo employed 45 people.

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

NEW MEDIUM-TERM TARGETS

- Annual volume (revenue and investments, total) will grow on average by 20%
- Annual operating profit will grow on average by 20%
- Equity ratio over 40%
- Dividend payments will consider the company's investment needs and financial position. The company aims for growing dividends, with a target to distribute 30–50% of the annual profit as dividends.

ASSESSMENT OF OPERATIONAL RISKS AND UNCERTAINTIES

Operational Risks

Operational risks include dependence on the expertise of key personnel. Retaining key personnel is crucial. Success relies heavily on the professional competence of management and staff. Recruiting skilled employees may be challenging. Employee satisfaction is measured regularly through surveys conducted several times per year

Financial Risks

These include interest rate risks and risks related to financing sufficiency and availability. During the review period, the company secured the desired financing for its ongoing projects. The Group maintained good liquidity, with sufficient cash flow to cover operating expenses and debt servicing. There is a risk that tenants may fail to meet their rent obligations. Residential leases typically include a one-month rent deposit, which mitigates the risk of lost income. For leased plots, agreements include a collateral corresponding to 2–3 years of rent with the highest priority, further reducing the risk of income loss.

Insurance Risks

The company believes it has adequate insurance coverage for its sector. Properties are fully insured and include rental income interruption cover. The company has an active liability insurance policy.

Economic Risks

The key risks for the current financial year are linked to the development of the Finnish economy, which affects the housing and financing markets. These may impact Toivo's earnings and cash flow. For instance, economic trends, rising interest rates, or changes in investors' return expectations may cause fluctuations in housing prices, affecting the fair value of the Group's real estate assets.

Local oversupply of rental housing in Toivo's core areas may affect tenant turnover and rental yields.

Authorities' interpretations regarding the VAT status of furnished apartments may impact occupancy rates, cash flow, or property values.

Development project risks include financing, zoning, and building permit-related issues.
In March 2025, a clawback claim was filed against the company concerning construction payments made to Toivo by a customer that went bankrupt in 2024. The maximum claim is approximately €1.2 million. Toivo considers the claim unfounded and is preparing a response.

Geopolitical Risks and the War in Ukraine

The company assesses that intensified geopolitical risks since 2022 and the war in Ukraine impact the housing and financial markets. These may affect Toivo's earnings and cash flow. The geopolitical situation and war can influence inflation, interest rates, material availability and prices, labor availability, or housing return expectations. These factors may cause property value fluctuations, affecting the Group's asset valuations.

SHARES AND SHAREHOLDERS

As of March 31, 2025, Toivo Group Plc had 58,759,559 shares registered in the Trade Register. The average number of outstanding shares during the review period was 58,759,559 (58,539,559). Toivo had 2,295 shareholders at the end of the review period.

MEDIA AND ANALYST CONFERENCE

A public media and analyst conference in Finnish will be held on Wednesday 7 May 2025 at 11:00 as a webcast. Use the following link to join the webcast:
https://player.videosync.fi/toivo/2025-q1-liiketoimintakatsaus

The review will be presented by CEO Markus Myllymäki and CFO Samuli Niemelä.
The presentation materials will be published later at: sijoittajille.toivo.fi and sijoittajille.toivo.fi/en.

Espoo, 7 May 2025

Toivo Group Plc
Board of Directors

PRINCIPLES FOR PREPARING THE BUSINESS REVIEW

This business review is not an interim report as defined by the IAS 34 Interim Financial Reporting standard. The company complies with the semi-annual reporting obligation in accordance with the Securities Markets Act, and in addition, it publishes business reviews for the first three and nine months of the year. The business reviews present key information describing the financial development of the Group. The figures in the business review are unaudited.

GROUP INCOME STATEMENT

EUR thousand	1 January – 31 March 2025	1 January – 31 March 2024
Revenue	11 534	10 268
Changes in the fair values of investment properties and gains and losses on the disposal of investment properties	1 303	-119
Other operating income	-	-
Raw materials and services	-9 247	-7 279
Staff expenses	-635	-698
Depreciation, amortisation and reduction in value	-14	-26
Other operating expenses	-963	-966
Operating profit (loss)	**1 978**	**1 181**
Share of the result of associated companies	**25**	**0**
Financial income	15	2
Financial expenses	-662	-1 206
Net financial expenses	**-647**	**-1 204**
Profit (loss) before taxes	**1 355**	**-23**
Current tax based on the financial year's taxable income	-174	21
Deferred taxes, change	-305	84
Income taxes, total	-478	105
Financial year profit (loss)	**877**	**81**
Distribution of the profit (loss) of the financial year		
Parent company owners	885	94
Non-controlling interests	-8	-13
THE GROUP'S STATEMENT OF COMPREHENSIVE INCOME		
Financial year profit (loss)	**877**	**81**
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss	-	-
Translation differences	-	-
Other comprehensive income for the financial year	**-**	
Total comprehensive income for the financial year	**877**	**81**
Distribution of total comprehensive income for the financial year		
Parent company owners	885	94
Non-controlling interests	-8	-13
Earnings per share (EPS), EUR	0,02	-0,00

CONSOLIDATED BALANCE SHEET

EUR thousand	31 March 2025	31 March 2024	31 December 2024
ASSETS			
Non-current assets			
Investment properties	116 154	139 699	108 035
Right-of-use assets	32	84	41
Tangible assets	213	198	216
Intangible assets	10	9	11
Non-current receivables	122	249	120
Equity method investments	1 783	48	1 758
Deferred tax assets	477	310	481
Non-current assets, total	**118 791**	**140 596**	**110 661**
Current assets			
Inventories	11 717	11 856	10 520
Rent, trade and other receivables	13 756	8 613	11 594
Cash and cash equivalents	10 904	3 114	11 693
Current assets total	**36 376**	**23 582**	**33 806**
Investment properties available for sale	-	25 740	
Assets, total	**155 168**	**189 918**	**144 467**
EQUITY			
Ordinary shares	1 000	1 000	1 000
Subordinated loans	17 073	17 302	17 051
Share premium account	20 998	20 998	20 998
Translation differences		-27	
Retained earnings	31 031	29 133	30 117
Equity belonging to the owners of the parent company	**70 103**	**68 406**	**69 166**
Non-controlling interests	179	267	268
Total equity	**70 282**	**68 673**	**69 434**
LIABILITIES			
Non-current liabilities			
Financial institution loans	52 850	79 861	47 641
Lease liabilities	7 564	7 104	7 911
Loans granted to associates	-	2 400	
Other financial liabilities and other non-current liabilities	791	479	760
Deferred tax liabilities	4 712	5 658	4 409
Non-current liabilities total	**65 917**	**95 502**	**60 721**
Current liabilities			
Financial institution loans	1 949	3 738	2 000
Lease liabilities	594	578	649
Loans granted to associates	103	567	106
Provisions	-	-	-
Trade and other payables	16 323	7 864	11 559
Deferred tax liabilities	-		-
Current liabilities total	**18 969**	**12 747**	**14 313**
Liabilities, total	**84 886**	**108 249**	**75 033**
Liabilities associated with investment properties available for sale	-	12 996	
Total equity and liabilities	**155 168**	**189 918**	**144 467**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1 Jan – 31 March 2025	1 Jan – 31 March 2024	1 Jan – 31 Dec 2024
Cash flows from operating activities			
Profit for the financial year	877	81	734
Adjustments			
Change in fair value and gains on disposal	-1 303	119	1 754
Depreciation	14	26	113
Finance income and cost	647	1 204	4097
Result of associated company	-25		160
Others	142		395
Income tax expense	478	-105	-447
Cash flow before changes in working capital (Funds from Operations, FFO)	830	1 326	6 805
Change in net working capital:			
Increases (-)/decreases (+) to trade receivables	-2 165	120	-5 963
Increases (-)/decreases (+) to inventories	492	1 422	2 758
Increases (+)/decreases (-) to current non-interest-bearing liabilities	4 760	-1 671	4 501
Cash flow from operating activities before financial items and taxes	3 918	1 197	8 101
Interest paid	-587	-1 248	-4 060
Interest received	21	-	79
Taxes paid	-309	-109	-760
Cash flows from operating activities	**3 043**	**-159**	**3 361**
Investing cash flows			
Investments in investment properties	-8 937	-1 250	-5 445
Acquisitions of tangible assets		-62	-180
Acquisitions of intangible assets			-6
Investments in associated companies	-1	-	-1 870
Sales of investment properties	-	-	12 346
Investing cash flows	**-8 939**	**-1 313**	**4 846**
Cash flow from financing activities			
Issuance of shares	-	-	-
Dividends paid	-	-	-
Proceeds from financing loans	7 588	1 588	3 916
Proceeds from other borrowings	-	460	22
Repayments of financing loans	-2 325	-2 495	-5 618
Repayments of other borrowings	-3	-100	-2 500
Loan receivables from joint ventures	-	-177	2 916
Repayments of lease liabilities (IFRS 16)	-153	-51	-609
Cash flow from financing activities	**5 107**	**-774**	**-1 873**
Changes in cash flows	**-788**	**-2 246**	**6 334**
Cash and cash equivalents and bank overdrafts at beginning of year	**11 693**	**5 359**	**5 359**
Cash and cash equivalents and bank overdrafts at end of year	**10 904**	**3 114**	**11 693**

CHANGES IN EQUITY

EUR thousand	Ordinary shares	Sub-ordinated loans	Share premium reserve	Translation differences	Retained earnings	Total
1 January 2025	**1 000**	**17 051**	**20 998**	**0**	**30 117**	**69 166**
Adjustments to retained earnings						0
Profit for the financial year, for owners of the parent company					869	869
Free issue of shares						
Sale of treasury shares						0
Change in subordinated loans		22				22
SVOP fund refund						0
Dividend distribution						
Payments of subordinated loan interests						
Share bonus system					46	46
Total	**0**	**22**	**0**	**0**	**915**	**937**
Equity attributable to the owners of the parent company 31 March 2025	**1 000**	**17 073**	**20 998**	**0**	**31 032**	**70 103**

EUR thousand	Ordinary shares	Sub-ordinated loans	Share premium reserve	Translation differences	Retained earnings	Total
1 January 2024	**1000**	**17 280**	**20 998**	**-27**	**29 325**	**68 576**
Adjustments to retained earnings					0	0
Profit for the financial year, for owners of the parent company					69	69
Free issue of shares						0
Sale of treasury shares						**0**
Change in subordinated loans		22				22
Dividend distribution						
Payments of subordinated loan interests					-301	-301
Share bonus system					40	40
Total	**0**	**22**	**0**	**0**	**-192**	**-170**
Equity attributable to the owners of the parent company 31 December 2024	**1 000**	**17 302**	**20 998**	**-27**	**29 133**	**68 406**

INVESTMENT PROPERTIES

EUR thousand	Q1 2025	Q1 2024
Fair value of investment properties, 1 January	108 035	138 382
Purchases during the financial year	8 337	1 299
Capitalised borrowing costs	-405	-17
Sales during the financial year		
Other transfers	0	0
Right-of-use assets (leased plots of land)	-1 216	154
Development profit	1 403	-119
Change in fair values	0	0
Fair value of investment properties, 31 March	**116 154**	**139 699**

KEY FIGURES

Group, EUR thousand	1-3/2025	1-3/2024	Change
Revenue	11 534	10 268	1 266
Revenue and investments, total	19 653	11 585	8 068
Value of the project portfolio (MEUR)*	394	680	-286
Operating profit	1 978	1 181	797
Operating profit without changes in values of investment properties	1 978	1 181	797
Cash flow before changes in working capital (Funds from Operations, FFO)	-66	-30	-36
Fair value of investment properties	116 154	165 439	-49 285
Sales of investment properties	0	0	0
Non-current net assets (Net asset value, NAV)	57 265	56 453	812
Loan to value (LTV), %	45,6 %	63,2 %	-18 %
Equity ratio	46,0 %	36,5 %	9,5 %
Non-current net assets per share, EUR	0,97	0,96	0,01
Increase in non-current net assets per share, %	1,0	-13,1	
Earnings per share (EPS), EUR	0,02	0,00	0,01
Occupancy rate, %	91,4 %	92,9 %	-1,5 %

* The portfolio includes those projects for which the company has the right to purchase the related land areas under pre-agreed conditions, such as the fulfillment of certain criteria like zoning. The value is based on management's view of the market value of these projects when completed, assuming that all projects in the portfolio are realized. There is a risk associated with the projects that they may not achieve legally binding zoning or building permits, or that the confirmed zoning or building permit does not allow for the implementation of a project as valuable as initially estimated.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

EUR thousand	1 January - 31 March 2025	1 January - 31 March 2024
Operating profit	**1 978**	**1 181**
Adjustments	0	0
Operating profit without changes in values of investment properties	**1 978**	**1 181**

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
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
Sales of investment properties	=	Investment properties sold at fair value
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	=	Net debt with interest / Fair value of investment properties
Equity ratio	=	Total equity / (Assets total - Deferred revenue)
Non-current net assets per share (Net asset value, NAV)		Non-current net assets (Net asset value, NAV) / Number of shares at end of year
Increase in non-current net assets per share	=	(Non-current net assets per share - Non-current net assets per share of the previous year) / Non-current net assets per share of the previous year
Earnings per share (EPS)	=	Profit (loss) of the financial year attributable to owners of the parent company / 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	=	Net lease income from properties / Potential lease income with full occupancy rate x 100, (including apartments older than two months)
Revenue and investments, total	=	Revenue + the change in value of development and construction projects to be recorded as investment properties.
Value of the project portfolio*	=	The fair value of the projects at present when completed and rented out

* The portfolio includes those projects for which the company has the right to purchase the related land areas under pre-agreed conditions, such as the fulfillment of certain criteria like zoning. The value is based on management's view of the market value of these projects when completed, assuming that all projects in the portfolio are realized. There is a risk associated with the projects that they may not achieve legally binding zoning or building permits, or that the confirmed zoning or building permit does not allow for the implementation of a project as valuable as initially estimated.

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.

FURTHER INFORMATION

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