



**Toivo Group Plc's
business review
1 January–30 September
2024**

Toivo Group Plc's business review 1 January–30 September 2024: The company is preparing for growing demand for housing. (Unaudited)

EUR thousand	1 January– 30 September 2024	1 January– 30 September 2023	Change, %
Revenue	32,587	33,619	-3%
Operating profit	3,405	7,753	-56%
Operating profit without changes in values of investment properties	3,405	7,753	-56%
Profit or loss for the financial year	332	4,112	-92%
Earnings per share (EUR)	0.01	0.07	-91%
Fair value of investment properties	138,554	171,914	-19%
Economic occupancy rate	91.4%	97.8%	-7%
Total equity	68,500	74,121	-8%
Total assets	162,228	196,313	-17%

EUR thousand	1 July– 30 September 2024	1 July– 30 September 2023	Change, %
Revenue	4,184	13,892	-70%
Operating profit	1,059	2,101	-50%
Operating profit without changes in values of investment properties	1,059	2,101	-50%
Profit or loss for the financial year	-106	862	-112%
Earnings per share (EUR)	0.00	0.02	-112%
Fair value of investment properties	138,554	171,914	-19%
Economic occupancy rate	91.2%	98.0%	-7%
Total equity	68,500	74,121	-8%
Total assets	162,228	196,313	-17%

FINANCIAL PERIOD 1 JANUARY–30 SEPTEMBER 2024 KEY EVENTS

- Revenue EUR 32.6 (33.6) million.
- Contracts for building a total of 220 (50) apartments were signed during the period under review.
- 196 (76) apartment start-ups during the period under review.
- 165 (330) apartments were completed during the period under review.

PROSPECTS FOR 2024

- The company expects the operating profit without changes in values of investment properties for the financial year of 1 January–31 December 2024 to be EUR 4–7 million.
- The company expects the operating profit for the financial year of 1 January–31 December 2024 to be EUR 4–10 million.



CEO MARKUS MYLLYMÄKI



The year 2024 has been a challenging period for property developers and property investors. At the same time, it has created new opportunities for those who dare to be bold and see the market turning.

It is possible that a housing shortage will begin in the Helsinki metropolitan area as early as 2025, which will create strong demand for new apartments and rental housing. This is an excellent time to invest, as construction costs have stabilised and the availability of resources is good.

There are clear indications of a pick-up in the rental market, and the investor market is also showing signs of recovery. This provides us with the opportunity to make long-term investments that will bear fruit in the years to come. At this time, it is important to stay sharp and swim against the tide, even though the market may feel challenging. This is precisely the time to take action and increase market share.

We have focused our investments where we see the greatest growth potential. The key to long-term success now lies in having the courage and ability to make decisions whose impact extends beyond the current horizon of uncertainty. We have an opportunity to strengthen our position in the market and simultaneously respond to

the growing need for housing in the Helsinki metropolitan area.

Our company is ready to take advantage of these opportunities, and I am confident that we have the necessary resources and expertise to conduct sensible business even in the current market environment.

DEVELOPMENT: Toivo has a strong project development portfolio, which is why the company takes a highly selective approach to new contracts. During the third quarter, the company signed contracts for two new projects in Espoo and Helsinki. The projects comprise a total of 47 apartments, and they are terraced and semi-detached house projects.

CONSTRUCTION: During the third quarter, Toivo began construction on 111 apartments and two properties. The company is preparing to start several construction sites by the end of 2024.

OWNERSHIP: Toivo handles lease activities and management in-house by using the company's own Asuntomestarit®. The company's economic occupancy rate fell to historic lows during the summer and autumn, but the occupancy rate has begun to improve after the period under review.

SELLING: In the third quarter, the company signed two contracts on developed-for-sale projects. One is a project management contract in Helsinki's Oulunkylä district, comprising 26 apartments. The other is a new owner-occupied housing project in Helsinki's Torpparinmäki district, comprising 13 apartments.

Toivo's business is very capital-intensive, and an optimal financial structure is important for the company. The company has been successful in financing new projects in 2024. The company's debt financing consists primarily of long-term bank financing. The company's equity ratio was 42.8% and the financial loan to value (LTV) rate of its properties was 51.7%.

I would like to thank our customers, partners and employees for the past quarter.

NEW CONTRACTS 1 JULY–30 SEPTEMBER 2024

During the third quarter, the company signed contracts on two sets of projects that comprise a total of 47 apartments.

Site	District	Product	Number of apartments /m ²	Completion	Energy efficiency class A
Holken, Espoo	Vanha-kartano	Terraced and semi-detached houses	34	2026-2027	
Taksvärkki, Helsinki	Torpparinmäki	Detached and semi-detached houses	13	12/2025	

NEW SITES 1 JULY–30 SEPTEMBER 2024

The company started two projects during the third quarter. One of the projects was project management contracting.

Site	District	Product	Number of apartments /m ²	Completion	Energy efficiency class A
As Oy Espoon Asemamestari	Kilo	Apartment building	85	12/2025	Yes
As Oy Helsingin Oulunkylän Urho	Oulunkylä	Apartment building	26	12/2025	Yes

COMPLETED SITES 1 JULY–30 SEPTEMBER 2024

The company completed one project during the third quarter.

Site	District	Product	Number of apartments	Completion	Energy efficiency class A
Furuborgin Aava	Ramsinranta	Semi-detached house	6	9/2024	

OTHER ACTIVITIES 1 JULY–30 SEPTEMBER 2024

- On 9 July 2024, the company issued the following release: Toivo Group Plc has terminated an unused financing agreement with the EIB.
- On 15 August 2024, the company issued the following release: Toivo Group Plc's Real Estate Special Situations Unit has completed its first project.

EVENTS AFTER THE PERIOD UNDER REVIEW

- 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.



TOIVO IS PREPARING FOR GROWING DEMAND FOR HOUSING

The number of new residential project start-ups has fallen to an exceptionally low level in the Helsinki metropolitan area. Approximately 17,000 apartments were completed in 2023, but the number of apartments completed in 2024 is projected to fall to approximately 13,000. According to forecasts, only 9,000 apartments will be completed in 2025. Of these, 3,000 will be non-subsidised. At the same time, population growth in the Helsinki metropolitan area has remained strong, which has increased the pressure on the housing market. In 2023, the population increased by 25,000, and the projected increase for 2024 is equally strong at 24,000. (Sources: Helsinki Region Trends 30 September 2024; Confederation of Finnish Construction Industries economic survey, autumn; Statistics Finland statistics 30 September 2024.)

Due to the sharp decline in housing production, we estimate that the current stock of unsold apartments in the Helsinki metropolitan area will only last approximately 6–12 months. This estimate is based on the situation in October 2024. The meagre supply of new housing will significantly increase housing shortages thereafter.

Based on current projections, new housing production will only pick up speed in earnest in 2026, when construction volume will start to grow again. According to our estimates, the Helsinki metropolitan area will suffer from a housing shortage from June 2025 until the year 2027. The housing market will see strong growth in demand during this period, with population growth continuing and supply being limited. Toivo Group considers this market situation to be particularly important for investors and operators that have the ability to respond to demand and take advantage of the market potential in a timely manner.

NOW IS A GOOD TIME TO INVEST

Balance sheet and rental properties: Toivo Group Plc has started to make balance sheet investments and is further accelerating its investments for several reasons. The construction costs of new projects have been encouraging, enabling more efficient projects to be implemented. The financing of new projects has gone well, which supports the company's investment strategy. Rent levels are expected to rise in good locations when the properties are completed over the next 12 months. New projects can be constructed with first-class resources.

Developed-for-sale projects and owner-occupied housing: With regard to developed-for-sale and owner-occupied housing projects, Toivo will accelerate the introduction of new owner-occupied housing projects to the market. The housing transaction market is awakening and Toivo does not have many unsold owner-occupied apartments in stock. Moreover, Toivo does not have any apartments in stock that are in the highest price category. The company has the ability to develop precisely the right kinds of products for the market. Customers feel confident about buying from Toivo, and their banks are prepared to finance projects built by Toivo.

Company development: The company also invests in development. Special situations are opening up, and there are very diverse projects available to add to the project portfolio. New key individuals are available for growth and new business initiatives.

EUR 30.5 MILLION IN NEWS ON WORKING AGAINST THE TIDE

The market situation has been challenging, but Toivo Group Plc has been able to respond to it successfully. The company has published news on working against the tide regarding projects worth a total of EUR 30.5 million during the period 7–9/2024, which demonstrates Toivo's ability to adapt and maintain a strong financial position in a changing environment.

Asemamestari

The Asemamestari project is located in Espoo's Kilo district, and its value is approximately EUR 18 million. The project comprises a total of 85 apartments and its construction was started in September 2024. The project will be implemented using the balance sheet investment model.

Urho

The Urho project is located in Helsinki's Oulunkylä district, and its value is approximately EUR 8 million. The project involves the construction of a total of 26 apartments and it was started in September 2024.

Taksvärkki

The Taksvärkki project is located in Helsinki's Torpparinmäki district, and its value is EUR 4.5 million. The project involves the construction of a total of 13 apartments and it is scheduled to start in December 2024. The project will be implemented using the owner-occupied housing project model.

PROPERTY SALES AS PART OF THE CHANGE IN STRATEGY

In 2024, Toivo Group Plc has completed property sales for almost EUR 30 million from the company's balance sheet and signed contracts for new sites for approximately EUR 70 million. The company aims to complete more property sales during 2024–2025. The property sales are carried out for both business reasons and risk management reasons, and they provide the company with financial flexibility that enables it to increase its market share and be more flexible for future projects.

Business reasons: Property sales increase the company's financial flexibility, which enables the implementation of new projects and preparing for the reopening of the market. This strategy also supports increasing the company's volume to respond to the upcoming housing shortage, especially in areas where demand is on the rise.

Risk management reasons: Property sales improve the company's equity ratio and reduce the amount of liabilities, which, in turn, reduces interest expenses. The sales also increase Toivo's liquidity, which improves the company's financial flexibility and risk-bearing capacity in the changing market situation.

ECONOMIC OPERATING ENVIRONMENT

The Finnish economy has not grown in 2024, but a turn for the better is projected for 2025–2026. The annual change in the harmonised index of consumer prices was 0.8% in September 2024, and consumer prices are projected to increase by approximately 1–2% by the end of the year. Annual GDP growth in 2025–2026 is projected to be approximately 1–2%. (Source: Ministry of Finance, Economic Survey, autumn 2024 and Statistics Finland.)

Residential construction activity was exceptionally high in 2018–2021, when the construction of as many as 44,600 apartments started during the peak year. However, the number of new residential project start-ups and building permits began to decrease sharply in 2022, and this trend continued through 2023. Construction started on 37,000 apartments in 2022, and this figure subsequently fell to 17,500 in 2023. The projected figure for 2024 is approximately 16,500, of which approximately

2,600 are expected to be non-subsidised apartments in apartment buildings. (Source: Confederation of Finnish Construction Industries RT, economic survey, autumn 2024, Ministry of Finance)

In 2024, the focus has been on inflation and the interest rate situation in Europe. Inflation has been relatively moderate in Finland, but the ECB's interest rate decisions are influenced by the development of inflation throughout the euro area. When inflation slows and interest rates start to fall, household purchasing power and business confidence improve. When the export markets recover, consumption, investment and production will start to grow towards the end of 2024, and the recovery will intensify further in 2025. (Source: Ministry of Finance, Economic Survey, autumn 2024, Bank of Finland statistics 22 September 2024)

REVIEW OF FINANCES 1 JANUARY–30 SEPTEMBER 2024

Development of finances

The Group's revenue was EUR 32.6 (33.6) million, representing a decrease of 3% when compared to the reference period (1 January–30 September 2023). Changes in the fair values and the profit and loss on the disposal of investment properties were EUR -0.4 (2.8) million. The change in the fair values of investment properties was weaker than in the comparison period due to housing portfolio sales and a decrease in the volume of properties developed on the company's own balance sheet. The development margin on properties has fallen below the company's target.

At the end of the review period, the company had 805 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 -1.9 (-1.3) million. The maintenance costs of properties were 46% higher than in the reference period, mainly due to the increase in the number of apartments.

Staff expenses were EUR -1.3 (-0.8) million, representing an increase of 58%. The increase is due to a decline in staff expenses allocated to projects under construction.

Operating profit was EUR 3.4 (7.8) million, representing a decrease of 56%.

Net financial income and expenses were EUR -3.4 (-2.3) million. The financial year's current income tax was EUR -0.6 (-0.5) million and, largely due to the changes in the fair values of properties, the deferred tax was EUR 0.9 (-0.9) million.

The net profit for the period under review was EUR 0.3 (4.1) million, representing a year-on-year decrease of 92%. Earnings per share were EUR 0.01 (0.07).

INVESTMENTS

The consolidated balance sheet total at the end of the period was EUR 162.2 (196.3) million, a decrease of 17% when compared to the reference period. During the period, investments worth a total of EUR 5.0 (19.7) million in acquisition value were made in properties.

FINANCING

At the end of the period, the company's interest-bearing liabilities amounted to EUR 72.8 (96.0) 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 30 September 2024, the company had 805 completed apartments, 29 leased plots/real estate units and two commercial properties. A further seven properties with a total of 219 apartments were under construction. During the review period, six properties were completed in full or in part: an apartment building in Vantaa, As Oy Helsingin Rantahelmi, As Oy Helsingin Honkasuon Portti, As Oy Kaarinan Kvartetti, an apartment building in Järvenpää and a special situation project in Helsinki.

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 30 September 2024 was 38 people. At the end of the period under review, Toivo employed 38 people.

The management group of Toivo consists of CEO Markus Myllymäki, CFO Samuli Niemelä, Director of Finance and Risk Management Lauri Rekola and Business Director 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 (approx. EUR 63 million in 2023)
- 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–30 September 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

The number of Toivo Group Plc shares entered in the trade register on 30 September 2024 was 58,539,559. The average number of issued shares during the period was 58,539,559 (55,042,138). On 30 September 2024, Toivo had a total of 2,274 shareholders.

MEDIA AND ANALYST CONFERENCE

A public media and analyst conference in Finnish will be held on Wednesday, 6 November 2024 at 11:00 as a webcast. Use the following link to join the webcast:

<https://toivo.videosync.fi/2024-q3-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, 6 November 2024

Toivo Group Plc

Board of Directors

GROUP INCOME STATEMENT

EUR thousand	1 January– 30 September 2024	1 January– 30 September 2023
Revenue	32,587	33,619
Changes in the fair values of investment properties and gains and losses on the disposal of investment properties	-351	2,789
Other operating income	-	-
Raw materials and services	-24,308	-25,640
Staff expenses	-1,323	-837
Depreciation, amortisation and reduction in value	-82	-30
Other operating expenses	-3,117	-2,148
Operating profit (loss)	3,405	7,753
Share of the result of associated companies	0	0
Financial income	21	24
Financial expenses	-3,442	-2,289
Net financial expenses	-3,422	-2,265
Profit (loss) before taxes	-17	5,488
Current tax based on the financial year's taxable income	-572	-522
Deferred taxes, change	921	-854
Income taxes, total	350	-1,376
Financial year profit (loss)	332	4,112
Distribution of the profit (loss) of the financial year		
Parent company owners	370	4,063
Non-controlling interests	-37	49
THE GROUP'S STATEMENT OF COMPREHENSIVE INCOME		
Financial year profit (loss)	332	4,112
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss	-	-
Translation differences	-	12
Other comprehensive income for the financial year	-	12
Total comprehensive income for the financial year	332	4,124
Distribution of total comprehensive income for the financial year		
Parent company owners	370	4,075
Non-controlling interests	-37	49
Earnings per share (EPS), EUR	0.01	0.07
Non-cash flow based expenses associated with the share-based incentive system	-149	-153

CONSOLIDATED BALANCE SHEET

EUR thousand	30 September 2024	30 September 2023	31 December 2023
ASSETS			
Non-current assets			
Investment properties	138,554	171,914	138,382
Right-of-use assets	57	12	98
Tangible assets	215	76	146
Intangible assets	6	16	10
Non-current receivables	170	712	209
Equity method investments	48	69	48
Deferred tax assets	325	148	267
Non-current assets, total	139,375	172,946	139,159
Current assets			
Inventories	4,318	12,222	13,278
Rent, trade and other receivables	10,680	7,063	8,596
Cash and cash equivalents	7,856	4,083	5,359
Current assets total	22,853	23,367	27,233
Investment properties available for sale	-		25,740
Assets, total	162,228	196,313	192,132
EQUITY			
Ordinary shares	1,000	1,000	1,000
Subordinated loans	17,302	17,280	17,280
Share premium account	20,998	17,983	20,998
Translation differences	-27	-13	-27
Retained earnings	28,935	37,629	29,325
Equity belonging to the owners of the parent company	68,208	73,879	68,576
Non-controlling interests	292	242	254
Total equity	68,500	74,121	68,830
LIABILITIES			
Non-current liabilities			
Financial institution loans	69,309	90,428	80,730
Lease liabilities	6,195	6,886	6,913
Loans granted to associates	-	2,500	2,500
Other financial liabilities and other non-current liabilities	511	447	463
Deferred tax liabilities	4,830	7,567	5,699
Non-current liabilities total	80,846	107,828	96,305
Current liabilities			
Financial institution loans	2,841	2,589	3,738
Lease liabilities	504	513	559
Loans granted to associates	106	4	107
Provisions	-	-	-
Trade and other payables	9,432	11,250	9,556
Deferred tax liabilities	-	7	-
Current liabilities total	12,882	14,364	13,960
Liabilities, total	93,728	122,192	110,264
Liabilities associated with investment properties available for sale	-	-	13,038
Total equity and liabilities	162,228	196,313	192,132

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1 January– 30 September 2024	1 January– 30 September 2023	1 January– 31 December 2023
Cash flows from operating activities			
Profit for the financial year	332	4,112	-4,306
<i>Adjustments:</i>			
Change in fair value and gains on disposal	21	-2,789	7,081
Depreciation	82	31	127
Finance income and cost	3,422	2,265	3,857
Result of associated company	-	-	22
Income tax expense	-350	1,376	122
Cash flow before changes in working capital (Funds from Operations, FFO)	3,508	4,995	6,903
Change in net working capital:			
Increases (-)/decreases (+) to trade receivables	-615	3,858	2,824
Increases (-)/decreases (+) to inventories	8,960	2,803	1,747
Increases (+)/decreases (-) to current non-interest-bearing liabilities	-828	741	-1,367
Cash flow from operating activities before financial items and taxes	11,026	12,397	10,106
Interest paid	-3,189	-2,972	-4,322
Taxes paid	-516	-741	-860
Cash flows from operating activities	7,320	8,683	4,924
Investing cash flows			
Investments in investment properties	-5,014	-17,525	-19,843
Acquisitions of tangible assets	-106	-32	-159
Sales of investment properties	4,948	276	276
Investing cash flows	-173	-17,286	-19,726
Cash flow from financing activities			
Issuance of shares	-	-	2,938
Dividends paid	-	-40	-40
Proceeds from financing loans	2,689	28,438	33,751
Proceeds from other borrowings	-22	-	63
Repayments of financing loans	-3,093	-19,896	-20,751
Repayments of other borrowings	-2,501	-760	-658
Loan receivables from joint ventures	-1,540	-1,390	-1,390
Repayments of lease liabilities (IFRS 16)	-184	-89	-174
Cash flow from financing activities	-4,651	6,263	13,739
Changes in cash flows	2,496	-2,340	-1,063
Cash and cash equivalents and bank overdrafts at beginning of year	5,359	6,423	6,423
Cash and cash equivalents and bank overdrafts at end of year	7,856	4,083	5,359

CHANGES IN EQUITY

EUR thousand	Ordinary shares	Sub-ordinated loans	Share premium reserve	Translation differences	Retained earnings	Total
1 January 2024	1,000	17,280	20,998	-27	29,325	68,576
Adjustments to retained earnings					-804	-804
Profit for the financial year, for owners of the parent company					370	370
Free issue of shares						0
Sale of treasury shares					44	44
Change in subordinated loans		22				22
Dividend distribution						0
Share bonus system						0
Total	0	22	0	0	-390	-368
Equity attributable to the owners of the parent company 30 September 2024	1,000	17,302	20,998	-27	28,935	68,208

EUR thousand	Ordinary shares	Sub-ordinated loans	Share premium reserve	Translation differences	Retained earnings	Total
1 January 2023	1,000	17,280	18,061	-25	33,498	69,814
Adjustments to retained earnings					2	2
Profit for the financial year, for owners of the parent company				12	3,164	3,176
Free issue of shares						0
Sale of treasury shares						0
Change in subordinated loans						0
Dividend distribution						0
Share bonus system						0
Total	0	0	0	12	3,166	3,178
Equity attributable to the owners of the parent company 30 September 2023	1,000	17,280	18,061	-13	36,664	72,992

EUR thousand	Ordinary shares	Sub-ordinated loans	Share premium reserve	Translation differences	Retained earnings	Total
1 January 2023	1,000	17,280	18,061	-25	33,498	69,814
Adjustments to retained earnings						
Profit for the financial year, for owners of the parent company				-2	-4,426	-4,428
Free issue of shares (splitting of shares)						0
Proceeds from shares issued			2,938			2,938
Change in subordinated loans						0
Dividend distribution					-40	-40
Share bonus system					292	292
Total	0	0	2,938	-2	-4,173	-1,238
Equity attributable to the owners of the parent company 31 December 2023	1,000	17,280	20,998	-27	29,325	68,576

INVESTMENT PROPERTIES

EUR thousand	Q3 2024	Q3 2023
Fair value of investment properties, 1 January	138,382	155,716
Purchases during the financial year	3,878	14,459
Capitalised borrowing costs	- 91	-676
Sales during the financial year	- 4,838	-810
Other transfers	0	0
Right-of-use assets (leased plots of land)	-49	-1,047
Development profit	1,272	4,272
Change in fair values	0	0
Fair value of investment properties, 30 September	138,554	171,914

KEY FIGURES

Group, EUR thousand	1-9/2024	1-9/2023	Change
Revenue	32,587	33,619	-1,033
Lease income	5,874	5,094	780
Net lease income	3,977	3,792	184
Operating profit	3,405	7,753	-4,348
Operating profit without changes in values of investment properties	3,405	7,753	-4,348
Cash flow before changes in working capital (Funds from Operations, FFO)	-198	1,281	-1,479
Fair value of investment properties	138,554	171,914	-33,359
Investments in investment properties	5,014	19,688	-14,674
Sales of investment properties	29,758	276	29,482
Net debt with interest	71,610	99,285	-27,675
Non-current net assets (Net asset value, NAV)	55,411	64,019	-8,608
Loan to value (LTV), %	51.7%	57.8%	-6%
Equity ratio	42.8%	38.9%	3.9%
Non-current net assets per share, EUR	0.95	1.16	-0.21
Increase in non-current net assets per share, %	-18.3	4.4	-22.7
Earnings per share (EPS), EUR ¹⁾	0.01	0.07	-0.07
Occupancy rate, %	91.4%	97.8%	-6.4%
Total leasable apartment area, square metres	26,829	31,524	-4,695
Other leasable area, square metres	14,813	14,893	-80

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

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

EUR thousand	1 January– 30 September 2024	1 January– 30 September 2023
Operating profit	3,405	7,753
Adjustments	0	0
Adjusted operating profit	3,405	7,753

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 - changes in the fair values 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 2023 was EUR 43.7 million and its operating profit was EUR -0.3 million.

FURTHER INFORMATION

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