



Toivo Group Plc's BUSINESS REVIEW 1 January – 31 March 2025

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CFO Samuli Niemelä**

7 May 2025



Event main points

- A brief look at the review period
- Key figures
- Main Market transfer
- Toivo's focus as a Main Market company
- Changes to financial targets
- E-Heat
- Prospects for 2025

7 May 2025



January-March 2025 in brief

- Revenue EUR 11.5 million (EUR 10.3 million), +12 %
- Operating profit EUR 2.0 million (1.2 million)
- **DEVELOPMENT:** Contracts for 81 (0) new apartments and one parking facility.
- **CONSTRUCTION:** Construction of 124 (0) apartments and one parking facility was started.
- **OWNERSHIP:** 15 (72) apartments were completed
- The operating environment is challenging for housing developers, construction companies and property owners, and we are expecting a slight improvement during 2025.
- Occupancy rate 91,4 %



Key figures

EUR thousand	1 January – 31 March 2025	1 January – 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.

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 construction and development

The profitability of the real estate project is defined by approximately 80 percent before the start of construction.

Land purchase price	Micro and macro location
Soil	Apartment distribution
Zoning plan	Design solution
Parking type	Construction cost at 90 percent
Building efficiency	Parking
Yield requirement and valuation	Building facade and height

Successful real estate development is difficult without understanding the entire value chain (project development, construction, and management).



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Toivo's real estate development profitability on development and construction between 2019 – Q1 2025

~ 1,700

Developed apartments

~ 50

Developed residential projects

~ 15%

Average operating margin

2-4 years

Average duration of project

~ 94%

of projects profitable



Toivo's focus as a real estate developer



A one billion euro project portfolio

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.



Apartments and community properties

The company's finished product is apartments in Tampere, the capital of housing and community construction. The projects are beautiful and clear-lined properties.



15% operating margin

15% project profitability through economic cycles. Volume is not sought at the expense of profitability; instead, the company focuses its operations on the most profitable projects.



Entire value chain

The company operates across the real estate development value chain, including development, construction, ownership, and sales. It focuses on and leverages its balance sheet for the segment of the value chain that yields the best return.



Economic resilience

The company maintains low fixed costs and a strong, efficient balance sheet to ensure effective resilience throughout economic cycles

Europe's and Finland's largest real estate asset managers

Homebuyers

Toivo's Business Model

Business focus:

- One billion euro project portfolio
- Apartments and community properties
- 15% project profitability
- Entire value chain
- Economic resilience

● Situation on 31 March 2025

Average annual volume growth of 20%: Apartments (Community properties)



Construction

- 355 apartments and 2 community properties

Ownership

- 577 owned apartments
- 356 apartments under management

Development

- Approx. 1,600 apartments + 3 community properties
- Approx. 400/1000 M €

Ownership margin

Construction margin

Development margin

**Toivo's
total
margin**



Europe's and Finland's largest real estate asset managers / Homebuyers

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 starting from 2024

Development, construction, ownership, and sale of residential and community properties. Toivo only owns and constructs buildings that we have developed and designed ourselves. This way, we can influence the efficiency, optimal quality, productivity, and marketability of the buildings from the very beginning.

Business volume:

EUR 100 million by the end of 2026. The volume includes both projects built directly for others (visible in revenue) and investments made directly into our own balance sheet, some of which will be sold later.

Target volume distribution:

Approx. 50% for own balance sheet in privately financed rental use.

Approx. 50% for direct sale to end users.

Sales:

The majority of the production built for the company's own balance sheet will be sold at some point in the near future.

Residential property criteria:

- Only in the Helsinki metropolitan area, Turku, and Tampere.
- Energy class A.
- 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.

Strategy starting from May 2025

Development, construction, management, ownership, and sale of residential and community properties. Toivo only owns and constructs buildings that we have mainly developed and designed ourselves. This way, we can influence the efficiency, optimal quality, productivity, and marketability of the buildings from the very beginning.

Business volume:

Growing by an average of 20% annually. The volume includes both projects built directly for others (visible in revenue) and investments made directly into our own balance sheet, some of which will be sold later.

Target volume distribution:

Approx. 0–50% for own balance sheet in privately financed rental use

Approx. 50–100% for direct sale to end users

Sales:

The company actively sells the properties it has developed, is constructing, or 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.
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Changes to financial 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.

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 FINANCIAL 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.

Financial prospects

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.

MEDIUM-TERM FINANCIAL 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.

Thank you!



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Appendices

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Appendix 1. Key figures 31 March 2025

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.

Group income statement 1-3/2025

Group income statement

EUR Thousand	1 Jan - 31 March 2025	1 Jan - 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	-
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

EUR Thousand	1 Jan - 31 March 2025	1 Jan - 31 March 2024
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 31 March 2025

EUR thousand	31 March 2025	31 March 2024
ASSETS		
Non-current assets		
Investment properties	116 154	139 699
Right-of-use assets	32	84
Tangible assets	213	198
Intangible assets	10	9
Non-current receivables	122	249
Equity method investments	1 783	48
Deferred tax assets	477	310
Non-current assets, total	118 791	140 596
Current assets		
Inventories	11 717	11 856
Rent, trade and other receivables	13 756	8 613
Cash and cash equivalents	10 904	3 114
Current assets total	36 376	23 582
Investment properties available for sale	-	25 740
Assets, total	155 168	189 918

EUR thousand	31 March 2025	31 March 2024
EQUITY		
Ordinary shares	1 000	1 000
Subordinated loans	17 073	17 302
Share premium account	20 998	20 998
Translation differences	-	-27
Retained earnings	31 031	29 133
Equity belonging to the owners of the parent company	70 103	68 406
Non-controlling interests	179	267
Total equity	70 282	68 673
LIABILITIES		
Non-current liabilities		
Financial institution loans	52 850	79 861
Lease liabilities	7 564	7 104
Loans granted to associates	-	2 400
Other financial liabilities and other non-current liabilities	791	479
Deferred tax liabilities	4 712	5 658
Non-current liabilities total	65 917	95 502
Current liabilities		
Financial institution loans	1 949	3 738
Lease liabilities	594	578
Loans granted to associates	103	567
Provisions	-	-
Trade and other payables	16 323	7 864
Deferred tax liabilities	-	-
Current liabilities total	18 969	12 747
Liabilities, total	84 886	108 249
Liabilities associated with investment properties available for sale	-	12 996
Total equity and liabilities	155 168	189 918

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