



Toivo Group Plc's BUSINESS REVIEW 1 January–31 March 2023

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Event main points

- Reacting to the changes in the operating environment
- Q1/23 key figures
- A brief look at the review period
- Financing of MEUR 60 from EIB
- Prospects for 2023



Reactions start to be reflected in key figures



Changes in the operating environment 22–23:

1. Rising inflation
2. Increased interest costs
3. Increased construction costs in 2021–2022
4. Declining construction volume and costs levelling off in 2023.



Reactions:

1. Specific project selection
2. Pre-sold projects
3. Construction costs
4. Cost savings
5. Additional sources of income
6. Rent increases
7. Project starts



Opportunities:

1. Declining contracting prices
2. Labour availability
3. Availability of planning resources
4. Rental housing is growing in popularity
5. Demand and supply are gradually becoming better balanced.



Reactions are reflected in the figures for Q1/23:

1. Revenue +276%
2. Pre-sold projects' share of revenue MEUR 10
3. The occupancy rate remained at 98.4% in spite of rent increases of 4.5%.

January–March 2023 in short

- Revenue MEUR 13.6 (MEUR 3.63), +276%
- Operating profit MEUR 2.77 (MEUR 6.99), -60%
- **DEVELOPMENT:** Contracts for 50 (137) new apartments
- **CONSTRUCTION:** Construction of 0 (262) apartments was started
- **OWNERSHIP OF APARTMENTS:** 91 (179) apartments were completed (0 apartments in energy class A)
- The operating environment is challenging for housing developers, construction companies and property owners
- Occupancy rate 98.4%



Key figures*

EUR thousand	1 January–31 March 2023	1 January–31 March 2022	change %
Revenue	13,637	3,631	276%
Operating profit	2,772	6,993	-60%
Profit or loss for the financial year	1,579	5,322	-70%
Earnings per share (EUR)	0.03	0.10	-72%
Fair value of investment properties	163,934	121,262	35%
Economic occupancy rate	98.4%	99.0%	-1%
Total equity	71,583	58,534	22%
Total assets	187,227	139,990	34%

* Unaudited

Toivo's

Business Model

● Status 31 March 2023



1. Development

- approx. 3,300 apartments land portfolio
- approx. MEUR 700

2. Construction

- 438 apartments under construction
- approx. MEUR 90



3. Ownership

- 615 apartments for rent

Ownership margin	Toivo's total margin
Construction margin	
Development margin	

Strategic priorities of the apartments

Apartments currently under construction, completed apartments and Toivo's land portfolio fulfill the strategic priorities as follows:

STRATEGIC PRIORITIES



New
apartments



Small and
efficient
apartments



Apartments in the
Helsinki
metropolitan area,
Turku and Tampere



Affordable
housing



High occupancy
rate



Low
maintenance
charges

TOIVO'S PORTFOLIO

approx.
1 year

Average age of
apartments

approx.
41 m²

Average
size of
apartments

94%

Of apartments
located in the
regions of Helsinki,
Turku and
Tampere

approx.
€840 per
month
Average rent

98.4%

Occupancy
rate of
apartments

approx.
€2.75 per m²
Maintenance
charge of
housing
properties

EIB financing of MEUR 60

On 29 March, Toivo Group Plc and the European Investment Bank (EIB) signed MEUR 60 green loan to finance 19 development projects for high energy performance residential buildings. Withdrawal of credit requires the final confirmation of the collateral arrangements of the custodian banks.

- ➔ The agreement covers over 700 apartments
- ➔ Mostly in the Helsinki metropolitan area
- ➔ Energy-efficient apartments.
- ➔ The agreement satisfies 100% of the Climate Action project criteria

What the financing agreement demonstrates:

1. Green construction plays a key role with regard to financing.
2. The company has the ability to apply for large-scale financing.
3. Toivo is part of the solution to the energy crisis and climate change mitigation.

Financial prospects

PROSPECTS FOR 2023

- The company expects the operating profit for the financial year of 1 January–31 December 2023 to be EUR 10–17 million.

FINANCIAL TARGETS 2021–2026

- The fair value of investment properties will be EUR 500 million by the end of 2026.
- Toivo's non-current net assets per share (Net asset value, NAV/share) will increase significantly every year.
- The loan to value (LTV) rate will be under 60%.
- Toivo will not pay dividends or only minimal dividends in the coming years as the potential profit from business will be invested in securing the continued growth of Toivo.

Thank you!



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Appendices

TOIVO

Appendix 1. Key figures 31 March 2023*

Group, EUR thousand	1-3/2023	1-3/2022	Change
Revenue	13,637	3,631	10,006
Lease income	1,495	666	829
Net lease income	1,089	467	622
Operating profit	2,772	6,993	(4,221)
Cash flow before changes in working capital (Funds from Operations, FFO)	449	634	-184
Fair value of investment properties	163,934	121,262	42,671
Investments in investment properties	7,593	14,804	-7,211
Sales of investment properties	65	-	65
Net debt with interest	91,276	58,958	32,319
Non-current net assets (Net asset value, NAV)	60,972	46,611	14,361
Loan to value (LTV), %	55.7%	48.6%	7.1%
Equity ratio	39.36%	42.1%	-2.7%
Non-current net assets per share, EUR	1.11	0.88	0.23
Increase in non-current net assets per share, %	26.3	143.9	
Earnings per share (EPS), EUR ¹⁾	0.03	0.10	-0,07
Occupancy rate, %	98.4%	99.0%	-0.6%
Total leasable apartment area, square metres	22,501	12,156	10,345
Other leasable area, square metres	15,224	17,784	-2561

* Unaudited

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



Group income 1–3/2023*

Consolidated income statement

EUR 1,000	1 January–31 March 2023	1 January–31 March 2022
Revenue	13,637	3,631
Changes in the fair values of, and profit and loss on the disposal of, investment properties	1,264	6,231
Other operating income	-	-
Raw materials and services	-10,891	-2,161
Staff expenses	-505	-277
Depreciation, amortisation and reduction in value	-7	-14
Other operating expenses	-726	-416
Operating profit (loss)	2,772	6,993
Share of the result of associated companies	0	0
Financial income	2	41
Financial expenses	-562	-258
Net financial expenses	-560	-217
Profit (loss) before taxes	2,212	6,777
Current tax based on the financial year's taxable income	-291	-121
Deferred taxes, change	-342	-1,333
Income taxes, total	-633	-1,454
Financial year profit (loss)	1,579	5,322
Distribution of the profit (loss) of the financial year		
Parent company owners	1,557	5,306
Non-controlling interests	22	16

Group's statement of comprehensive income

EUR 1,000	1 January–31 March 2023	1 January–31 March 2022
Financial year profit (loss)	1,579	5,322
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss	-	-
Currency translation differences	-2	-13
Other comprehensive income for the financial year	-2	-13
Total comprehensive income for the financial year	1,576	5,310
Distribution of total comprehensive income for the financial year		
Parent company owners	1,555	5,306
Non-controlling interests	22	16
Non-cash flow based expenses associated with the share-based incentive system	-38	0

* Unaudited

Consolidated balance sheet 31 March 2023*

EUR 1,000	31 March 2023	31 March 2022
ASSETS		
Investment properties	163,934	121,262
Right-of-use assets	18	30
Tangible assets	63	56
Intangible assets	13	44
Financial assets		
Non-current receivables	522	
Deferred tax assets	124	59
Non-current assets, total	164,743	121,451
Current assets		
Inventories	9,778	5,903
Rent, trade and other receivables	8,360	4,126
Cash and cash equivalents	4,345	8,510
Current assets total	22,483	18,539
Investment properties available for sale		
Assets, total	187,227	139,990
EQUITY		
Share capital	1,000	1,000
Subordinated loans	17,280	16,921
Share premium account	18,061	15,676
Currency translation differences	-27	-15
Retained earnings	35,054	24,690
Equity belonging to the owners of the parent company	71,368	58,272
Non-controlling interests	215	262
Total equity	71,583	58,534

EUR 1,000	31 March 2023	31 March 2022
LIABILITIES		
Non-current liabilities		
Financial institution loans	81,054	58,866
Lease liabilities	8,445	6,379
Loans granted to associates	2,500	-
Other financial liabilities and other non-current liabilities	416	1,279
Deferred tax liabilities	7,008	5,319
Non-current liabilities total	99,422	71,843
Current liabilities		
Financial institution loans	2,589	921
Lease liabilities	616	23
Loans granted to associates	2	-
Provisions	-	-
Trade and other payables	13,015	8,670
Deferred tax liabilities	-	-
Current liabilities total	16,222	9,613
Liabilities, total	115,644	81,457
Liabilities associated with investment properties available for sale	-	-
Total equity and liabilities	187,227	139,990

* Unaudited

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