

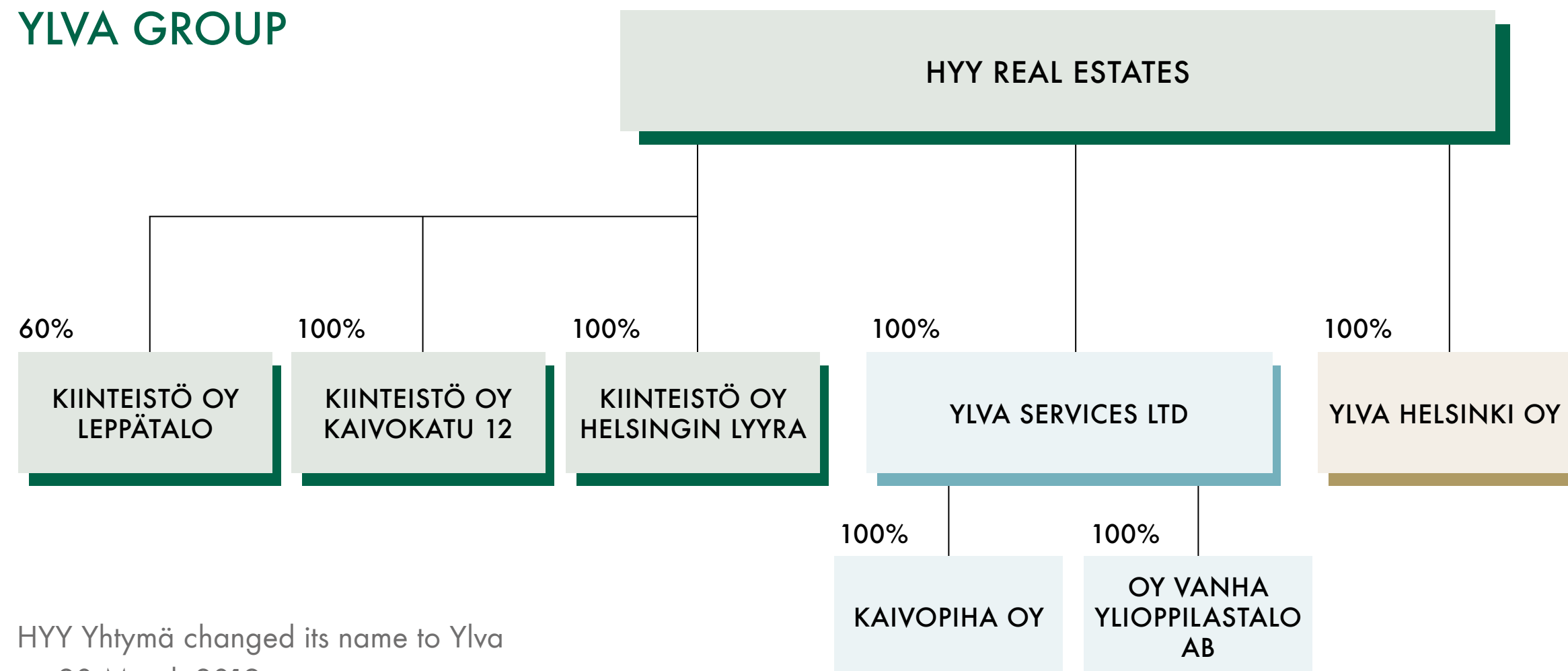
**Y L V A**

**BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2019**

# BOARD OF DIRECTORS' REPORT

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## YLVA GROUP



HYY Yhtymä changed its name to Ylva on 20 March 2019.

### Group holdings

The student union of the University of Helsinki (HYY) is a public entity entitled to self-administration, with its status based on the Universities Act (558/2009). Based on the student union's adopted bylaws, which are based on the law, the financial management of real estate owned by the student union, which is subject to the Accounting Act, operates as the parent entity of a group of entities of a different form (Ylva) as referred to in the Accounting Act. HYY Real Estates owns 100% of the share capital of Ylva Services Ltd (known as Oy HYY-Yhtiöt Ab until 19 March 2019). The Group has some wholly-owned subsidiaries. In addition to Ylva Services Ltd, HYY Real Estates owns 100% of Kiinteistö Oy Kaivokatu 12, 100% of Kiinteistö Oy Helsingin Lyyra, 100% of Ylva Helsinki Oy (known as HYY Kiinteistöt Oy until 19 March 2019) and approximately 60% of Kiinteistö Oy Leppätalo.

Ylva is owned by the student union of the University of Helsinki, and its income enables an active student life.

### Changes in the Group structure

HYY Real Estates established Kiinteistö Oy Helsingin Lyyra on 12 December 2019. HYY Real Estates owns 100%. The company had no operations in 2019. The company was established to hold ownership of properties located in Hakaniemi, Helsinki, and for the Lyyra construction project, which will begin in 2020.

At the end of 2019, Ylva's Board of Directors decided to merge Kaivopiha Oy and Oy Vanha Ylioppilastalo Ab into Ylva Services Ltd. The merger process was still on-going at the end of 2019.

## OPERATIONS IN THE FINANCIAL PERIOD

Ylva group consists of HYY Real Estates and the related subsidiaries, as well as Ylva Services Ltd. and its subsidiaries. The parent entity of the Group is "HYY Real Estates".

Ylva aims to build an international and sustainable city of science and economics – the Helsinki of the future. Its business activities focus on real estate and financial investment, as well as the accommodation and restaurant sectors. In spring 2019, the brand was changed from HYY Yhtymä to Ylva. In conjunction with this, Ylva's target is to be a corporate activist with greater influence than its size would imply, promoting the development of a sustainable city by setting a positive example and participating in public discourse around themes corresponding to Ylva's objectives.

The most significant events during Ylva's financial period were the commencement of the project to revamp the Kaivopiha area part of the city center properties, and the planning and promotion of the Lyyra project in Hakaniemi.

Furthermore, in line with Ylva's strategy, the accommodation and restaurant business decided in autumn 2019 that it would stop serving beef as of early 2020. This decision will have a minor financial impact but substantial implications for sustainability.

## NET SALES AND PROFIT

Ylva's net sales for 2019 were EUR 37.5 million. Net sales increased by 12% year-on-year. The growth was mainly due to an increase in net sales in the real estate business.

### Distribution of Ylva's net sales

EUR million	2019	2018	Change (%)
Real estate	20.7	17.8	+17
HoReCa	18.8	17.1	+10
./. intra-group sales	-2.0	-1.4	+46
<b>YLVA TOTAL</b>	<b>37.5</b>	33.5	+12

Ylva's operating profit increased to EUR 7.7 million (2018: EUR 7.6 million). Profit increased by 1% year-on-year.

The net gains from sales of securities were EUR 0.1 million (2018: EUR 0.1 million). A fair value adjustment was recognised in the amount of EUR +4.5 million (2018: EUR -1.3 million). Dividend income from securities amounted to EUR 0.1 million, other financial income was EUR 0.1 million, and other expenses in the securities investment operations were EUR 0.1 million.

The market value of Ylva's real estates and properties, which is not included in the income statement but is shown in the notes to the financial statements, was estimated at EUR 341.8 million at the end of the year, representing growth of

EUR 54 million since 2018. The market value was EUR 128.1 million higher than the corresponding carrying amount. The valuation was prepared using the net present value formula (with cash flows projected for 10 or 15 years), where the annual net gains and residual value are discounted to the date of calculation. The residential plots acquired in 2017 and 2018 were not included in the market value.

## REAL ESTATE

The properties owned directly by HYY Real Estates are located in the heart of Helsinki (Kaivopiha) and in Kamppi (Domus), on the Tuusulan rantatiellä, and in Jollas, along with residential plots in Kerava, Järvenpää, Vantaa and Helsinki. The real estate business also includes the mutual limited liability real estate companies Kiinteistö Oy Kaivokatu 12 (100% owned by HYY Real Estates), Kiinteistö Oy Leppätalo (60.6%) and limited liability real estate company Kiinteistö Oy Helsingin Lyyra (100%).

The significant events during the financial period were the completion of the renovation on floor 9 of Kaivotalo and the progress made on the larger real estate projects. The zoning plan related to the Lyyra project was approved in the autumn, and no complaints were submitted regarding the plan. This also ensured that the demolition and construction work included in the project could begin at the start of 2020. Lease agreements for the Kaivopiha revamp project and a significant hotel project in the city centre were announced towards the end of the year. The construction work for the Kaivopiha revamp project and the refurbishment work for the hotel project, which covers the New Student House and Kaivokatu 12, also began towards the end of 2019.

The average economic occupancy rate of HYY Real Estates in 2019 was 95.9% (2018: 96.1%).

Net sales of real estate in 2019 amounted to EUR 20.7 million (2018: EUR 17.8 million), which is 17% more than in the preceding year. The increase in net sales and the EBITDA were strongly influenced by the accrual of lease income throughout the 2019 financial period from premises owned by the limited liability real estate company KOy Kaivokatu 12, which was acquired at the end of 2018.

### Net sales and profit\*

EUR million	Net sales	2019 EBITDA	Profit	Net sales	2018 EBITDA	Profit
Real estate	20.7	13.0	5.6	17.8	11.4	5.5

\* Profit before appropriations and taxes.

## ACCOMMODATION AND RESTAURANTS, AND INTERNAL SERVICES

Ylva Services Ltd was engaged in the student restaurant and café business, as well as the conference and catering business, which supports customer relationships. At the end of the year, there were 17 UniCafe student restaurants in the University of Helsinki's catchment area. There were two cafés at the end of the year – WELL Kaisa-talo and WELL Terkko. UniCafe's brand image was revamped in 2019, and the largest individual restaurant, UniCafe Ylioppilasaukio, was thoroughly renovated over the summer. The name of the restaurant located in Kaivopiha was changed to UniCafe Kaivopiha following the renovation.

The accommodation operations, operating under the business name Both Helsinki (formerly Hostel Domus Academica), was the largest hostel in Finland to be open in the summer period (326 rooms). The name and brand of the accommodation business were modernised in spring 2019. As a result, the business began operating all year round, providing accommodation in the autumn (80 rooms) in addition to the summer months for the first time in its history.

Ylva Services Ltd also provided internal services, mainly to Ylva and HYY. The company was responsible for Ylva's strategic management, operating and corporate structure, corporate culture and corporate image. Ylva's internal and external communications and environmental and responsibility affairs played a crucial role in the company's operations. The internal services unit also discharged duties related to the Group's financial, financing, investment, real estate, remuneration, HR and IT administration, and it functioned as an internal Group bank.

Ylva Helsinki Oy also provided a small number of internal services to Ylva.

The net sales of Ylva Services Ltd increased by 10% year-on-year to EUR 18.8 million. The development projects conducted during the year and the somewhat higher personnel costs contributed to the decrease in the EBITDA and profit compared with the previous year.

Ylva Services Ltd's shareholders' equity was EUR 3.7 million on 31 December 2019, and it had EUR 0.9 million in distributable assets.

### Net sales and profit\*

EUR million	Net sales	2019 EBITDA	Profit	Net sales	2018 EBITDA	Profit
Accommodation and restaurants	18.8	1.4	1.1	17.1	1.9	1.7

\* Profit before appropriations and taxes.

## INVESTMENTS IN SECURITIES

HYY Real Estates has invested in listed securities (the securities portfolio), which are recognised at fair value. In addition, the organisation made some minor venture investments during the financial period. At the end of 2019, the venture investments consisted mainly of the holding in the ResQ Club company.

At the end of 2019, the carrying value/market value of the securities portfolio was EUR 16.7 million. EUR 5 million was redeemed from the securities portfolio during the year. In relation to the situation at the end of 2018, the change in the calculated value of the securities portfolio in 2019 was EUR 4.9 million, and the calculated return was 29.2% (2018: -5.7%).

### Securities portfolio by asset class

Market value (EUR thousand)	31 December 2019		31 December 2018		31 December 2017	
<b>EQUITIES</b>						
Equities Finland	2,427	15%	2,458	15%	2,661	15%
Equities Europe	2,794	16%	2,672	16%	4,390	25%
Equities North America	0	0%	0	0%	2,202	12%
Emerging markets	4,462	28%	4,636	28%	5,201	29%
Global equity funds	7,041	42%	7,028	42%	3,372	19%
<b>Cash in hand</b>	31	0%	45	0%	24	0%
<b>TOTAL</b>	<b>16,756</b>	<b>100%</b>	16,838	100%	17,850	100%

## FINANCING

At the end of the year, Ylva's liquid assets amounted to EUR 4.8 million (2018: EUR 2.2 million). In addition, Ylva had overdraft facilities granted by banks in the amount of EUR 12 million at the end of the year. The overdraft facilities were unused. At the end of the financial period, the amount in interest-bearing loan principal was EUR 125.0 million (2018: EUR 125.4 million).

In autumn 2019, Ylva established a domestic commercial paper programme worth EUR 50 million to cover its short-term financing needs. The programme was arranged by Ylva's financing banks. Under the programme, the commercial paper issuer is the parent entity, HYY Real Estates. The amount of commercial paper issued by the end of the year was EUR 5 million.

The equity ratio at carrying value was 30.2% (2018: 26.9%). The equity ratio at the estimated market values of the real estate was 67.5% (2018: 61.5%).

Ylva's operating cash flow was EUR 11.7 million positive (2018: EUR 13.7 million). Ylva's cash-based net investments were EUR 6.1 million (2018: EUR 87.3 million). The net reduction in short- and long-term borrowing was EUR 0.3 million (2018: increase of EUR 76.4 million). EUR 2.7 million (2018: EUR 2.7 million) was paid in the form of profit distribution.

## INVESTMENTS

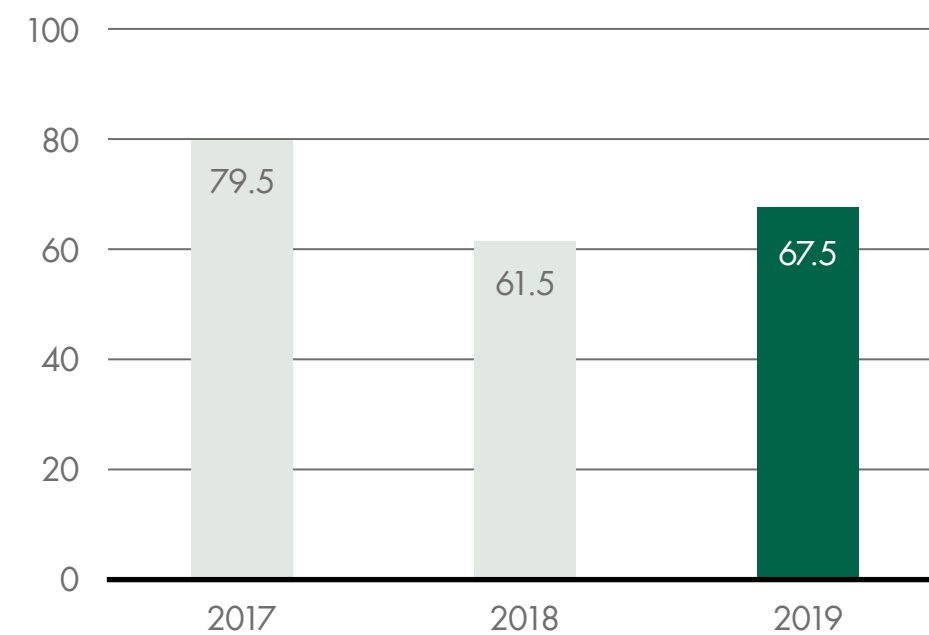
As in previous years, the largest investor in Ylva was HYY Real Estates. Ylva's largest investments were the Hakaniemi Lyyra project and the Kaivopiha Grand Hansa Hotel project. Both projects were still in progress at the end of the financial period.

### Distribution of gross investments by operating sector

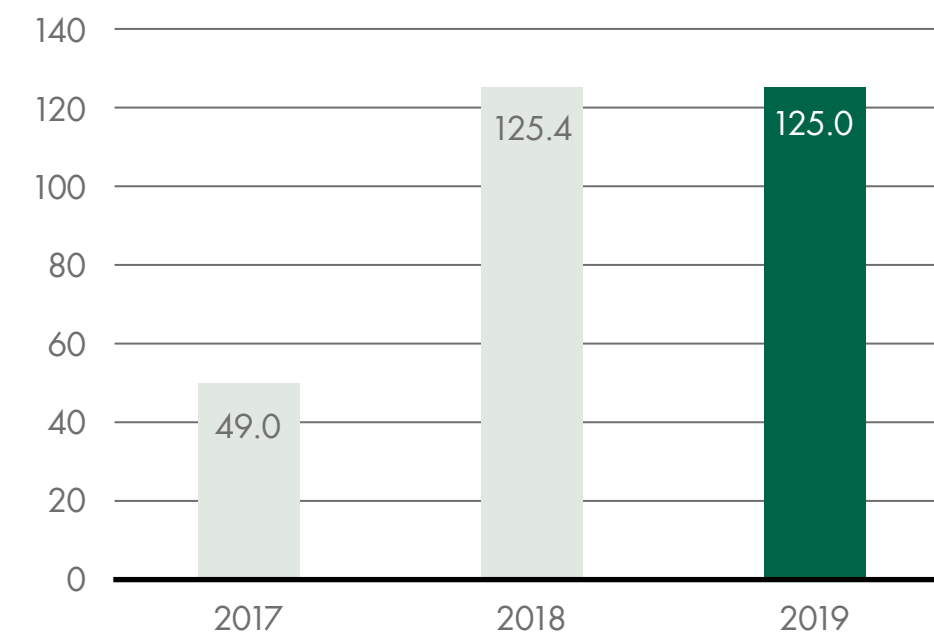
EUR million	2019	2018	2017
Real estate	11.6	87.0	19.1
HoReCa	1.0	0.1	0.7
<b>YLVA TOTAL</b>	<b>12.5</b>	87.1	19.8

## SUMMARY OF YLVA'S FINANCIAL INDICATORS

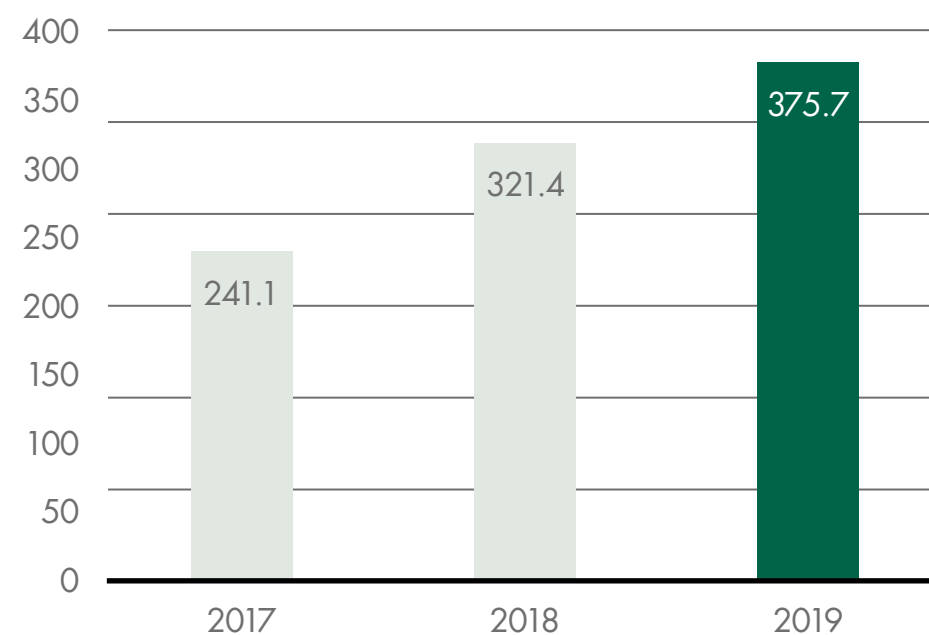
### Equity ratio (at market value), %



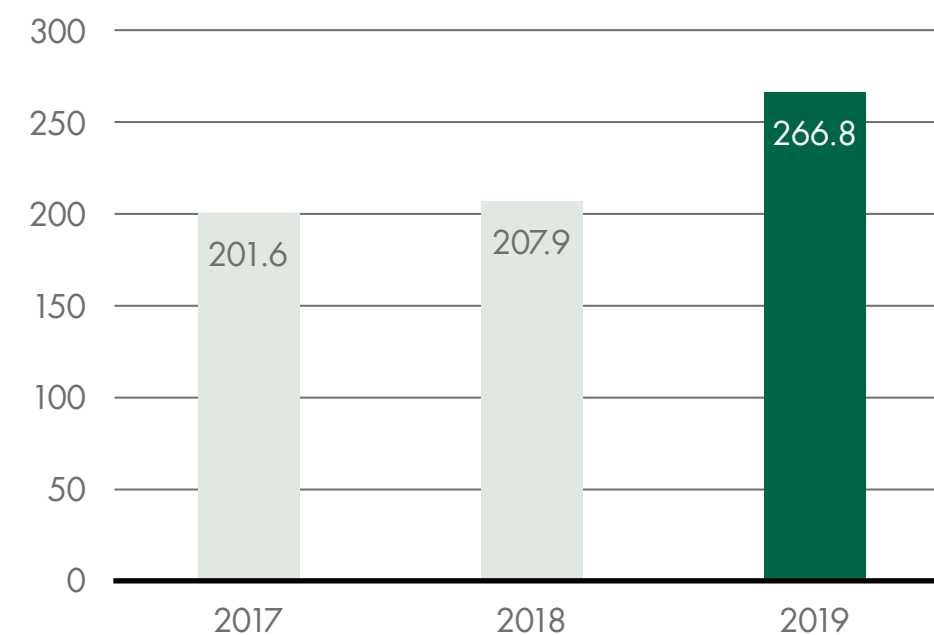
### Interest-bearing liabilities, EUR million



### Market value of real estate and investments, EUR million



### Net assets at market value, EUR million



## CALCULATION PRINCIPLES FOR KEY INDICATORS

EBITDA = Operating profit + depreciation and impairment

Return on equity (ROE), % =  $\frac{\text{Net profit} \times 100}{\text{Shareholders' equity (average)}}$

Equity ratio at carrying value, % =  $\frac{(\text{Shareholders' equity} + \text{minority interest}) \times 100}{\text{Balance sheet total} - \text{advances received}}$

Equity ratio at market value, % =  $\frac{(\text{Shareholders' equity} + \text{minority interest} + \text{difference between the estimated market value and carrying value of real estate}) \times 100}{\text{Balance sheet total} - \text{advances received} + \text{difference between the estimated market value and carrying value of real estate}}$

Net assets at market value = Balance sheet total + difference between the estimated market value and carrying value of real estate - balance sheet liabilities +/- market value of derivatives

## FINANCIAL INDICATORS

	2019	2018	2017
Net sales, EUR million	37.5	33.5	31.1
EBITDA, EUR million	14.3	13.1	10.9
Operating profit, EUR million	7.7	7.6	6.3
Profit for the financial period (including the securities portfolio), EUR million	11.3	5.5	9.0
Operating profit/net sales (%)	20.5	22.7	20.3
Return on equity (%) (at carrying value)	21.5	11.8	21.4
Equity ratio (%) (at carrying value)	30.2	26.9	46.5

## RISKS AND UNCERTAINTIES

Activity on the real estate markets has remained brisk on both the transaction and rental markets. In addition to strong demand for premises, some increases in rent levels have been discernible, particularly in the city centre. However, most of the parties seeking premises on the market are also demanding and quality-conscious, which places demands on the quality of the premises.

The supply of premises in the market for commercial units has continued to increase as several projects have been completed while others are still in progress. Substantial additional supply is also expected to emerge in the hotel market, as several projects will be completed in the coming years. However, central Helsinki and Hakaniemi will continue to enjoy the advantages of being centrally located near excellent transport connections.

The drop in yield return requirements is evidence of the increased interest of investors in real estate. On the other hand, as return requirements are generally very low, potential changes of only one percentage point in the yield return requirement will have a larger monetary impact on the market values of real estate in absolute terms.

The greatest risks in the coming years are related to the successful scheduling of real estate projects and cost management.

HYY Real Estates has managed its tenant risk reasonably well. The tenant base is diverse, and the statuses of tenants' payments are closely monitored.

Accepting the risk of fluctuations in the values of equities and debt instruments included in the investment operations is an inherent aspect of the business. The securities market rises and falls. The only way to hedge against these movements is to reduce the risk level selected and decided for the investment portfolio and, thereby, the expected long-term return.

The daily and weekly fluctuations in demand for students' lunches at UniCafe restaurants is hard to forecast. Conference and catering sales are highly dependent on general economic trends. In addition, the regulation of the basic price of student lunches, which takes no regard of cost trends, remains a challenge.

The accommodation business is stable and does not carry significant uncertainties. The risks are mainly related to Helsinki's appeal as a tourist destination.

Internal services do not carry significant risks or uncertainties. The risks are related to the risks of companies belonging to Ylva, and the potential ramifications for internal services.

## FINANCIAL RISK MANAGEMENT

Financial risk management and the associated principles are specified in the financing policy approved by Ylva's Board of Directors. In addition, the maximum amount of overall liabilities is decided annually in the investment and risk framework applying to Ylva.

The aim of financial risk management is to minimise the impact on the Group's profit, balance sheet and liquidity posed by financial risks related to the business. Risks related to liquidity, refinancing and fluctuations in the interest rate have been identified as the key financial risks. The main method of managing the risks is to keep the Group's total indebtedness low

enough to ensure that the Group has room for manoeuvre if an unforeseen event arises. The aim is to keep the equity ratio, calculated using market values, at more than 50%.

Ylva is exposed to interest rate risk through the reference rates on its interest-bearing debt and the discount rate used to determine the value of real estate assets. The interest rate risk gives rise to uncertainties concerning profits and the profitability of investments. The primary aim of interest rate risk management is to manage and mitigate the effect of liabilities on fluctuations in the profit over the long term. According to Ylva's hedging policy for interest rate risks, 30–70% of debts should always be hedged against rises in the interest rate over a 24-month period, either using interest rate swaps or directly with fixed-interest loans.

Liquidity management and adequate liquidity buffers ensure that Ylva can discharge its financial obligations at all times.

Ylva does not have any significant credit risks. The creditworthiness of customers in the real estate sector is verified when agreements are entered into, and tenants are generally required to pledge a tenancy deposit or external guarantee. The accommodation and restaurant business is mainly based on cash sales.

## PERSONNEL

During the year under review, Ylva had an average of 162 employees. At the end of the year, it had 171 employees in total (2018: 159).

### Summary of indicators related to Ylva's personnel

	2019	2018	2017
Average number of employees	162	157	173
Salaries and bonuses (EUR million)	5.6	5.1	5.3

## MANAGEMENT, ADMINISTRATION AND AUDITORS

Ylva's CEO was Antti Kerppola. The Executive Team consisted of Jannica Aalto (Marketing and Communications Director), Lea Jokio-Suramo (COO), Eemeli Lehto (CFO as of 15 May), Ville Vaarala (Real Estate Director), Leena Pihlajamäki (Business Director Restaurants & Hostel) and Antti Ruuska (CSO as of 3 October). Ylva's Board of Directors had ten members, and the Board of Directors convened for 11 meetings during the financial period. The attendance rate at Board meetings was 93 per cent. Ylva's Board of Directors consisted of Aarni Suvitie (Chair), Tarik Ahsanullah (until 31 March), Jaakko Hietala (assessor), Hanna-Maria Häkkinen, Tarja Pääkkönen (assessor), Sofia Rahikainen (as of 1 April), Anna-Maija Riekkinen, Reima Rytsölä (assessor), Ilmi Salminen (until 7 October), Sebastian Österman (as of 24 October), Erkkä Valkila (assessor), Santeri Velin and Petri Minni (personnel representative).

Ylva's Board of Directors has appointed audit and investment committees, as well as a remuneration working group.

The audit committee is chaired by the Chair of Ylva's Board of Directors, and it contains three members of the Board of Directors, one of whom is an assessor. Ylva's CEO, the Chair of Ylva's Supervisory Board and the auditor with principal responsibility are entitled to attend the meetings. The audit committee convened twice during the financial period, and the attendance rate at the meetings was 75 per cent.

The investment committee is chaired by the Chair of Ylva's Board of Directors, and it contains Ylva's CEO and four members of the Board of Directors, two of whom are assessors. The Chair of the Supervisory Board is entitled to attend the meetings. The investment committee assists the management in matters of principle related to investments and investment risks and in choosing an asset manager. However, it does not make independent decisions. The management submits proposals for decisions to Ylva's Board of Directors. The investment committee convened three times during the financial period. The attendance rate at the investment committee's meetings was 94 per cent.

The remuneration working group is chaired by the Chair of Ylva's Board of Directors, and it contains two members of the Board of Directors, one of whom is an assessor. Ylva's CEO is entitled to attend the meetings. The remuneration working group convened eight times during the financial period. The attendance rate at the remuneration working group's meetings was 100 per cent.

KPMG Oy Ab, served as the auditor of the parent entity of HYY's Representative Council and of Ylva Services Ltd and its group of companies in 2019, having been elected to this position at the annual general meeting. In accordance with the decisions made by the entities, KPMG Oy Ab's audit plan includes internal audits of the entities. The auditors took this into consideration and, where necessary, expanded the scope of their audits. In addition, the auditors conducted separate internal audit projects in specifically agreed areas.

HYY's Representative Council did not elect an audit committee for 2019.

## SUSTAINABILITY AND RESPONSIBILITY

Ylva's business is centred around sustainability. Ylva manages and expands HYY's wealth sustainably over the long term, thereby enabling current and future students to be active and happy throughout their studies. The key financial aspects of the business are profit-orientation and reasonable risk-taking.

Ylva aims to be a pioneer of responsibility in all its business operations, and it endeavours to provide open and transparent information about its activities. One example of the transparency of operations is the company-wide [carbon budget](#) for 2020, which is tied to the Sustainable Development Goals and has been published openly.

Responsibility means taking the principles of sustainable development into consideration in every aspect of the business. The crucial sustainability goal for Ylva's business is to keep economic growth separate from environmental contamination. In practice, the main guiding indicator of the business is the volume of carbon emissions generated by its operations. This

means that Ylva targets net zero carbon intensity by 2025 and set an example for society more widely, showing the way and accelerating the change towards a sustainable, low-carbon society.

Ylva works actively to promote responsible investment. Ylva's securities portfolio is already very low in carbon in comparison with the reference market. The equity portfolio has only fossil-free investments. In addition, a decision was made in 2019 to exclude equities related to air transport and certain manufacturers of oil drilling equipment from the portfolio. The venture investments are focused on companies that create entirely new solutions for societal problems that are significant in terms of Ylva's value base.

In terms of real estate, the key focuses are increasing energy efficiency and the use of smart solutions in existing properties, as well as material and energy choices that promote low carbon emissions. As regards electricity, Ylva purchases Finnish wind power that meets the criteria for the EKO symbol and carries a 100% guarantee of origin. In addition, the environmental impact is among the criteria for every Ylva procurement, and it seeks to minimise the amount of waste created – and maximise the rate of recycling – in its operations.

Ylva realises its social responsibility by enhancing its operations while paying attention to the needs of customers and stakeholders. Ylva promotes equality among its personnel in line with its equality and non-discrimination plan, and employees are involved in planning the operations. The same values apply on Ylva's construction sites, and inclusivity on construction sites has been set as the main objective for new projects. Ylva aims to be Finland's best workplace, and the Great Place to Work certificate awarded in 2019 is a step towards achieving this goal.

Ylva looks after valuable HYY's real estate, which has considerable cultural-historical value, and it executes construction and renovation projects to high architectonic standards and with regard to the cityscape as it builds the Helsinki of the Future. One aspect of the realisation of cultural responsibility is to enable a diverse student culture. Promoting and modernising Finnish food culture is also an important factor in Ylva's cultural responsibility. Ylva is an active proponent of nutritious, inexpensive, low-carbon food. One example of this is the decision taken in 2019 to take beef off the menu as of February 2020, along with the associated societal debate.

Ylva reports on its corporate responsibility in more depth on its website, [www.ylva.fi/en](http://www.ylva.fi/en). External commitments, such as the World Green Building Council's Net Zero Carbon Buildings, Global Compact and Green Office, play a part in determining which information is reported.

## OUTLOOK AND EVENTS SINCE THE END OF THE FINANCIAL PERIOD

Ylva has major real estate projects underway in Kaivopiha and Hakaniemi in Helsinki. The Hakaniemi project is being implemented by Kiinteistö Oy Helsingin Lyyra, a subsidiary, and a transaction with the City of Helsinki to acquire the land was completed in January 2020. The focus of the current financial period is to drive the real estate projects forwards on time and on budget.



Due to the ongoing real estate projects, the Group's net sales and operating margin are expected to decrease in 2020, before returning to positive development as of 2021. In addition, the profit for the financial period is affected by the higher financing costs of the real estate projects over the next few years.

The market value of Ylva's assets is expected to continue to grow as the investments proceed due to the appreciation of the real estate.

The net sales, operating margin and profits of real estate will decrease due to planned renovations. Ylva Services Ltd's net sales and profit are expected to increase moderately as the accommodation business moves to year-round operation, having previously been limited to operating in the summer months. The net sales of the company's internal services consist of the services provided to Ylva Group, HYY and Ylioppilaslehdien Kustannus Oy, the publisher of the student magazine. The share attributable to internal services will increase as Ylva Group's investment projects require additional investments in human resources.

Ylva Services Ltd's focal areas for 2020 are to ensure the profitable growth of Ylva's business in the current year and in future years by developing businesses and to maintain the quality and cost-effectiveness of internal services.

## STUDENT UNION OF THE UNIVERSITY OF HELSINKI (HYY) STUDENT OPERATIONS FINANCIAL MANAGEMENT

The operating finance derived from the realisation of the student union's purpose as stipulated in the Universities Act – Student Union of the University of Helsinki (HYY) operations financial management – is a form of financing tied to the budget of a public entity without a legal obligation to keep accounts under the Accounting Act. The financial management of student operations and the related budget, accounting, financial statements and auditing are subject to the regulations applying to student unions (the law, the student union's bylaws, the rules of finance). The financial management of student operations is not consolidated with Ylva. Ylva's profit is distributed by transfers from the unrestricted equity of HYY Real Estates' to the contingency reserve for the financial management of student operations.

The operating expenses for the financial management of student operations in 2019 amounted to EUR 3.8 million (2018: EUR 3.9 million). EUR 1.2 million of this sum was covered by membership fees, and EUR 0.2 million was covered by proactive fundraising, grants and collections. The student union membership fee for 2019 – EUR 46.00 per member – was among the lowest of student union fees in Finland. The EUR 2.4 million deficit in the financial management of student operations was covered by the contingency reserve, which had been built up with profit distributions from Ylva.

On 31 December 2019, the balance sheet total for the financial management of operations was EUR 4.4 million, with shareholders' equity accounting for EUR 3.6 million of this sum.

## PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The balance sheet for HYY Real Estates contained shareholders' equity amounting to EUR 54,135,336 and distributable assets of EUR 51,135,336. The Board of Directors proposes that a profit distribution of EUR 2,750,000 be transferred to the contingency reserve for HYY's financial management of student operations and that the remainder of the profit be recognised in the profit and loss account.

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## INCOME STATEMENT

EUR	Note number	1 Jan–31 Dec 2019	(%)	1 Jan–31 Dec 2018	(%)
<b>NET SALES</b>	1	<b>37,496,262</b>	<b>100.0</b>	33,477,146	100.0
Other operating income		14,040	0.0	0	0.0
Materials and services	2	-8,227,613	21.9	-7,467,814	22.3
Personnel expenses	3	-6,885,375	18.4	-6,251,642	18.7
Depreciation and impairment	4, 8, 9	-6,656,326	17.8	-5,519,886	16.5
Other operating expenses	5	-8,062,691	21.5	-6,637,907	19.8
<b>OPERATING PROFIT</b>		<b>7,678,298</b>	<b>20.5</b>	7,599,897	22.7
Financial income and expenses	6				
Income from other investments in non-current assets		122,507	0.3	52,619	0.2
Other interest and financial income		553,596	1.5	497,164	1.5
Impairment of investments in non-current assets		0	0.0	-155,448	0.5
Interest expenses and other financial expenses		-1,267,160	3.4	-741,959	2.2
Change in fair value of investment securities		4,472,379	11.9	-1,286,798	3.8
Total financial income and expenses		3,881,322	10.4	-1,634,423	4.9
<b>PROFIT BEFORE TAXES</b>		<b>11,559,620</b>	<b>30.8</b>	5,965,475	17.8
Income taxes	7	-308,618	0.8	-486,704	1.5
Minority interests		-949	0.0	-2,305	0.0
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<b>11,250,053</b>	<b>30.0</b>	5,476,466	16.4

## BALANCE SHEET

EUR	Note number	31 December 2019	(%)	31 December 2018	(%)
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Intangible assets	8				
Intangible rights		18,022		25,479	
Other intangible assets		9,206,070		8,415,763	
Advance payments		0		88,849	
		9,224,092	4.9	8,530,091	4.8
Tangible assets	5, 9				
Land		45,814,334		45,814,334	
Buildings and constructions		93,646,689		93,459,673	
Machinery and equipment in buildings		4,909,295		4,231,979	
Machinery and equipment		609,638		283,794	
Other tangible assets		1,391,004		1,460,468	
Advance payments and acquisitions in progress		8,091,492		4,577,936	
		154,462,452	82.5	149,828,184	83.8
Investments	10				
Other shares and holdings		17,633,154		17,106,795	
Other receivables		0		125,000	
		17,633,154	9.4	17,231,795	9.6
<b>TOTAL NON-CURRENT ASSETS</b>		<b>181,319,698</b>	<b>96.8</b>	<b>175,590,070</b>	<b>98.2</b>
<b>CURRENT ASSETS</b>					
Inventories					
Finished products/goods		112,926	0.1	103,392	0.1
Short-term receivables	11				
Trade receivables		292,717		179,924	
Receivables from owners		6,625		0	
Other receivables		503,677		362,031	
Prepayments and accrued income		177,700		376,489	
		980,719	0.5	918,445	0.5
Cash and cash equivalents		4,840,176	2.6	2,203,456	1.2
<b>TOTAL CURRENT ASSETS</b>		<b>5,933,821</b>	<b>3.2</b>	<b>3,225,293</b>	<b>1.8</b>
<b>ASSETS</b>		<b>187,253,519</b>	<b>100.0</b>	<b>178,815,363</b>	<b>100.0</b>

EUR	Note number	31 December 2019	(%)	31 December 2018	(%)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>SHAREHOLDERS' EQUITY</b>					
	12				
Equity		3,000,000		3,000,000	
Reserve fund		207,484		207,484	
Retained earnings		40,919,579		38,143,113	
Profit for the financial period		11,250,053		5,476,466	
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>55,377,117</b>	<b>29.6</b>	<b>46,827,064</b>	<b>26.2</b>
<b>MINORITY INTERESTS</b>		<b>1,127,765</b>	<b>0.6</b>	<b>1,126,817</b>	<b>0.6</b>
<b>LIABILITIES</b>					
	13				
<b>Long-term</b>					
Loans from financial institutions		112,944,065		118,619,227	
Deferred tax liabilities		720,917		876,688	
		113,664,982	60.7	119,495,915	66.8
<b>Short-term</b>					
Loans from financial institutions		2,526,056		2,526,056	
Advances received		401,996		425,732	
Trade payables		2,231,948		1,874,394	
Liabilities to owners		4,297,000		3,964,000	
Other liabilities		5,864,862		917,163	
Accrued expenses and deferred income		1,761,793		1,658,223	
		17,083,655	9.1	11,365,567	6.4
<b>TOTAL LIABILITIES</b>		<b>130,748,637</b>	<b>69.8</b>	<b>130,861,482</b>	<b>73.2</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>187,253,519</b>	<b>100.0</b>	<b>178,815,363</b>	<b>100</b>

## CASH FLOW STATEMENT

EUR	2019	2018
<b>OPERATING CASH FLOW</b>		
Operating profit	7,678,298	7,599,897
Adjustments to the operating profit:		
Planned depreciation	6,656,326	5,519,886
Other adjustments	14,040	13,327
Change in working capital:		
Short-term receivables, increase/decrease (-/+)	-20,254	-80,144
Inventories, increase/decrease (-/+)	-9,535	39,453
Interest-bearing short-term debt, increase/decrease (+/-)	-680,249	192,383
Interest and charges paid	-1,267,289	-362,232
Financial income received	234,928	234,768
Taxes paid	-828,856	550,415
<b>OPERATING CASH FLOW</b>	<b>11,749,329</b>	<b>13,707,752</b>
<b>CASH FLOW FROM INVESTMENTS</b>		
Investments in tangible and intangible assets, other investments and shares purchased in subsidiaries	-11,141,342	-87,362,512
Proceeds from sales of tangible and intangible assets	66,200	50,000
Long-term investments (investment portfolio)	4,039,798	-349,716
Investment portfolio dividends and refunds of fees	302,537	227,266
Proceeds and losses from investment portfolio sales	659,360	124,950
<b>CASH FLOW FROM INVESTMENTS</b>	<b>-6,073,447</b>	<b>-87,310,012</b>

EUR	2019	2018
<b>CASH FLOW FROM FINANCING</b>		
Withdrawal (+) / repayment (-) of short-term loans	5,336,000	203,000
Withdrawal of long-term loans (+)	0	78,731,875
Repayment of long-term loans (-)	-5,675,163	-2,547,437
Dividends paid / profit distribution	-2,700,000	-2,670,000
<b>CASH FLOW FROM FINANCING</b>	<b>-3,039,163</b>	<b>73,717,437</b>
Change in cash and cash equivalents	2,636,720	115,177
<b>CASH AND CASH EQUIVALENTS, 1 JAN</b>	<b>2,203,456</b>	<b>2,088,279</b>
<b>CASH AND CASH EQUIVALENTS, 31 DEC</b>	<b>4,840,176</b>	<b>2,203,456</b>

## NOTES TO THE FINANCIAL STATEMENTS

Ylva's parent entity is HYY Real Estates, domiciled in Helsinki. Ylva Services Ltd, wholly owned by HYY Real Estates and domiciled in Helsinki, is the parent company of the sub-Group.

No consolidated financial statements were prepared for the Ylva Services Ltd sub-Group pursuant to chapter 6, section 1, point 6 of the Accounting Act. The financial statements of the companies belonging to the Group have been consolidated into Ylva Group's financial statements. Copies of Ylva Group's financial statements are available at Ylva's headquarters: Kaivokatu 10 A, 00100 Helsinki, Finland.

## ACCOUNTING PRINCIPLES

Ylva's financial statements were prepared in accordance with the Accounting Act and the rules and regulations applying in Finland.

### Scope

The consolidated financial statements include all of the subsidiaries of which the parent entity directly or indirectly owns more than 50%.

### Owners

The owners consist of the operative financial management of the student union of the University of Helsinki – HYY's financial management of student operations – which does not belong to Ylva.

### Calculation principles

The consolidated financial statements are based on original acquisition prices. Intra-Group transactions, profit distribution, receivables and liabilities, and any internal margins have been eliminated.

Mutual shareholdings have been eliminated using the acquisition cost method. The difference between the acquisition price and shareholders' equity is recognised as consolidated goodwill, depreciated over its economic life.

In the income statement, minority interests are separated out as a share of the profit for the financial period and as a share of shareholders' equity in the balance sheet.

In order to comply with the principle of prudence, Ylva has not recognised tax assets deriving from confirmed losses and deferred depreciation (the temporary difference between bookkeeping and taxation) in the balance sheet.

Electricity forward contracts and interest rate swaps for long-term loans are not recognised at fair value in the balance sheet. The fair values of these assets are presented in the notes. When electricity forward contracts are realised, the hedging effect is recognised through profit or loss as an adjustment to the electricity expenses incurred. The interest rates based on interest rate swaps are recognised in the income statement according to the accruals principle.

### Net sales

Net sales consist of the income from sales of products and services, as well as lease income and compensation for the use of real estate, with deductions for indirect taxes, discounts and exchange rate losses related to trade receivables, plus the exchange rate gains related to trade receivables.

### Pensions

The statutory and voluntary pension cover for the personnel of Group companies has been arranged via external insurance companies.

### Non-current assets and depreciation

Fixed assets are recognised on the balance sheet at acquisition cost less planned depreciation. Planned depreciation is calculated on a straight-line basis over the economic service life of fixed assets.

The services lives of assets used as the basis for planned depreciation are as follows:

- Intangible rights: 3–5 years
- Other long-term expenditure: 3–30 years
- Buildings and constructions: 15–50 years
- Machinery and equipment in buildings: 5–20 years
- Machinery and equipment: 3–5 years
- Other tangible assets: 20 years

In line with the materiality principle, which is integral to good accounting practice, minor tangible assets such as mobile phones and computers with an estimated economic service life of less than three years, have been recognised directly as annual expenses. Land has not been depreciated.

Other long-term expenditure includes renovation expenses if the lessor agrees to renovate leased premises when the tenancy agreements are negotiated and the impact of the renovation is taken into consideration when the price of the rent is determined. In general, the depreciation period for these is the same as the term of the tenancy agreement.

For more information on the market values of real estate, value adjustments during the financial period and the potential for value increases, see the notes to the balance sheet.

The estimated market value of real estate properties was calculated by Jones Lang LaSalle Finland Oy, an authorised property valuer. The market value was calculated on the following principles:

The valuation method was the 10- or 15-year discounted cash flow method (net present value method). The modelling made use of the M2 cash flow model, which is used on the Finnish market. The calculation used the rents stated in the tenancy agreements for each leased unit, and the rent for the period after the tenancy is the market rent estimated by the valuer.

The potential gross rental income is the sum of the return according to the tenancy agreements and the return potential calculated at market rents for empty units. In addition, any other charges collected from tenants (e.g., electricity and water charges) were added as other income. The effective rental income was obtained by subtracting the underutilisation on the date of calculation and the presumed structural underutilisation prevailing after the lease is renewed. The net return was obtained by subtracting the property management expenses and potential tenant improvements. The net return after comprehensive renovations was obtained by subtracting the value of overhaul-type renovations and investments. The present value of future cash flows was calculated by discounting the aforementioned net return to the present.

The residual value at the end of the cash-flow period was calculated by capitalising the net return after comprehensive renovation in the 11th or 16th year by the return requirement for the terminal value. The total value of the real estate was obtained by summing the present values of the annual net cash flows in the cash-flow period and the discounted residual value on the calculation date.

The valuer determined the return requirements by taking into account the lengths of tenancy agreements, tenants, locations, characteristics of the premises, recent comparable transactions on the Finnish market and on other European markets, sale negotiations on the record, the position of the financial markets, and its knowledge of the current return requirements of active investors.

## Investments

The parent entity of Ylva Group acts as a securities investor. Listed securities (the investment portfolio) are recognised at market value. In other regards, securities held as non-current assets are valued at acquisition price or, if their fair value is permanently impaired, at the lower value.

## Current assets

Inventories are recognised in the balance sheet at acquisition cost or at likely sale price, whichever is lower.

## Appropriations

Appropriations are depreciation differences, and the change in the deferred tax liability caused by these differences is recognised in the consolidated financial statements under taxes for the financial period. Accumulated appropriations are divided between tax liabilities and unrestricted equity in the consolidated balance sheet.

## NOTES TO THE INCOME STATEMENT

### 1. Distribution of net sales

EUR	2019	2018
By business sector		
Real estate	20,717,232	17,771,264
HoReCa	16,779,030	15,705,882
<b>TOTAL</b>	<b>37,496,262</b>	33,477,146
By market area		
Finland	37,496,262	33,477,146

### 2. Materials and services

EUR	2019	2018
Raw materials and consumables	5,338,083	5,102,975
External services	2,889,530	2,364,839
<b>TOTAL</b>	<b>8,227,613</b>	7,467,814

### 3. Personnel and members of organs

EUR	2019	2018
Personnel expenses		
Salaries	5,590,904	5,136,637
Pension contributions	1,091,580	937,957
Other personnel expenses	202,890	177,049
<b>TOTAL</b>	<b>6,885,375</b>	6,251,642
Managerial salaries and bonuses		
Ylva's CEO, including fringe benefits	301,650	223,446
Members of Ylva's Board of Directors	81,350	82,200
<b>TOTAL</b>	<b>383,000</b>	305,646

Ylva's CEO is entitled to compensation equivalent to nine months' salary in the event of dismissal or a change in the status of control over the company.

Ylva's CEO, Executive Team and key personnel are covered by the short-term (calendar year) performance-related bonus scheme approved by Ylva's Board of Directors. The criteria for performance-related bonuses consist of profit targets and personal targets in proportions varying from 25% to 75% depending on the person's area of responsibility within the organisation. In 2019, Ylva's Board of Directors decided to introduce a long-term (three-year earning period) performance-related bonus scheme based on increases in net asset value and covering the CEO, Executive Team and several key personnel on real estate projects. Performance-related bonuses worth a total of EUR 486,236 were recognised in the financial statements based on estimates for 2019. Bonuses were paid out for 2018 in a total amount of EUR 154,216.

#### Pension commitments for the management

Based on Ylva's own voluntary pension insurance, the retirement age for one of the directors (not the CEO) has been set at 60. Ylva's Board of Directors has decided that new employment contracts will no longer include voluntary pension insurance.

There are no pension commitments for the members of the Board of Directors.

	2019	2018
Average number of employees during the financial period	162	157



#### 4. Depreciation and impairment

EUR	2019	2018
<b>DEPRECIATION BY FIXED ASSET CLASS</b>		
Intangible assets		
Intangible rights	7,457	7,457
Other intangible assets	2,046,594	1,973,108
Tangible assets		
Buildings and constructions	3,603,672	2,560,234
Machinery and equipment in buildings	791,071	826,565
Machinery and equipment	138,068	134,576
Other tangible assets	69,465	17,945
<b>TOTAL</b>	<b>6,656,326</b>	<b>5,519,886</b>

#### 5. Auditor's fees and services

EUR	2019	2018
Auditing	33,176	30,726
Tax advice	6,791	3,134
Other services	2,242	343
<b>TOTAL</b>	<b>42,209</b>	<b>34,202</b>

#### 6. Financial income and expenses

EUR	2019	2018
Dividend income		
From others	122,507	52,619
Other interest and financial income		
Profits from sales of investment securities	149,020	81,317
Others		
From others	404,576	415,846
Total	553,596	497,164
<b>Total financial income</b>	<b>676,103</b>	<b>549,783</b>
Impairment of investments in non-current assets	0	-155,448
Interest expenses and other financial expenses		
Losses from sales of investment securities	-4,790	-31,214
Others		
To others	-1,262,370	-710,745
Total	-1,267,160	-741,959
<b>Total financial expenses</b>	<b>-1,267,160</b>	<b>-897,407</b>
Change in fair value of investment securities	4,472,379	-1,286,798
<b>TOTAL</b>	<b>3,881,322</b>	<b>-1,634,423</b>

#### 7. Assessed taxes

EUR	2019	2018
Income tax on ordinary operations		
For the financial period	464,389	651,179
Change in deferred tax liabilities		
Due to appropriations	-155,770	-164,475
<b>TOTAL</b>	<b>308,618</b>	<b>486,704</b>

## NOTES TO THE BALANCE SHEET

### 8. Intangible assets

EUR	2019	2018
<b>INTANGIBLE RIGHTS</b>		
Acquisition cost, 1 Jan and 31 Dec	696,037	696,037
Accumulated depreciation, 1 Jan	-670,558	-663,100
Depreciation for the financial period	-7,457	-7,457
Accumulated depreciation, 31 Dec	-678,015	-670,558
Carrying value, 31 Dec	18,022	25,479
<b>OTHER INTANGIBLE ASSETS</b>		
Acquisition cost, 1 Jan	25,295,866	23,761,728
Additions	1,854,037	1,333,449
Transfers from acquisitions in progress	982,864	200,689
Acquisition cost, 31 Dec	28,132,767	25,295,866
Accumulated depreciation, 1 Jan	-16,880,103	-14,906,996
Depreciation for the financial period	-2,046,594	-1,973,108
Accumulated depreciation, 31 Dec	-18,926,697	-16,880,103
Carrying value, 31 Dec	9,206,070	8,415,763
<b>ADVANCE PAYMENTS</b>		
Acquisition cost, 1 Jan	88,849	0
Additions	577,976	88,849
Transfers between asset items	-666,825	0
Acquisition cost, 31 Dec	0	88,849
Carrying value, 31 Dec	0	88,849

### 9. Tangible assets

EUR	2019	2018
<b>LAND</b>		
Acquisition cost, 1 Jan	45,814,334	15,451,084
Additions	0	30,363,250
Acquisition cost, 31 Dec	45,814,334	45,814,334
Carrying value, 31 Dec	45,814,334	45,814,334
<b>BUILDINGS AND CONSTRUCTIONS</b>		
Acquisition cost, 1 Jan	145,976,332	84,860,008
Additions	1,330,771	61,116,324
Transfers from acquisitions in progress	2,459,917	0
Acquisition cost, 31 Dec	149,767,021	145,976,332
Accumulated depreciation, 1 Jan	-52,516,659	-38,626,219
Accumulated depreciation on additions, reductions and transfers	0	-11,330,206
Depreciation for the financial period	-3,603,672	-2,560,234
Accumulated depreciation, 31 Dec	-56,120,331	-52,516,659
Carrying value, 31 Dec	93,646,689	93,459,673
<b>MACHINERY AND EQUIPMENT IN BUILDINGS</b>		
Acquisition cost, 1 Jan	14,645,326	11,919,352
Additions	772,216	2,610,516
Transfers from acquisitions in progress	696,171	115,458
Acquisition cost, 31 Dec	16,113,713	14,645,326
Accumulated depreciation, 1 Jan	-10,413,346	-7,594,772
Accumulated depreciation on additions, reductions and transfers	0	-1,992,009
Depreciation for the financial period	-791,071	-826,565
Accumulated depreciation, 31 Dec	-11,204,417	-10,413,346
Carrying value, 31 Dec	4,909,295	4,231,979

EUR	2019	2018
<b>MACHINERY AND EQUIPMENT</b>		
Acquisition cost, 1 Jan	2,496,454	2,401,812
Additions	353,457	144,641
Reductions	-86,335	-50,000
Transfers from acquisitions in progress	162,616	0
Acquisition cost, 31 Dec	2,926,191	2,496,454
Accumulated depreciation, 1 Jan	-2,212,660	-2,017,356
Accumulated depreciation on additions, reductions and transfers	34,175	-60,728
Depreciation for the financial period	-138,068	-134,576
Accumulated depreciation, 31 Dec	-2,316,553	-2,212,660
Carrying value, 31 Dec	609,638	283,794
<b>OTHER TANGIBLE ASSETS</b>		
Acquisition cost, 1 Jan	2,117,320	12,672
Additions	0	2,046,316
Transfers between items	0	58,332
Acquisition cost, 31 Dec	2,117,320	2,117,320
Accumulated depreciation, 1 Jan	-656,852	0
Accumulated depreciation on additions, reductions and transfers	0	-638,907
Depreciation for the financial period	-69,465	-17,945
Accumulated depreciation, 31 Dec	-726,316	-656,852
Carrying value, 31 Dec	1,391,004	1,460,468
<b>ADVANCE PAYMENTS AND ACQUISITIONS IN PROGRESS</b>		
Acquisition cost, 1 Jan	4,577,936	748,195
Additions	7,148,300	4,217,546
Transfers between asset items	-3,634,744	-374,479
Transfers to expenses	0	-13,326
Acquisition cost, 31 Dec	8,091,492	4,577,936
Carrying value, 31 Dec	8,091,492	4,577,936

**Market value of real estate\***

EUR	2019	2018
<b>MARKET VALUE</b>		
<b>Central real estate properties</b>		
Mannerheimintie 3-5, Kaivokatu 10, Aleksanterinkatu 23 Area of the plot: 11,618 m <sup>2</sup> Gross leasable area (GLA): 44,721 m <sup>2</sup>	296,000,000	245,300,000
<b>Leppäsuo properties</b>		
Leppäsuonkatu 9, Hietaniemenkatu 14 Area of the plot: 7,076 m <sup>2</sup> Gross leasable area (GLA): 13,681 m <sup>2</sup>	37,700,000	34,800,000
<b>Domus Gaudium</b>		
Ownership of premises: HYY Real Estates: 60%, Helsinki School of Economics Support Foundation: 40%, Mechelininkatu 3 C Area of the plot: 1,901 m <sup>2</sup> Gross leasable area (GLA): 3,241 m <sup>2</sup>	8,100,000	7,700,000
<b>TOTAL MARKET VALUE</b>	<b>341,800,000</b>	287,800,000
<b>TOTAL CORRESPONDING CARRYING VALUE</b>	<b>128,057,253</b>	127,152,697
<b>DIFFERENCE BETWEEN MARKET VALUE AND CARRYING VALUE</b>	<b>213,742,747</b>	160,647,303

\* The market value is stated if it is materially different from the carrying value.  
The accounting principles in the financial statements describe the calculation principles used.

## 10. Investments

EUR	2019	2018
<b>OTHER SHARES AND HOLDINGS</b>		
Acquisition cost, 1 Jan	18,498,727	18,142,351
Additions	1,898,026	7,699,649
Reductions	-5,453,917	-7,343,273
Transfers between items	125,000	0
Acquisition cost, 31 Dec	15,067,836	18,498,727
Accumulated value changes, 1 Jan	-1,391,932	125,161
Reductions	-515,130	-74,847
Value changes in the financial period	4,472,379	-1,442,246
Accumulated impairment, 31 Dec	2,565,318	-1,391,932
Carrying value, 31 Dec	17,633,154	17,106,795
<b>OTHER RECEIVABLES</b>		
Acquisition cost, 1 Jan	125,000	0
Additions	0	125,000
Transfers between items	-125,000	0
Acquisition cost, 31 Dec	0	125,000
Carrying value, 31 Dec	0	125,000

### INVESTMENT ASSET GROUPS AND FAIR VALUE

Listed securities (investment portfolio)

Recognised at fair value through profit or loss

	Carrying value	Level 1	Level 2	Level 3	Total fair value
Finnish equities	2,427,052	2,427,052	0	0	2,427,052
Foreign funds	14,297,579	14,297,579	0	0	14,297,579
	16,724,631	16,724,631	0	0	16,724,631

#### Definitions of fair value

The fair value of level 1 instruments is based on entirely unmodified market quotations on active markets.

The fair value of level 2 instruments is based, to a certain extent, on inputs that do not consist of direct market quotations but is nevertheless based in substantial part on directly observable data (price) or other equivalent, indirectly observable indicators.

The fair value of level 3 instruments is based on input data that is not derived from quoted market data (unobservable inputs). The fair value may be based on factors such as confirmations provided by counterparties backed by generally recognised valuation methods.

#### Sensitivity analysis

If any factor (such as prices) in the unobservable inputs for level 1 items changed substantially on the reporting date, the impact would be as follows:

	Impact on profit
Change in market value	
Equities +/- 10%	+/- 242,705
Equity funds +/- 5%	+/- 714,879
Emerging markets +/- 20%	+/- 892,401
Exchange rate change	
USD +/- 10%	+/- 429,514

	Group holdings (%)	Parent entity holdings (%)
<b>GROUP COMPANIES</b>		
Ylva Services Ltd	100.0	100.0
Kaivopiha Oy	100.0	
Oy Vanha Ylioppilastalo Ab	100.0	
Kiinteistö Oy Helsingin Lyyra	100.0	100.0
Kiinteistö Oy Kaivokatu 12	100.0	100.0
Ylva Helsinki Oy	100.0	100.0
Kiinteistö Oy Leppätalo	60.6	60.6

## 11. Receivables

EUR	2019	2018
<b>SHORT-TERM RECEIVABLES</b>		
Receivables from owners		
Trade receivables	6,625	0
Material items of prepayments and accrued income		
Related to personnel	45,334	142,669
Others	132,366	233,820
	177,700	376,489
Deferred tax assets		
From confirmed losses	20,852	22,082
From deferred depreciation	65,037	113,372
	85,888	135,454

No deferred tax assets have been recognised.

## 12. Shareholders' equity

EUR	2019	2018
<b>RESTRICTED EQUITY</b>		
Equity, 1 Jan and 31 Dec	3,000,000	3,000,000
Reserve fund, 1 Jan and 31 Dec	207,484	207,484
Total restricted equity	3,207,484	3,207,484
<b>UNRESTRICTED EQUITY</b>		
Retained earnings, 1 Jan	43,619,579	40,813,113
Distribution of profit	-2,700,000	-2,670,000
Retained earnings, 31 Dec	40,919,579	38,143,113
Profit for the financial period	11,250,053	5,476,466
<b>TOTAL UNRESTRICTED EQUITY</b>	<b>52,169,632</b>	<b>43,619,579</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>55,377,117</b>	<b>46,827,064</b>

### 13. Liabilities

EUR	2019	2018
<b>INTEREST-BEARING LIABILITIES</b>		
Long-term		
Loans from financial institutions	112,944,065	118,619,227
Short-term		
Loans from financial institutions	2,526,056	2,526,056
Commercial paper	5,000,000	0
Cashpool liabilities	4,564,000	4,228,000
	12,090,056	6,754,056
Total interest-bearing liabilities	125,034,121	125,373,284
<b>LONG-TERM LIABILITIES</b>		
Deferred tax liabilities		
Due to appropriations	720,917	876,688
Liabilities with over five years until maturity		
Loans from financial institutions	90,043,549	93,511,128
<b>SHORT-TERM LIABILITIES</b>		
Liabilities to owners		
Other liabilities	4,297,000	3,964,000
Material items of accrued expenses and deferred income		
Related to personnel	1,433,673	951,060
Interest	269,793	274,713
Taxes	29,689	344,754
Others	28,637	87,696
	1,761,793	1,658,223

## OTHER NOTES

### Related party transactions

There have been no abnormal transactions with related parties.

### Pledged collateral, contingent liabilities and other obligations

EUR	2019	2018
<b>LIABILITIES SECURED BY MORTGAGES OF REAL ESTATE AND PLEDGES</b>		
Loans from financial institutions	115,470,121	117,996,177
Mortgages pledged to secure loans from financial institutions	168,407,237	168,407,237
Bank accounts pledged to secure loans from financial institutions	818,308	351,909
<b>OTHER PLEDGED COLLATERAL</b>		
Pledged mortgages of real estate	25,051	25,051
<b>GUARANTEES</b>		
Issued on behalf of others		
For a loan from a financial institution	100,000	0
<b>LEASE LIABILITIES</b>		
Outstanding payments on tenancy agreements		
Payable in the next financial period	279,107	411,536
Payable later	55,370	376,313
	<b>334,477</b>	<b>787,849</b>

EUR	2019	2018
<b>VALUE-ADDED TAX REPAYMENT OBLIGATION</b>		
VAT repayment obligation on real estate investments	1,706,015	1,335,904
<b>DERIVATIVES</b>		
Electricity forward contracts		
Fair value	32,296	285,197
Electricity forward contracts are used to hedge the annual electricity consumption against the average procurement power. The physical electricity is procured at the spot price corresponding to the hourly price for the Finland pricing area. The spot price is determined daily, so the procurement would carry risks in the absence of hedging.		
Interest rate swaps		
Nominal value	17,242,806	13,900,165
Fair value (according to bank notification)	-3,500,512	-1,028,251
Interest rate swaps are used to turn the variable interest rates on loans into fixed rates. On 31 December 2019, 16% of the loan portfolio was hedged. The interest rate swaps will mature in 2020, 2025, 2026, 2027 and 2028. The nominal value of the contracts commencing in 2020 is EUR 59,941,200.		
<b>OTHER OBLIGATIONS</b>		
The loan agreement includes covenants. The covenants have not been breached.		

## SIGNATURES TO THE FINANCIAL STATEMENTS AND ANNUAL REPORT

Helsingissä 3. päivänä maaliskuuta 2020









Aarni Suvitie  
Puheenjohtaja

Hanna-Maria Häkkinen

Jaakko Hietala

Anna-Maija Riekinen

Sofia Rahikainen

Reima Rytsölä

Erka Valkila





Santeri Velin


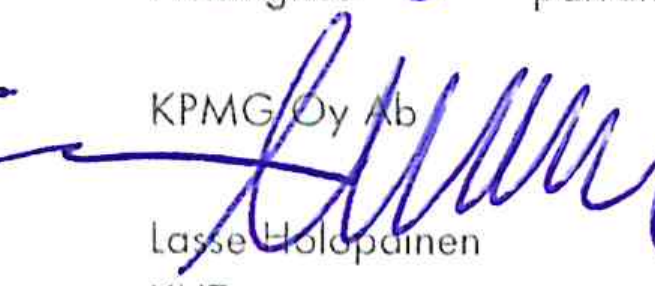
Sebastian Österman

Antti Kerppola  
Toimitusjohtaja

## AUDITOR'S STATEMENT

Suoritusta tilintarkastuksesta on tänään annettu kertomus.

Helsingissä 3 päivänä maaliskuuta 2020

Tarja Pääkkönen

KPMG Oy Ab

Lasse Holopainen  
KHT



## AUDITOR'S STATEMENT

Ylvan yhtiökokoukselle

### **Tilinpäätöksen tilintarkastus**

#### **Lausunto**

Olemme tilintarkastaneet Ylvan konsernitilinpäätöksen tilikaudelta 1.1.–31.12.2019. Tilinpäätös sisältää konsernin taseen, tuloslaskelman, rahavirtalaskelman ja liitetiedot.

Lausuntonamme esitämme, että tilinpäätös antaa oikean ja riittävän kuvan yhtiön toiminnan tuloksesta ja taloudellisesta asemasta Suomessa voimassa olevien tilinpäätöksen laatimista koskevien säännösten mukaisesti ja täyttää lakisääteiset vaatimukset.

#### **Lausunnon perustelut**

Olemme suorittaneet tilintarkastuksen Suomessa noudatettavan hyvän tilintarkastustavan mukaisesti. Hyvän tilintarkastustavan mukaisia velvollisuuksiimme kuvataan tarkemmin kohdassa *Tilintarkastajan velvollisuudet tilinpäätöksen tilintarkastuksessa*. Olemme riippumattomia yhtiöstä niiden Suomessa noudatettavien eettisten vaatimusten mukaisesti, jotka koskevat suorittamaamme tilintarkastusta ja olemme täyttäneet muut näiden vaatimusten mukaiset eettiset velvollisuutemme. Käsityksemme mukaan olemme hankkineet lausuntomme perustaksi tarpeellisen määrän tarkoitukseen soveltuvaa tilintarkastusevidenssiä.

#### **Tilinpäätöstä koskevat hallituksen ja toimitusjohtajan velvollisuudet**

Hallitus ja toimitusjohtaja vastaavat tilinpäätöksen laatimisesta siten, että se antaa oikean ja riittävän kuvan Suomessa voimassa olevien tilinpäätöksen laatimista koskevien säännösten mukaisesti ja täyttää lakisääteiset vaatimukset. Hallitus ja toimitusjohtaja vastaavat myös sellaisesta sisäisestä valvonnasta, jonka ne katsovat tarpeelliseksi voidakseen laatia tilinpäätöksen, jossa ei ole väärinkäytöksestä tai virheestä johtuvaa olennaista virheellisyyttä.

Hallitus ja toimitusjohtaja ovat tilinpäätöstä laatiessaan velvollisia arvioimaan yhtiön kykyä jatkaa toimintaansa ja soveltuvissa tapauksissa esittämään seikat, jotka liittyvät toiminnan jatkuvuuteen ja siihen, että tilinpäätös on laadittu toiminnan jatkuvuuteen perustuen. Tilinpäätös laaditaan toiminnan jatkuvuuteen perustuen, paitsi jos yhtiö aiotaan purkaa tai sen toiminta lakkauttaa tai ei ole muuta realistista vaihtoehtoa kuin tehdä niin.

#### **Tilintarkastajan velvollisuudet tilinpäätöksen tilintarkastuksessa**

Tavoitteenamme on hankkia kohtuullinen varmuus siitä, onko tilinpäätöksessä kokonaisuutena väärinkäytöksestä tai virheestä johtuvaa olennaista virheellisyyttä, sekä antaa tilintarkastuskertomus, joka sisältää lausuntomme. Kohtuullinen varmuus on korkea varmuustaso, mutta se ei ole tae siitä, että olennainen virheellisyys aina havaitaan hyvän tilintarkastustavan mukaisesti suoritettavassa tilintarkastuksessa. Virheellisyyksiä voi aiheutua väärinkäytöksestä tai virheestä, ja niiden katsotaan olevan olennaisia, jos niiden yksin tai yhdessä voisi kohtuudella odottaa vaikuttavan taloudellisiin päätöksiin, joita käyttäjät tekevät tilinpäätöksen perusteella.

Hyvän tilintarkastustavan mukaiseen tilintarkastukseen kuuluu, että käytämme ammatillista harkintaa ja säilytämme ammatillisen skeptisyyden koko tilintarkastuksen ajan. Lisäksi:

— Tunnistamme ja arvioimme väärinkäytöksestä tai virheestä johtuvat tilinpäätöksen olennaisen virheellisyyden riskit, suunnittelemme ja suoritamme näihin riskeihin vastaavia tilintarkastustoimenpiteitä ja hankimme lausuntomme perustaksi tarpeellisen määrän tarkoitukseen soveltuvaa tilintarkastusevidenssiä. Riski siitä, että väärinkäytöksestä johtuva olennainen virheellisyys jää havaitsematta, on suurempi kuin riski siitä, että virheestä johtuva olennainen virheellisyys jää havaitsematta, sillä väärinkäytökseen voi liittyä yhteistoimintaa, väärentämistä, tietojen tahallista esittämättä jättämistä tai virheellisten tietojen esittämistä taikka sisäisen valvonnan sivuuttamista.

— Muodostamme käsityksen tilintarkastuksen kannalta relevantista sisäisestä valvonnasta pystyäksemme suunnittelemaan olosuhteisiin nähden asianmukaiset tilintarkastustoimenpiteet mutta emme siinä tarkoituksessa, että pystyisimme antamaan lausunnon yhtiön sisäisen valvonnan tehokkuudesta.

— Arvioimme sovellettujen tilinpäätöksen laatimisperiaatteiden asianmukaisuutta sekä johdon tekemien kirjanpidollisten arvioiden ja niistä esitettävien tietojen kohtuullisuutta.

— Teemme johtopäätöksen siitä, onko hallituksen ja toimitusjohtajan ollut asianmukaista laatia tilinpäätös perustuen oletukseen toiminnan jatkuvuudesta, ja teemme hankkimamme tilintarkastusevidenssin perusteella johtopäätöksen siitä, esiintyykö sellaista tapahtumiin tai olosuhteisiin liittyvää olennaista epävarmuutta, joka voi antaa merkittävää aiheutta epäillä yhtiön kykyä jatkaa toimintaansa. Jos johtopäätöksemme on, että olennaista epävarmuutta esiintyy, meidän täytyy kiinnittää tilintarkastuskertomuksessamme lukijan huomiota epävarmuutta koskeviin tilinpäätöksessä esitettäviin tietoihin tai, jos epävarmuutta koskevat tiedot eivät ole riittäviä, mukauttaa lausuntomme. Johtopäätöksemme perustuvat tilintarkastuskertomuksen antamispäivään mennessä hankittuun tilintarkastusevidenssiin. Vastaiset tapahtumat tai olosuhteet voivat kuitenkin johtaa siihen, ettei yhtiö pysty jatkamaan toimintaansa.

— Arvioimme tilinpäätöksen, kaikki tilinpäätöksessä esitettävät tiedot mukaan lukien, yleistä esittämistapaa, rakennetta ja sisältöä ja sitä, kuvastaako tilinpäätös sen perustana olevia liiketoimia ja tapahtumia siten, että se antaa oikean ja riittävän kuvan.

Kommunikoidimme hallintoelinten kanssa muun muassa tilintarkastuksen suunnittelusta laajuudesta ja ajoituksesta sekä merkittävistä tilintarkastushavainnoista, mukaan lukien mahdolliset sisäisen valvonnan merkittävät puutteellisuudet, jotka tunnistamme tilintarkastuksen aikana.

#### **Muut raportointivelvoitteet**

#### **Muu informaatio**

Hallitus ja toimitusjohtaja vastaavat muusta informaatiosta. Muu informaatio käsittää toimintakertomuksen. Tilinpäätöstä koskeva lausuntomme ei kata muuta informaatiota.

Velvollisuutenamme on lukea muu informaatio tilinpäätöksen tilintarkastuksen yhteydessä ja tätä tehdessämme arvioida, onko muu informaatio olennaisesti ristiriidassa tilinpäätöksen tai tilintarkastusta suoritettaessa hankkimamme tietämyksen kanssa tai vaikuttaako se muutoin olevan olennaisesti virheellistä. Velvollisuutenamme on lisäksi arvioida, onko toimintakertomus laadittu sen laatimiseen sovellettavien säännösten mukaisesti.

Lausuntonamme esitämme, että toimintakertomuksen ja tilinpäätöksen tiedot ovat yhdenmukaisia ja että toimintakertomus on laadittu toimintakertomuksen laatimiseen sovellettavien säännösten mukaisesti.

Jos teemme suorittamamme työn perusteella johtopäätöksen, että toimintakertomuksessa on olennainen virheellisyys, meidän on raportoitava tästä seikasta. Meillä ei ole tämän asian suhteen raportoitavaa.

Helsingissä 3. maaliskuuta 2020

KPMG OY AB

  
Lasse Holopainen  
KHT

## STATEMENT OF THE SUPERVISORY BOARD

Hallintoneuvosto on tutustunut Ylvan tilinpäätöksiin (konsernitilinpäätös, jossa emoyhteisöön HYYn kiinteistotalouteen on yhdistetty Ylva Palvelut Oy ja sen konserni, Kiinteistö Oy Kaivokatu 12, Ylva Helsinki Oy sekä Kiinteistö Oy Leppätalo) vuodelta 2019 sekä tilintarkastuskertomuksiin, eikä ole havainnut niissä seikkoja, jotka antaisivat aihetta huomautuksiin.

Hallintoneuvosto puoltaa tämän vuoksi tilinpäätösten vahvistamista ja yhtyy hallitusten ehdotuksiin voiton käyttämisestä.

Helsingissä 4. maaliskuuta 2020

Hallintoneuvoston puolesta



Timo Kalliokoski  
hallintoneuvoston puheenjohtaja

[WWW.YLVA.FI/EN](http://WWW.YLVA.FI/EN)