

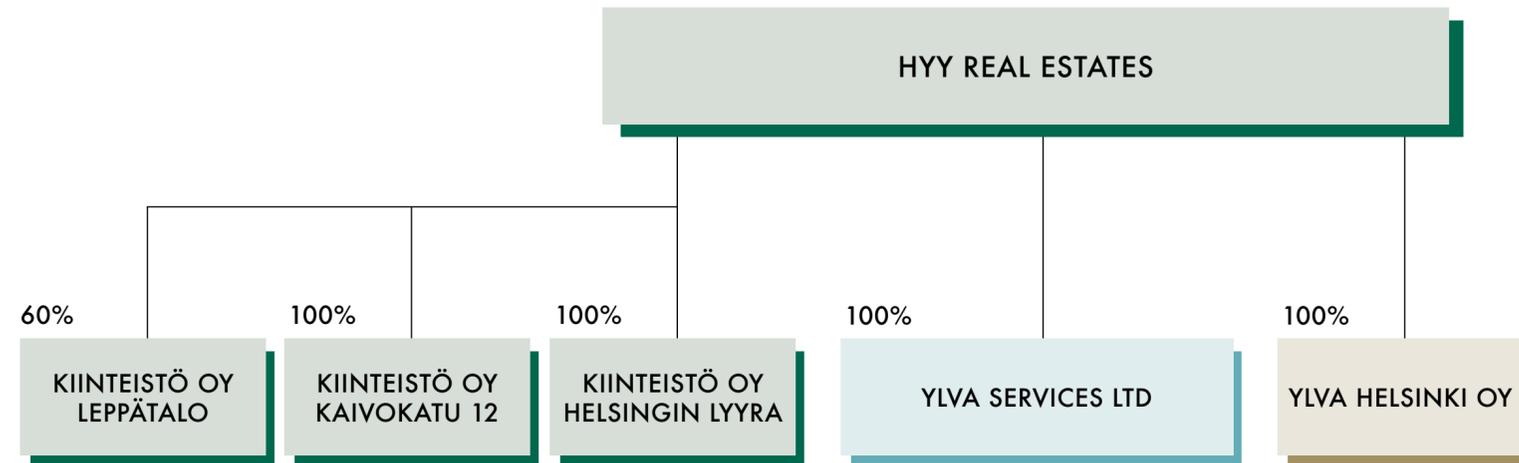
YLVA

Financial statements and
Board of Directors' report
2020

Board of Directors' report

Ylva Group	3
Ylva's operations	3
Net sales and profit	3
Real estate	4
Accommodation and restaurants, and internal services	4
Investments in securities	5
Financing	5
Investments	5
Summary of Ylva's financial indicators	6
Calculation principles for key indicators	6
Financial indicators	6
Risks and uncertainties	7
Financial risk management	7
Personnel	8
Management, administration and auditors	8
Sustainability and responsibility	9
Events after the financial year and the development outlook	9
Student union of the university of helsinki (HYY)	
student operations financial management	9
Proposal for the distribution of profit	9

YLVA GROUP



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 (HYY Real Estates) 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. 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 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 Group structure

At the beginning of 2020, Ylva's Board of Directors decided that Ylva Services Ltd's wholly-owned subsidiaries Kaivopiha Oy and Oy Vanha Ylioppilastalo Ab would be merged with Ylva Services Ltd. The merger took place on 31 March 2020.

YLVA'S OPERATIONS

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's business operations are focused on property investments. The Group also operates in the restaurant business under the Unicafe brand and previously operated in the hostel business. However, the hostel business was discontinued during the financial year, at the end of August, due to the operating conditions being significantly weakened by the COVID-19 pandemic. In addition to the restaurant business, Ylva Services Ltd produces the group administrative services for Ylva Group and the student union of the University of Helsinki.

Ylva aims to build an international and sustainable city of science and economics – the Helsinki of the future. The distribution of profits from Ylva's business operations to the student union of the University of Helsinki provides funding for the student union's activities.

Ylva's goal is to be a corporate activist with greater influence than its size would imply, driving its industries towards more sustainable business and promoting the development of a sustainable city by setting a positive example and participating in public discourse around themes corresponding to Ylva's objectives.

NET SALES AND PROFIT

Ylva's net sales in 2020 amounted to EUR 22.8 million. Net sales decreased by 39% year-on-year. The decline in revenue was mainly due to the significant negative impacts of the COVID-19 pandemic on the restaurant and accommodation business.

Distribution of Ylva's net sales

EUR million	2020	2019	Change (%)
Real estate	16.6	20.7	-20
Ylva Services Ltd (incl. accommodation services, restaurants and internal services)	8.8	18.8	-53
./. intra-group sales	-2.6	-2.0	+30
YLVA TOTAL	22.8	37.5	-39

Ylva's operating profit decreased by 5% year-on-year and amounted to EUR 7.3 million (2019: EUR 7.7 million). The operating profit includes EUR 6.1 million in profit recognized from the sale of residential plots of land in December. Without the item in question, operating profit would have declined significantly.

Net gains from the sale of securities totalled EUR 0.5 million (2019: EUR 0.1 million). Fair value adjustments were recognised in the amount of EUR +0.4 million (2019: EUR +4.5 million). Other financial income from securities amounted to EUR 0.1 million and the other expenses of securities investment operations came to EUR 0.1 million.

The estimated market value of Ylva's properties at the end of the year was EUR 373.5 million, representing an increase of EUR 27.5 million compared to 2019. The market value exceeded the corresponding carrying book value amount by EUR 219.3 million. 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 still on-going Lyyra project, which is significant for Ylva's operations, is included the market value by representing the end-of-year acquisition value of the plot of land and the amount of incomplete investment project. The residential plots acquired in 2017-2018 and subsequently sold in 2020 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 (Leppäsu), on Tuusulan rantatie and in Jollas. 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 the limited liability real estate company Kiinteistö Oy Helsingin Lyyra (100%).

Significant events during the financial year included the renovation of the Old Student House, the completion of the above-ground parts of the Kaivopiha renewal project and the continued progress of a significant project on the premises of the New Student House and Kaivokatu 12 in the Helsinki city centre properties. During the financial year, progress was made on the project's design phase and preparatory construction work was carried out, including light demolition work on the interior and work on the facade. A significant energy efficiency improvement project at Ylva's properties in Kaivopiha and Leppäsu was also nearly completed by the end of the year. The properties for the Lyyra project in Hakaniemi were acquired from the City of Helsinki in January and the demolition work on the buildings, which began in January, was completed and excavation work progressed according to plan during the financial year.

The sale of residential plots owned by HYY Real Estates in Kerava, Järvenpää, Vantaa and Helsinki was completed on December. The transaction price was EUR 22.4 million and a profit of EUR 6.1 million was recognised on the sale.

The average economic occupancy rate of HYY Real Estates during the year was 95.5% (2019: 95.9%).

The net sales of real estate in 2020 amounted to EUR 16.6 million (2019: EUR 20.7 million), representing a decrease of approximately 20%. This was particularly attributable to the partial vacating of premises due to development projects that began at KOy Kaivokatu 12 and the central properties at the end of 2019. Net sales was also affected, to a lesser extent, by rent reductions granted in response to the challenges presented by the COVID-19 pandemic to the tenants' business operations.

Net sales and profit*

EUR million	Net sales	2020 EBITDA**	Profit	Net sales	2019 EBITDA	Profit
Real estate	16.6	9.2	7.7	20.7	13.0	5.6

* Profit before appropriations and taxes.

** EBITDA excluding the one-off profit of EUR 6.1 million derived from the sale of a plot portfolio.

ACCOMMODATION AND RESTAURANTS, AND INTERNAL SERVICES

As part of Ylva Group, Ylva Services Ltd was engaged in the student restaurant and café business, as well as the conference and catering business, which supports customer relationships. The company had 19 operating locations at the beginning of the year and 17 at the end of the year, all in Helsinki. The financial year was highly exceptional due to the effects of the COVID-19 pandemic, which led to closures of operating locations in response to the nationwide restrictions on restaurants as well as closure decisions and other policies implemented by the University of Helsinki regarding its premises. The number of active operating locations fluctuated significantly during the year depending on the epidemiological situation and the changes in the corresponding restrictions.

The company engaged in the accommodation business under the business name Both Helsinki (formerly Hostel Domus Academica). The hostel was open for the first time in the spring in addition to the summer months as its operations were expanded to carry on all year round. However, following a significant decline in the outlook of the business due to the COVID-19 pandemic, the company's hostel business was discontinued at the end of August.

Ylva Services Ltd also produced internal group services, mainly for Ylva and HYY. The company was responsible for Ylva's strategic management, operating structure, corporate structure, company culture and company image. Ylva's external and internal communications and sustainability issues were also an integral part of the company's operations. Internal services also managed duties related to finance, financial management, investments, real estate management, payroll and HR management and information management and served as the parent entity for the group's internal cash pool.

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

The net sales of Ylva Services Ltd decreased by EUR 10 million year-on-year and amounted to EUR 8.8 million (2019: EUR 18.8 million). The company's operating profit declined to EUR -1.5 million (2019: EUR 1.1 million). The significant year-on-year decline in net sales and profit was mainly attributable to the extensive negative impact of the COVID-19 pandemic on the restaurant business. Profit for the period was improved by the government grants received by the company as well as insurance compensation, totalling EUR 0.9 million combined. This amount has been entered in other operating income.

Ylva Services Ltd's shareholders' equity was EUR 1.3 million on 31 December 2020. The company had no distributable capital.

Net sales and profit*

EUR million	Net sales	2020 EBITDA	Profit	Net sales	2019 EBITDA	Profit
Ylva Services Ltd	8.8	-1.0	-1.5	18.8	1.4	1.1

* Profit before appropriations and taxes.

INVESTMENTS IN SECURITIES

HYY Real Estates has invested in listed securities, equities and fixed-income instruments (the securities portfolio), which are recognised at fair value. In addition, the organisation made some minor venture investments during the financial period. The venture investments consist of the holding in the ResQ Club company.

At the end of 2020, the carrying value/market value of the securities portfolio was EUR 10.7 million. EUR 7 million of the securities portfolio was redeemed in February. Compared to the situation at the end of 2019, the change in the calculated value of the securities portfolio in 2020 was EUR +0.97 million and the calculated return was 5.8% (2019: 29.2%).

Securities portfolio by asset class

Market value (EUR thousand)	31.12.2020		31.12.2019		31.12.2018	
Equities						
Equities Finland	727	7%	2,427	15%	2,458	15%
Equities Europe	1,117	10%	2,794	16%	2,672	16%
Emerging markets	1,273	12%	4,462	28%	4,636	28%
Global equity funds	1,308	12%	7,041	42%	7,028	42%
Fixed income instruments and cash	6,300	59%	31	0%	45	0%
Total	10,725	100%	16,756	100%	16,838	100%

FINANCING

At the end of the year, Ylva's liquid assets amounted to EUR 44.9 million (2019: EUR 4.8 million). In addition, Ylva had overdraft facilities granted by banks in the amount of EUR 6 million at the end of the year. The overdraft facilities were unused. At the end of the financial year, interest-bearing loan principal totalled EUR 179.0 million (2019: EUR 125.0 million).

Ylva has a domestic commercial paper programme worth EUR 50 million to cover its short-term financing needs. The programme is 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 17 million.

The equity ratio at carrying value was 24.7% (2019: 30.2%). The equity ratio at the estimated market values of the real estate was 60.2% (2019: 67.5%).

Ylva's operating cash flow was EUR 3.9 million positive (2019: EUR 11.7 million). Ylva's cash-based net investments amounted to EUR 15.1 million (2019: EUR 6.1 million). The net increase in short- and long-term borrowing was EUR 54.0 million (2019: decrease of EUR 0.3 million). EUR 2.8 million (2019: EUR 2.7 million) was paid in the form of profit distribution.

INVESTMENTS

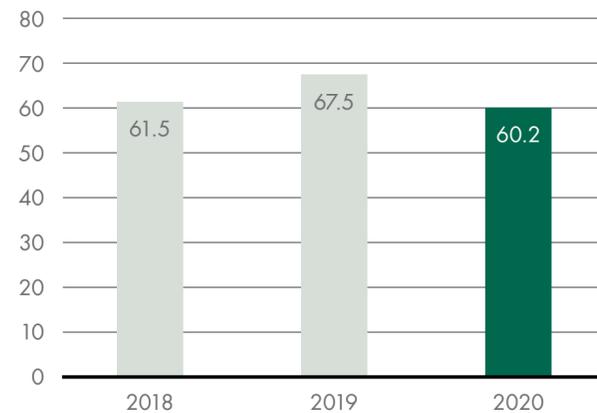
Ylva's largest investments were made by Kiinteistö Oy Helsingin Lyyra, Kiinteistö Oy Kaivokatu 12 and the parent entity HYY Real Estates. The most significant investments were the Lyyra project, work related to the Kaivopiha renewal project, the facade and roof renovation of Leppäsuo building B, the energy efficiency project and facilitating the progress of the city centre hotel project. An extensive financial and EPR systems renewal project was also carried out during the year in internal services by Ylva Services Ltd.

Distribution of gross investments by operating sector

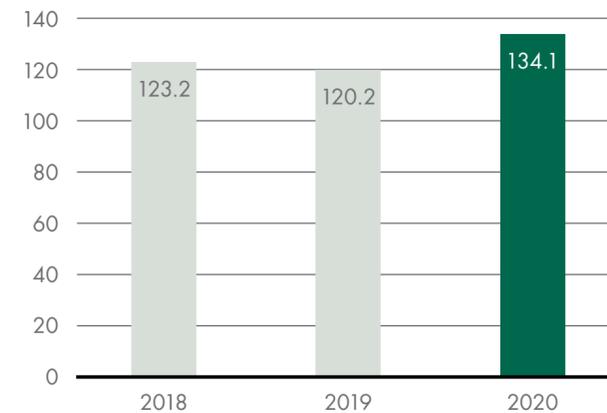
EUR million	2020	2019	2018
Real estate	46.8	11.6	87.0
Ylva Services Ltd	0.7	1.0	0.1
YLVA TOTAL	47.5	12.5	87.1

SUMMARY OF YLVA'S FINANCIAL INDICATORS

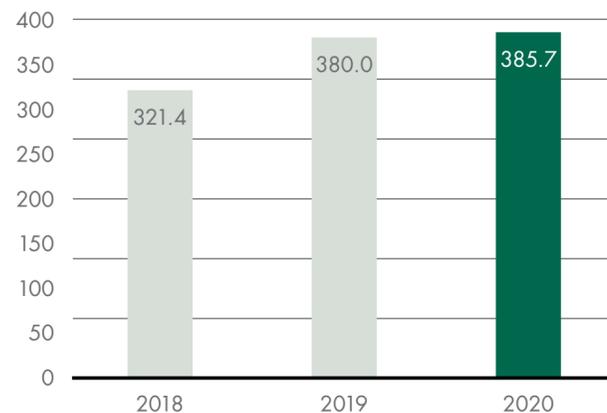
Equity ratio (at market value), %



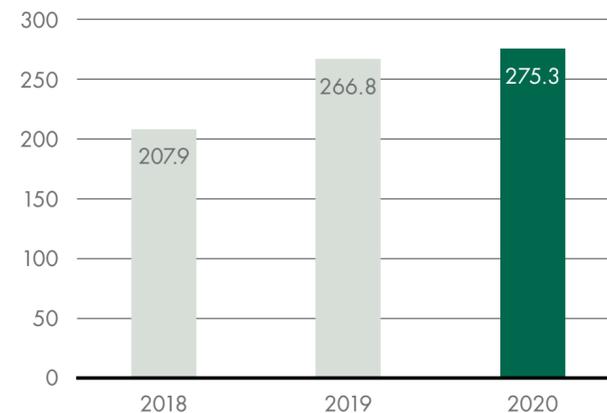
Net interest-bearing liabilities, EUR million



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

	2020	2019	2018
Net sales, EUR million	22.8	37.5	33.5
EBITDA, EUR million	8.1	14.3	13.1
Operating profit, EUR million	7.3	7.7	7.6
Profit for the financial period (including the securities portfolio), EUR million	7.1	11.3	5.5
Operating profit/net sales (%)	31.9	20.5	22.7
Return on equity (%) (at carrying value)	1.7	21.5	11.8
Equity ratio (%) (at carrying value)	24.7	30.2	26.9

In the table above, the EBITDA and return on equity are shown exclusive of the profit of EUR 6.1 million gained from the sale of the plot portfolio. The profit from the sale of the portfolio is, however, included in operating profit and the profit for the financial period. The figures above are calculated based on balance sheet values and they do not take the market values of the real estate into consideration.

RISKS AND UNCERTAINTIES

The significant economic disruptions caused by COVID-19 and the global pandemic had a substantial impact on Ylva's business operations during the financial year. Activity in the real estate markets momentarily came to a nearly complete halt in the spring in both the transaction and rental markets. In addition, the significant disruptions in the financial markets led to a sharp temporary increase in financial risks. In the real estate business, this disruption was particularly reflected in the availability of short-term money market financing. The situation in the financial markets subsequently improved substantially during the year and the general financial market situation was again strong by the end of the year. Nevertheless, at the beginning of 2021, the availability and cost of financing – particularly for real estate projects – is significantly weaker than at the beginning of 2020 before the pandemic broke out.

Various restrictions and recommendations related to people's mobility and work and the continuing uncertainty regarding changes in the epidemiological situation had a substantial impact on the business operations of the tenants of Ylva's properties, especially restaurant and retail tenants. At the beginning of 2021, the impact of COVID-19 on the operating conditions of tenants remains a significant risk factor influencing the real estate market as the pandemic continues. The office rental market also came to a halt in spring 2020 and the level of activity remains slightly lower than usual as potential tenants assess their future needs related to office premises in the post-pandemic world.

Due to the restrictions on travel, the COVID-19 pandemic has naturally had an exceptionally heavy impact on the travel industry and the hotel market. This affects Ylva's ongoing real estate projects in Helsinki's city centre and Hakaniemi, as hotel operations have been planned for both locations. This is reflected not only in tenant risks but also to a small extent in property valuations.

The tenant risk has increased slightly from the previous level due to the hotel projects. In the future, when the projects are completed, a substantially higher proportion of the rental cash flow will be derived from individual tenants and, due to the COVID-19 pandemic, the financial position and operating conditions of hotel operators face exceptional challenges, at least temporarily. Otherwise tenant risks are reasonably well managed and the amount of credit losses during the financial year was minimal in spite of COVID-19. The tenant base is diverse and the situation regarding tenants' payments is monitored continuously.

In general, real estate valuations and yield requirements concerning the real estate owned by Ylva have remained stable except for the fact that the weakness of the hotel sector is reflected in a slight increase in yield requirements for hotel properties. In addition, as yield requirements in general are very low, small changes of tenths of per cent in the yield requirements have a more significant monetary impact on the market values of real estate in absolute terms than when the yield requirements are higher in general. The expected market value of the hotel projects at the time of completion decreased slightly during the financial year.

At the same time, however, COVID-19 is expected to substantially curb the significant increase in supply in the coming years that was previously expected in the Helsinki metropolitan area hotel market. This may improve the relative position of Ylva's hotel projects in the future. In addition, the projects in the heart of Helsinki and Hakaniemi will benefit from their central locations and excellent transport connections.

The most significant risks in the real estate business in the next few years are related to the financing of real estate projects, their success in terms of scheduling and cost control as well as rental and tenant risks.

Acceptance of the risk of value changes in the equities and fixed-income instruments included in investment operations is an integral aspect of those operations. The development of the securities markets includes periods of decline as well as growth. The only way to hedge against these fluctuations is to reduce the selected risk level of the investment portfolio and, consequently, the long-term expected return. Indeed, significant fluctuations were seen in the value of the securities portfolio during the financial year. Risk was proactively managed by liquidating part of the portfolio in February 2020, before the stock market collapse seen in March. The risk level of the securities portfolio was subsequently reduced further in June 2020 when its composition was changed from 100% equities to 30% equities and 70% fixed income instruments.

Even in normal circumstances, the daily and weekly changes in lunch demand amongst the student customers of UniCafe restaurants are unpredictable. In addition, conference and catering sales are highly dependent on the general economic climate. The COVID-19 pandemic presented extraordinary challenges to the restaurant business in 2020. The restrictions on people's mobility and the restaurant business led to unique direct negative impacts on the business that were impossible to prepare for. In addition to the restrictions imposed by the authorities, the University of Helsinki's own policies significantly complicated business operations during the year. This also emphasised UniCafe's dependence on a single external operator – the University of Helsinki. Indeed, the greatest risk for the restaurant business in the near future is related to the University of Helsinki's future policies and decisions not only regarding remote studying and remote work but also the potential competitive tendering of restaurant services.

In addition, the regulation of the basic price of student lunches, which does not take cost trends into account, remains a challenge, although the Kela compensation for student lunches was increased effective from the beginning of 2021 and increasing the maximum price was allowed in autumn 2020 for the first time since 2012.

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 in the investment and risk framework applying to Ylva, approved annually by HYY's Representative Council.

The aim of financial risk management is to minimise the impact on the Group's profit, solvency and liquidity posed by financial risks related to the business. Risks related to the covenants of financing agreements, liquidity, refinancing and fluctuations in interest rates 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 increases in the interest rate over a 24-month period, either using interest rate swaps, other interest rate derivatives or directly with fixed-interest loans. Interest hedges are not used to seek profit. Interest hedges must always be used to hedge liabilities, which means that interest rate derivatives may not be used for speculative purposes.

Continuously maintained liquidity management and adequate liquidity buffers ensure that Ylva can discharge its liabilities and obligations at all times.

Ylva's most significant credit risks are associated with tenant risks. These risks are managed by verifying and monitoring the credit ratings of customers. Tenants are also generally required to pledge a tenancy deposit or external guarantee. The restaurant business is mainly based on cash sales, which means that it does not involve significant credit risks.

PERSONNEL

During the year under review, Ylva had an average of 107 employees. At the end of the year, the number of employees was 153 (2019: 171).

Summary of indicators related to Ylva's personnel

	2020	2019	2018
Average number of employees	107	162	157
Salaries and bonuses (EUR million)	3.9	5.6	5.1

MANAGEMENT, ADMINISTRATION AND AUDITORS

Ylva's CEO was Antti Kerppola until 30 September 2020. Eemeli Lehto served as the interim CEO starting from 1 October 2020. Leea Tolvas was appointed as the new CEO in December 2020. Tolvas will take up her post on 15 February 2021. The Executive Team consisted of Jannica Aalto (Marketing and Communications Director), Lea Jokio-Suramo (COO), Eemeli Lehto (CFO, interim CEO), Ville Vaarala (Real Estate Director), Leena Pihlajamäki (Business Director, Restaurants & Hostel) and Antti Ruuska (CSO).

Ylva's Board of Directors had 10 members and convened 14 times during the financial year. The attendance rate at Board meetings was 96 per cent. Ylva's Board of Directors consisted of Jenni Hupli (Chair), Aarni Suvitie (until 31 March), Jaakko Hietala (assessor), Sara Järvinen (as of 1 April), Hanna-Maria Häkkinen (until 31 March), Tarja Pääkkönen (assessor), Sofia Rahikainen, Anna-Maija Riekkinen, Reima Rytsölä (assessor), Sameli Sivonen (as of 1 April), Sebastian Österman (until 31 March), Erkka Valkila (assessor), Santeri Velin and Petri Minni (personnel representative).

The provisions governing the asset management and business operations of the student union of the University of Helsinki (HYY) are documented in HYY's administrative regulations. According to the administrative regulations, HYY Real Estates has a real estates board as part of Ylva's governance structure, the Chair of which is elected by the board of the student union. The decision-making authorisations of the real estates board, which serves as Ylva's Board of Directors, are laid out by an annual authorisation decision by the board of the student union.

Ylva's Board of Directors monitors and oversees real estate rental operations and investment operations as a whole and serves as the Board of Directors of Ylva Services Ltd. Ylva's Board of Directors reviews the budgets and financial statements of the properties and presents them to the board of the student union. Ylva's financial matters are discussed and prepared by Ylva's Board of Directors but presented to the board of the student union for decision as necessary. The Representative Council of the student union decides on and confirms the annual investment and risk framework, including the specifications concerning Ylva's maximum liabilities and real estate mortgages.

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

Until 31 March, the audit committee was chaired by the Chair of Ylva's Board of Directors and it consisted of three members of the Board of Directors, one of whom was an assessor. As of 1 April, the audit committee was chaired by the Chair of Ylva's Board of Directors and it consisted of two members of the Board of Directors, one of whom is an assessor. The audit committee also included Ylva's CFO. 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 88 per cent.

The investment committee is chaired by the Chair of Ylva's Board of Directors and it consists of four members of the Board of Directors, two of whom are assessors, and Ylva's CEO. As of 1 April, Ylva's CFO has also been a member of the investment committee. The Chair of Ylva's 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 five times during the financial year. The attendance rate at the investment committee's meetings was 88 per cent.

The remuneration working group is chaired by the Chair of Ylva's Board of Directors and, until 31 March, it consisted of two members of the Board of Directors, one of whom is an assessor. As of 1 April, the remuneration working group consisted of three 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 nine times during the financial year. The attendance rate at the remuneration working group's meetings was 91 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 2020, 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 2020.

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.

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 annual carbon budget, which is linked to the Sustainable Development Goals and published openly. Key to Ylva's operations is to keep economic growth separate from environmental contamination. The primary goal is to achieve operational carbon neutrality in the Group's operations by the end of 2025.

In addition to sustainability targets, Ylva has a strong commitment to social responsibility. Ylva promotes equality and non-discrimination amongst its personnel. Ylva's Code of Conduct, which applies to all employees and, to some extent, the stakeholders, is available on Ylva's website. Ylva's construction sites also apply the same values and the inclusivity of construction sites has been highlighted as a key goal for real estate projects. Potential problems and misconduct can be reported via Ylva's whistleblowing channel on Ylva's website. Ylva aims to be Finland's best workplace, and the Great Place to Work certificate awarded to Ylva for two consecutive years is a step towards achieving this goal.

Ylva looks after 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.

External commitments – such as the World Green Building Council's Net Zero Carbon Buildings initiative, the OECD B4IG network, the UN Global Compact and the Green Office initiative – play a part in determining which information is reported.

Ylva will also publish a more extensive separate sustainability report in spring 2021. The report will be based on the UN Sustainable Development Goals, the TCFD (Task Force on Climate-related Financial Disclosures) recommendations and, where applicable, the GRI standards.

More information is available online at <https://ylva.fi/en>.

EVENTS AFTER THE FINANCIAL YEAR AND THE DEVELOPMENT OUTLOOK

Ylva has significant real estate projects under way in Helsinki in Kaivopiha (Grand Hansa) and Hakaniemi (Lyyra). The Hakaniemi project is implemented by Kiinteistö Oy Helsingin Lyyra. In spite of the challenges presented by the COVID-19 pandemic, the focus during the new financial year will be on the continued implementation of the real estate projects while at the same time appropriately managing the financial risks associated with the projects.

The Group's net sales and operational EBITDA are expected to increase in 2021. In the real estate business, the completed Kaivopiha renewal project will have a positive impact on net sales and EBITDA. At the same time, however, funds from operations will be reduced by increasing debt associated with real estate projects and rising financial expen-

ses. The restaurant business is expected to gradually recover from the exceptional circumstances caused by COVID-19, although the volume of the business is expected to be substantially lower than normal due to the continued impacts of the COVID-19 pandemic in 2021.

Barring significant changes in the market, 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 of the company's internal services consist of the services provided to Ylva Group, HYY and Ylioppilaslehdessä Kustannus Oy, the publisher of the student magazine. Internal services are expected to remain stable on the whole. During the new year and in the coming years, the focus will be on ensuring the profitable growth of Ylva's business through business development and the improvement of the cost-efficiency and scalability 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 2020 amounted to EUR 3.4 million (2019: EUR 3.8 million). Of this amount, EUR 1.2 million was covered by membership fees and EUR 0.2 million was covered by proactive fundraising, grants and collections. The student union membership fee for 2020 – EUR 46.00 per member – was among the lowest 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 has been built up with profit distributions from Ylva.

On 31 December 2020, the balance sheet total for the financial management of operations was EUR 4.9 million, with shareholders' equity accounting for EUR 4.1 million of this sum.

PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The balance sheet for HYY Real Estates contained shareholders' equity amounting to EUR 62,564,375 and distributable assets of EUR 59,564,375. The Board of Directors proposes that a profit distribution of EUR 2,800,000 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.

Financial statements

Income statement.....	11
Balance sheet.....	12
Cash flow statement.....	13
Notes to the financial statements	14
Accounting principles	14
Notes to the income statement	16
Notes to the balance sheet.....	18
Other notes.....	23
Signatures to the financial statements and annual report ...	24
Auditor's statement.....	24
Auditor's report	25
Statement of the supervisory board	26

INCOME STATEMENT

EUR	Note number notes	1 Jan–31 Dec 2020	%	1 Jan–31 Dec 2019	%
NET SALES	1	22,757,433	100.0	37,496,262	100.0
Other operating income	2	7,011,457	30.8	14,040	0.0
Materials and services	3	-4,280,111	18.8	-8,227,613	21.9
Personnel expenses	4	-4,640,750	20.4	-6,885,375	18.4
Depreciation and impairment	5, 9, 10	-6,902,585	30.3	-6,656,326	17.8
Other operating expenses	6	-6,683,444	29.4	-8,062,691	21.5
OPERATING PROFIT		7,262,001	31.9	7,678,298	20.5
Financial income and expenses	7				
Income from other investments in non-current assets		293,314	1.3	122,507	0.3
Other interest and financial income		847,285	3.7	553,596	1.5
Interest expenses and other financial expenses		-1,634,253	7.2	-1,267,160	3.4
Change in fair value of investment securities		357,354	1.6	4,472,379	11.9
Total financial income and expenses		-136,300	0.6	3,881,322	10.4
PROFIT BEFORE TAXES		7,125,701	31.3	11,559,620	30.8
Income taxes	8	-33,376	0.1	-308,618	0.8
Minority interests		1,441	0.0	-949	0.0
PROFIT FOR THE FINANCIAL PERIOD		7,093,766	31.2	11,250,053	30.0

BALANCE SHEET

EUR	Note number notes	31 December 2020	%	31 December 2019	%
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	9				
Intangible rights		613,841		18,022	
Other intangible assets		9,904,798		9,206,070	
		10,518,640	4.3	9,224,092	4.9
Tangible assets	6, 10				
Land		48,428,843		45,814,334	
Buildings and constructions		90,031,637		93,646,689	
Machinery and equipment in buildings		4,452,847		4,909,295	
Machinery and equipment		489,376		609,638	
Other tangible assets		1,321,539		1,391,004	
Advance payments and acquisitions in progress		32,854,087		8,091,492	
		177,578,329	71.9	154,462,452	82.5
Investments	11				
Other shares and holdings		11,766,912	4.8	17,633,154	9.4
TOTAL NON-CURRENT ASSETS		199,863,881	80.9	181,319,698	96.8
CURRENT ASSETS					
Inventories					
Finished products/goods		87,788	0.0	112,926	0.1
Short-term receivables	12				
Trade receivables		284,845		292,717	
Receivables from owners		9,368		6,625	
Loan receivables		23,400		0	
Other receivables		1,449,361		503,677	
Prepayments and accrued income		334,137		177,700	
		2,101,112	0.9	980,719	0.5
Cash and cash equivalents		44,883,188	18.2	4,840,176	2.6
TOTAL CURRENT ASSETS		47,072,087	19.1	5,933,821	3.2
ASSETS		246,935,968	100.0	187,253,519	100.0

EUR	Note number notes	31 December 2020	%	31 December 2019	%
LIABILITIES AND SHAREHOLDERS' EQUITY					
SHAREHOLDERS' EQUITY					
	13				
Equity		3,000,000		3,000,000	
Reserve fund		207,484		207,484	
Retained earnings		49,419,634		40,919,579	
Profit for the financial period		7,093,766		11,250,053	
TOTAL SHAREHOLDERS' EQUITY		59,720,884	24.2	55,377,117	29.6
MINORITY INTERESTS		1,174,323	0.5	1,127,765	0.6
LIABILITIES					
	14				
Long-term					
Loans from financial institutions		108,918,009		112,944,065	
Deferred tax liabilities		549,946		720,917	
		109,467,955	44.3	113,664,982	60.7
Short-term					
Loans from financial institutions		48,026,056		2,526,056	
Advances received		467,539		401,996	
Trade payables		2,962,705		2,231,948	
Liabilities to owners		4,826,000		4,297,000	
Other liabilities		17,912,018		5,864,862	
Accrued expenses and deferred income		2,378,487		1,761,793	
		76,572,805	31.0	17,083,655	9.1
TOTAL LIABILITIES		186,040,760	75.3	130,748,637	69.8
LIABILITIES AND SHAREHOLDERS' EQUITY		246,935,968	100.0	187,253,519	100.0

CASH FLOW STATEMENT

EUR	2020	2019
OPERATING CASH FLOW		
Operating profit	7,262,001	7,678,298
Adjustments to operating profit:		
Planned depreciation	6,902,585	6,656,326
Other adjustments	-6,344,935	-14,040
Change in working capital:		
Short-term receivables, increase/decrease (-/+)	-1,197,108	-20,254
Inventories, increase/decrease (-/+)	25,139	-9,535
Interest-bearing short-term debt, increase/decrease (+/-)	-1,663,035	-680,249
Taxes and fees paid	-1 216 241	-1,267,289
Financial income received	233 474	234,928
Taxes paid	-145 883	-828,856
OPERATING CASH FLOW	3,855,996	11,749,329
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-44,611,372	-10,657,435
Proceeds from sales of tangible and intangible assets	22,410,000	66,200
Long-term investments (investment portfolio)	4,939,414	4,039,798
Investment portfolio dividends and refunds of fees	133,427	302,537
Proceeds and losses from investment portfolio sales	1,927,159	659,360
Other investments	-164,556	0
Proceeds from the sale of other investments	274,000	-483,907
CASH FLOW FROM INVESTMENTS	-15,091,928	-6,073,447

EUR	2020	2019
CASH FLOW FROM FINANCING		
Withdrawal (+)/repayment (-) of short-term loans	56,507,000	5,336,000
Repayment of long-term loans (-)	-2,526,056	-5,675,163
Dividends paid/profit distribution	-2,750,000	-2,700,000
Investment in equity reserves	48,000	0
CASH FLOW FROM FINANCING	51,278,944	-3,039,163
Change in cash and cash equivalents	40,043,012	2,636,720
CASH AND CASH EQUIVALENTS, 1 JAN	4,840,176	2,203,456
CASH AND CASH EQUIVALENTS, 1 DEC	44,883,188	4,840,176

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, was the parent company of the sub-Group until 31 March 2020, at which time the subsidiaries were merged with their parent company.

No consolidated financial statements were prepared for the Ylva Services Ltd sub-Group pursuant to chapter 6, Section 1, Subsection 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 applicable 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 service 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 15–40 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 according to 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 in 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 yield 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	2020	2019
By business sector		
Real estate	16,592,911	20,717,232
HoReCa	6,164,522	16,779,030
TOTAL	22,757,433	37,496,262
By market area		
Finland	22,757,433	37,496,262

2. Other operating income

EUR	2020	2019
Profit from the sale of fixed assets	6,086,443	14,040
Insurance compensation and government grants	867,229	0
Other	57,785	0
TOTAL	7,011,457	14,040

3. Materials and services

EUR	2020	2019
Raw materials and consumables	2,368,801	5,338,083
External services	1,911,310	2,889,530
TOTAL	4,280,111	8,227,613

4. Personnel and members of governing bodies

EUR	2020	2019
Personnel expenses		
Salaries and bonuses	3,859,899	5,590,904
Pension contributions	636,324	1,091,580
Other personnel expenses	144,528	202,890
TOTAL	4,640,750	6,885,375
Salaries and bonuses for the management		
Ylva's CEO, including fringe benefits	261,900	301,650
Members of Ylva's Board of Directors	117,236	81,350
TOTAL	379,136	383,000

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 15% to 55% 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. A provision based on an estimate is recognised for short-term bonuses annually. The payment of bonuses is confirmed annually by Ylva's Board of Directors. Preparations for the long-term bonus scheme, which spans multiple years, consist of an accrual on the balance sheet that is increased or reversed annually depending on performance. Performance-related bonuses totalling EUR 217,966 were recognised in the financial statements based on estimates for 2020 and previously recognised estimates were reversed in the amount of EUR 78,600. Consequently, the net effect of the items recognised in relation to the bonus schemes for 2020 was EUR 139,366. Bonuses were paid out for 2019 in the total amount of EUR 227,436.

Pension commitments for the management

Based on Ylva's own voluntary pension insurance, the retirement age for one of the directors (not the CEO) had been set at 60. The agreement in question ended in 2020. Pursuant to a decision of Ylva's Board of Directors, new employment contracts will no longer include voluntary pension insurance.

There are no pension commitments pertaining to the members of the Board of Directors.

	2020	2019
Average number of employees during the financial year	107	162

5. Depreciation and impairment

EUR	2020	2019
DEPRECIATION BY FIXED ASSET CLASS		
Intangible assets		
Intangible rights	14,675	7,457
Other intangible assets	2,229,362	2,046,594
Tangible assets		
Buildings and constructions	3,615,052	3,603,672
Machinery and equipment in buildings	732,845	791,071
Machinery and equipment	241,187	138,068
Other tangible assets	69,465	69,465
TOTAL	6,902,585	6,656,326

6. Auditor's fees and services

EUR	2020	2019
Auditing	31,908	33,176
Tax advice	9,769	6,791
Other services	0	2,242
TOTAL	41,676	42,209

7. Financial income and expenses

EUR	2020	2019
Dividend income		
From others	27,112	122,507
Profit from the sale of shares in housing companies	266,202	0
Other interest and financial income		
Profit from the sale of investment securities	531,809	149,020
Other		
From others	315,476	404,576
Total	847,285	553,596
Total financial income	1,140,599	676,103
Interest expenses and other financial expenses		
Losses from the sale of investment securities	-52,850	-4,790
Other		
To others	-1,581,403	-1,262,370
Total	-1,634,253	-1,267,160
Total financial expenses	-1,634,253	-1,267,160
Change in fair value of investment securities	357,354	4,472,379
TOTAL	-136,300	3,881,322

8. Assessed taxes

EUR	2020	2019
Income tax on ordinary operations		
For the financial period	204,346	464,389
Change in deferred tax liabilities		
Due to appropriations	-170,971	-155,770
TOTAL	33,376	308,618

NOTES TO THE BALANCE SHEET

9. Intangible assets

EUR	2020	2019
INTANGIBLE RIGHTS		
Acquisition cost, 1 Jan	696,037	696,037
Additions	610,494	0
Acquisition cost, 31 Dec	1,306,531	696,037
Accumulated depreciation, 1 Jan	-678,015	-670,558
Depreciation for the financial period	-14,675	-7,457
Accumulated depreciation, 31 Dec	-692,690	-678,015
Carrying value, 31 Dec	613,841	18,022
OTHER INTANGIBLE ASSETS		
Acquisition cost, 1 Jan	28,132,767	25,295,866
Additions	2,617,274	1,854,037
Decreases	-323,453	0
Transfers from acquisitions in progress	310,816	982,864
Acquisition cost, 31 Dec	30,737,404	28,132,767
Accumulated depreciation, 1 Jan	-18,926,697	-16,880,103
Accumulated depreciation on decreases and transfers	323,453	0
Depreciation for the financial period	-2,229,362	-2,046,594
Accumulated depreciation, 31 Dec	-20,832,606	-18,926,697
Carrying value, 31 Dec	9,904,798	9,206,070
ADVANCE PAYMENTS		
Acquisition cost, 1 Jan	0	88,849
Additions	0	577,976
Transfers between asset items	0	-666,825
Acquisition cost, 31 Dec	0	0
Carrying value, 31 Dec	0	0

10. Tangible assets

EUR	2020	2019
LAND		
Acquisition cost, 1 Jan	45,814,334	45,814,334
Additions	18,642,280	0
Decreases	-16,027,771	0
Acquisition cost, 31 Dec	48,428,843	45,814,334
Carrying value, 31 Dec	48,428,843	45,814,334
BUILDINGS AND CONSTRUCTIONS		
Acquisition cost, 1 Jan	149,767,021	145,976,332
Additions	0	1,330,771
Transfers from acquisitions in progress	0	2,459,917
Acquisition cost, 31 Dec	149,767,021	149,767,021
Accumulated depreciation, 1 Jan	-56,120,331	-52,516,660
Depreciation for the financial period	-3,615,052	-3,603,672
Accumulated depreciation, 31 Dec	-59,735,383	-56,120,331
Carrying value, 31 Dec	90,031,637	93,646,689
MACHINERY AND EQUIPMENT IN BUILDINGS		
Acquisition cost, 1 Jan	16,113,713	14,645,326
Additions	213,591	772,216
Transfers from acquisitions in progress	62,806	696,171
Acquisition cost, 31 Dec	16,390,110	16,113,713
Accumulated depreciation, 1 Jan	-11,204,418	-10,413,347
Depreciation for the financial period	-732,845	-791,071
Accumulated depreciation, 31 Dec	-11,937,263	-11,204,418
Carrying value, 31 Dec	4,452,847	4,909,295

EUR	2020	2019
MACHINERY AND EQUIPMENT		
Acquisition cost, 1 Jan	2,926,191	2,496,454
Additions	120,925	353,457
Decreases	-789,452	-86,335
Transfers from acquisitions in progress	0	162,616
Acquisition cost, 31 Dec	2,257,664	2,926,191
Accumulated depreciation, 1 Jan	-2,316,553	-2,212,660
Accumulated depreciation on decreases and transfers	789,452	34,175
Depreciation for the financial period	-241,187	-138,068
Accumulated depreciation, 31 Dec	-1,768,288	-2,316,553
Carrying value, 31 Dec	489,376	609,638
OTHER TANGIBLE ASSETS		
Acquisition cost, 1 Jan and 31 Dec	2,117,320	2,117,320
Accumulated depreciation, 1 Jan	-726,316	-656,852
Depreciation for the financial period	-69,465	-69,465
Accumulated depreciation, 31 Dec	-795,781	-726,316
Carrying value, 31 Dec	1,321,539	1,391,004
ADVANCE PAYMENTS AND ACQUISITIONS IN PROGRESS		
Acquisition cost, 1 Jan	8,091,492	4,577,936
Additions	25,180,770	7,148,300
Transfers between asset items	-373,622	-3,634,744
Transfers to expenses	-44,554	0
Acquisition cost, 31 Dec	32,854,087	8,091,492
Carrying value, 31 Dec	32,854,087	8,091,492

Market value of real estate*

EUR	2020	2019
MARKET VALUE		
Central real estate properties	289,000,000	296,000,000
Mannerheimintie 3-5, Kaivokatu 10, Aleksanterinkatu 23 Area of the plot: 11,618 m ² Gross leasable area (GLA) 44,836 m ²		
Leppäsuo properties	46,500,000	37,700,000
Leppäsuonkatu 9, Hietaniemenkatu 14 Area of the plot: 7,076 m ² Gross leasable area (GLA) 13,638 m ²		
Domus Gaudium	7,800,000	8,100,000
Ownership of the premises: HYY Real Estates: 60%, Helsinki School of Economics Support Foundation: 40% Mechelininkatu 3 C Area of the plot: 1,901 m ² Gross leasable area (GLA) 3,241 m ²		
TOTAL MARKET VALUE	343,300,000	341,800,000
TOTAL CORRESPONDING CARRYING VALUE	124,025,968	128,057,253
DIFFERENCE BETWEEN MARKET VALUE AND CARRYING VALUE	219,274,032	213,742,747

* 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.

In addition, the Lyyra plot and Lyyra project in progress in Hakaniemi constitute a significant proportion of real estate assets with a carrying value totalling EUR 30,236,166.

11. Investments

EUR	2020	2019
OTHER SHARES AND HOLDINGS		
Acquisition cost, 1 Jan	15,067,836	18,498,727
Additions	6,765,203	1,898,026
Decreases	-11,540,599	-5,453,917
Transfers between items	0	125,000
Acquisition cost, 31 Dec	10,292,440	15,067,836
Accumulated value changes, 1 Jan	2,565,318	-1,391,932
Decreases	-1,448,200	-515,130
Value changes during the financial period	357,354	4,472,379
Accumulated value changes, 31 Dec	1,474,472	2,565,318
Carrying value, 31 Dec	11,766,912	17,633,154
OTHER RECEIVABLES		
Acquisition cost, 1 Jan	0	125,000
Transfers between items	0	-125,000
Acquisition cost, 31 Dec	0	0
Carrying value, 31 Dec	0	0

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	Fair value Total
Finnish equities	727,336	727,336	0	0	727,336
Foreign equity funds	3,697,696	3,697,696	0	0	3,697,696
Foreign fixed income funds	6,290,649	6,290,649	0	0	6,290,649
	10,715,681	10,715,681	0	0	10,715,681

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%	+/- 72,734
Equity funds +/- 5%	+/- 499,417
Emerging markets +/- 20%	+/- 254,605
Exchange rate change	
USD +/- 10%	+/- 83,944
Interest rate change	
Interest rates +/- 1%	+/- 235,270

	Group holdings (%)	Parent entity holdings (%)
GROUP COMPANIES		
Ylva Services Ltd	100.0	100.0
Kaivopiha Oy until 31 March 2020	100.0	
Oy Vanha Ylioppilastalo Ab until 31 March 2020	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

12. Receivables

EUR	2020	2019
SHORT-TERM RECEIVABLES		
Receivables from owners		
Trade receivables	9,368	6,625
Material items of prepayments and accrued income		
Related to personnel	39,735	45,334
Others	294,402	132,366
	334,137	177,700
Deferred tax assets		
From confirmed losses	350,626	20,852
From deferred depreciation	36,312	65,037
	386,938	85,888

No deferred tax assets have been recognised.

13. Shareholders' equity

EUR	2020	2019
RESTRICTED EQUITY		
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
UNRESTRICTED EQUITY		
Retained earnings, 1 Jan	52,169,634	43,619,579
Distribution of profit	-2,750,000	-2,700,000
Retained earnings, 31 Dec	49,419,634	40,919,579
Profit for the financial period	7,093,766	11,250,053
Total unrestricted equity	56,513,400	52,169,632
TOTAL SHAREHOLDERS' EQUITY	59,720,884	55,377,117

14. Liabilities

EUR	2020	2019
INTEREST-BEARING LIABILITIES		
Long-term		
Loans from financial institutions	108,918,009	112,944,065
Short-term		
Loans from financial institutions	48,026,056	2,526,056
Commercial paper	17,000,000	5,000,000
Cash pool liabilities	5,071,000	4,564,000
	70,097,056	12,090,056
Total interest-bearing liabilities	179,015,065	125,034,121
LONG-TERM LIABILITIES		
Deferred tax liabilities		
Due to appropriations	549,946	720,917
Liabilities with over five years until maturity		
Loans from financial institutions	19,125,969	90,043,549
SHORT-TERM LIABILITIES		
Liabilities to owners		
Other liabilities	4,826,000	4,297,000
Material items of accrued expenses and deferred income		
Related to personnel	1,208,624	1,433,673
Interest	634,955	269,793
Taxes	456,519	29,689
Others	78,389	28,637
	2,378,487	1,761,793

OTHER NOTES

Related party transactions

There have been no abnormal transactions with related parties.

Pledged collateral, contingent liabilities and other obligations

EUR	2020	2019
LIABILITIES SECURED BY MORTGAGES ON REAL ESTATE AND PLEDGES		
Loans from financial institutions	156,944,065	115,470,121
Mortgages pledged to secure loans from financial institutions	216,827,237	168,407,237
Bank accounts pledged to secure loans from financial institutions	3,130,630	818,308
OTHER PLEDGED COLLATERAL		
Pledged mortgages on real estate	2,025,051	25,051
GUARANTEES		
Issued on behalf of others		
For a loan from a financial institution	100,000	100,000
LEASE LIABILITIES		
Outstanding payments on tenancy agreements		
Payable in the next financial period	231,357	279,107
Payable later	48,044	55,370
	279,401	334,477

EUR	2020	2019
VALUE ADDED TAX REPAYMENT OBLIGATION		
VAT repayment obligation on real estate investments	1,353,181	1,706,015
DERIVATIVES		
Electricity forward contracts		
Fair value	-8,462	32,296
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	74,724,948	17,242,806
Fair value (according to bank notification)	-4,817,072	-3,500,512
Interest rate swaps are used to turn the variable interest rates on loans into fixed rates. On 31 December 2020, 50% of the loan portfolio was hedged. The interest rate swaps will mature in 2025, 2026, 2027 and 2028.		
OTHER OBLIGATIONS		
The loan agreements include covenants. The covenants have not been breached.		

SIGNATURES TO THE FINANCIAL STATEMENTS AND ANNUAL REPORT

Helsinki, 9 March 2021

Jenni Hupli
Chair

Jaakko Hietala

Sara Järvinen

Tarja Pääkkönen

Sofia Rahikainen

Anna-Maija Riekkinen

Reima Rytölä

Sameli Sivonen

Erkka Valkila

Santeri Velin

Leea Tolvas
CEO

AUDITOR'S STATEMENT

A statement has been issued today on the performed audit.

Helsinki, March 2021

KPMG Oy Ab

Lasse Holopainen
APA

AUDITOR'S REPORT

Ylvan yhtiökokoukselle

Tilinpäätöksen tilintarkastus

Lausunto

Olemme tilintarkastaneet Ylvan konsernitiilinpäätöksen tilikaudelta 1.1.–31.12.2020. 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 lakisäätiset vaatimukset.

Lausunnon perustelut

Olemme suorittaneet tilintarkastuksen Suomessa noudatettavan hyvän tilintarkastustavan mukaisesti. Hyvän tilintarkastustavan mukaisia velvollisuuksiamme 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 lausuntonne 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 lakisäätiset 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 lausuntonne. 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 lausuntonne 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 lausuntonne. 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.

Kommunikoimme hallintoelinten kanssa muun muassa tilintarkastuksen suunnitellusta 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 lausuntonamme 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 9. maaliskuuta 2021

KPMG OY AB

Lasse Holopainen

KHT

STATEMENT OF THE SUPERVISORY BOARD

Hallintoneuvosto on tutustunut Ylvan tilinpäätöksiin (konsernitilinpäätös, jossa emoyhteisöön HYYn kiinteistötalouteen on yhdistetty Ylva Palvelut Oy, Kiinteistö Oy Kaivokatu 12, Ylva Helsinki Oy, Kiinteistö Oy Helsingin Lyyra sekä Kiinteistö Oy Leppätalo) vuodelta 2020 sekä tilintarkastuskertomuksiin, eikä ole havainnut niissä seikkoja, jotka antaisivat aihetta huomautuksiin. Hallintoneuvosto puoltaa tämän vuoksi tilinpäätösten vahvistamista ja yhtyy hallitusten ehdotuksiin voiton käyttämisestä.

Helsingissä 10. maaliskuuta 2021
Hallintoneuvoston puolesta

Tuomas Aho
hallintoneuvoston puheenjohtaja

WWW.YLVA.FI