

Y L W A

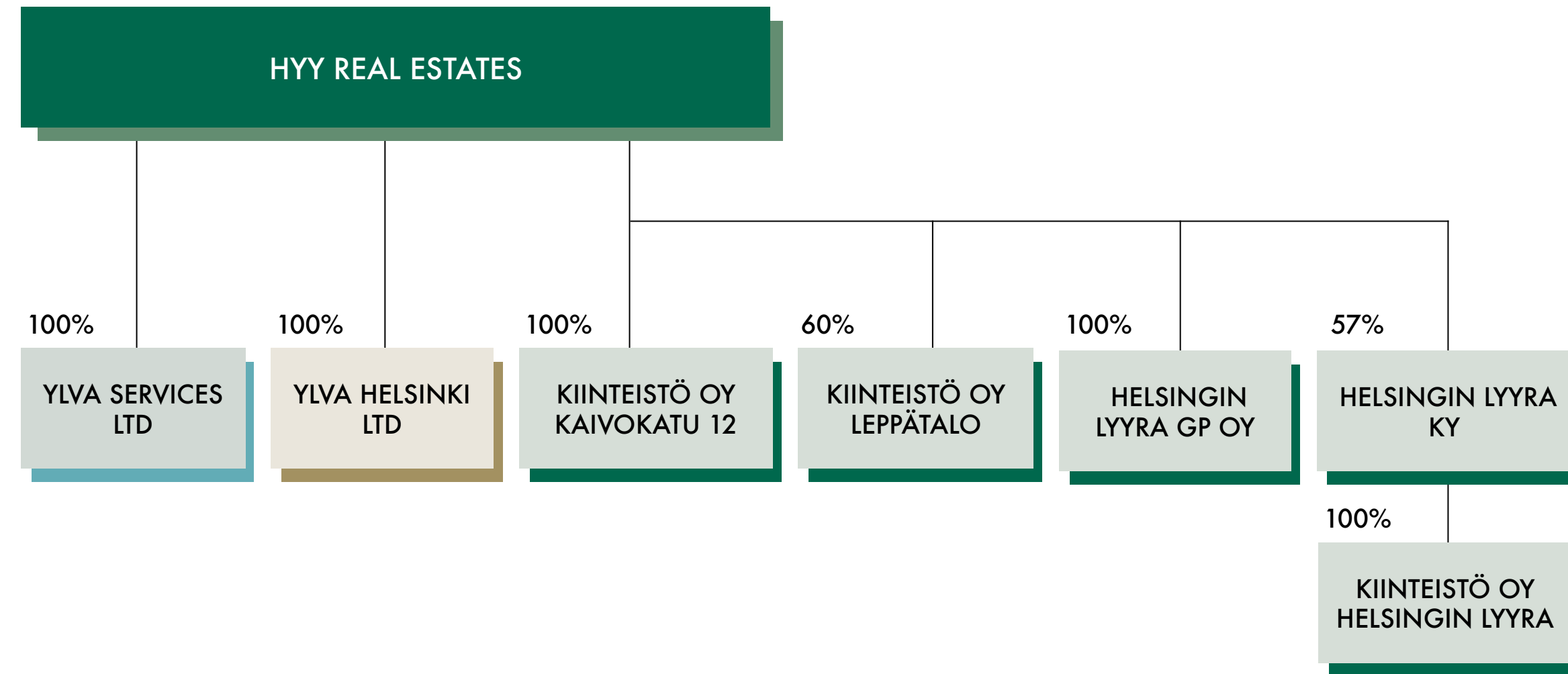
Board of Directors' report and financial statements 2022



Board of Directors' report

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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 per cent of Ylva Services Ltd, Ylva Helsinki Oy, Kiinteistö Oy Kaivokatu 12 and Helsingin Lyyra GP Oy, and approximately 60 per cent of Kiinteistö Oy Leppätalo. In addition, HYY Real Estates owns 57.2 per cent of Helsingin Lyyra Ky, which owns 100 per cent of Kiinteistö Oy Helsingin Lyyra.

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

Changes in Group structure

There were no changes in Group structure during the financial year.

In December 2022, the Board of Directors of Kiinteistö Oy Helsingin Lyyra approved a plan concerning a complete demerger that will result in the company demerging into two new companies to be established in connection with the demerger. The aim is for the demerger to take effect, and be registered, in spring 2023.

YLVA'S OPERATIONS

Ylva comprises HYY Real Estates and its subsidiaries. The parent entity of the Group is HYY Real Estates. Ylva's business operations are focused on property investments and the restaurant business. 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 is used to fund the activities of the student union of the University of Helsinki.

Ylva is also a corporate activist that punches above its weight and accelerates the sustainable transformation of its industries from the inside. Ylva's target is to achieve carbon neutrality in all of its business activities by the end of 2025.

NET SALES AND PROFIT

Ylva's net sales in 2022 amounted to EUR 24.9 million. Net sales increased by 25 per cent year-on-year. The growth in net sales was due to the higher net sales of the restaurant business, which was supported by the COVID-19 situation becoming easier.

Distribution of Ylva's net sales

EUR million	2022	2021	Change (%)
Real estate	15.6	16.0	-3
Ylva Services Ltd (incl. restaurants and internal services)	12.0	6.7	80
./. intra-group sales	-2.7	-2.8	
YLVA TOTAL	24.9	19.9	25

Ylva's operating profit increased by 58 per cent year-on-year and amounted to EUR 2.2 million (2021: EUR 1.4 million). The growth in operating profit was attributable to net sales growth and moderate expense. Government grants related to COVID-19 were recognised in other operating income in the amount of EUR 0.9 million (2021: EUR 1.8 million).

The securities portfolio was liquidated in December 2022. Net losses on the disposal of the securities portfolio amounted to EUR -0.1 million (2021: EUR 0.0 million). Fair value adjustments were recognised in the amount of EUR -1.5 million (2021: EUR +0.8 million).

The estimated market value of Ylva's properties at the end of the year was EUR 454.8 million, representing an increase of EUR 28.9 million compared to 2021. The market value exceeded the corresponding carrying value amount by EUR 238.0 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 ongoing Lyyra project, which is significant for Ylva's operations, is included in the market value by representing the end-of-year acquisition value of the plot of land and the amount of the incomplete investment project.

Real estate

The properties owned directly by HYY Real Estates are located in the heart of Helsinki (Kaivopiha), in Kamppi (Leppäsuu), in Jollas, and on Rantatie in Tuusula. The real estate business also includes the mutual limited liability real estate companies Kiinteistö Oy Kaivokatu 12 (100 per cent owned by HYY Real Estates) and Kiinteistö Oy Leppätalo (60.7 per cent), as well as Helsingin Lyyra Ky (57.2 per cent), which owns the limited liability real estate company Kiinteistö Oy Helsingin Lyyra.

Progress continued on the significant hotel project on the premises of the New Student House and Kaivokatu 12 in the Helsinki city centre properties.

In Hakaniemi, construction of the group company Kiinteistö Oy Helsingin Lyyra progressed according to plan.

The average economic occupancy rate of HYY Real Estates during the year was 84.4 per cent (2021: 91.5 per cent).

The net sales of HYY Real Estates' rental operations in 2022 amounted to EUR 15.6 million (2021: EUR 16.0 million), representing a year-on-year decrease of 3 per cent.

Operating profit from rental operations came to EUR 2.8 million (2021: EUR 3.2 million). The most significant factors behind the decrease in net sales and operating profit were the prolonged periods of time it took to rent out previously vacated premises, as well as the increased costs and energy prices that stemmed from the general economic situation during the financial year.

The net financial expenses of rental operations amounted to EUR 5.5 million.

Net sales and profit*

EUR million	Net sales	2022 EBITDA	Profit	Net sales	2021 EBITDA	Profit
Real estate	15.6	7.9	-4.1	16.0	8.3	-3.7

* Profit before appropriations and taxes.

Restaurants and internal services

Ylva Services Ltd engaged in the student restaurant and café business, as well as the conference and catering business. The company had 16 operating locations at the beginning of the year and 19 at the end of the year, all in Helsinki.

The past financial year was highly exceptional due to the continued COVID-19 pandemic. As the COVID-19 situation improved, it became possible to open more operating locations, but some of the operating locations closed in the previous financial year remained closed throughout the past financial year. The number of active operating locations fluctuated significantly during the year as the epidemiological situation changed.

Universities' teaching activities have taken place on campuses where restrictions have allowed it. At the same time, the hybrid model has been used extensively, which has had a significant impact on student mobility and, consequently, the

customer volumes of student restaurants. Students often make the choice of whether to study remotely or on campus on the day in question, which makes it harder to predict the sales of student lunches. The content of the menu may have a substantial effect on sales during the use of the hybrid model.

The company has applied for, and received, government grants to compensate for the losses in net sales caused by COVID-19. These grants are presented in other operating income.

The company also produced internal group services, mainly for Ylva and HYY. The company was responsible for Ylva's strategic management, 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.

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

The net sales of Ylva Services Ltd increased by 80 per cent year-on-year and amounted to EUR 12.0 million (2021: EUR 6.7 million).

The company's operating profit increased to EUR 1.2 million (2021: EUR 0.1 million). The improvement in operating profit was mainly attributable to net sales growth and the company's moderate expenses.

Ylva Services Ltd's shareholders' equity totalled EUR 2.6 million on 31 December 2022. The company had no distributable assets.

Net sales and profit*

EUR million	Net sales	2022 EBITDA	Profit	Net sales	2021 EBITDA	Profit
Ylva Services Ltd	12.0	1.6	1.2	6.7	0.5	0.1

* Profit before appropriations and taxes.

Investments in securities

Ylva had previously invested in listed securities, equities and fixed-income instruments (the securities portfolio). These investments were recognised at fair value. The securities portfolio was liquidated in December 2022. Ylva also has a small amount of venture investments. The venture investments consist of Ylva's holding in ResQ Club Oy.

FINANCING

At the end of the year, Ylva's liquid assets amounted to EUR 15.7 million (2021: EUR 37.3 million). At the end of the financial year, interest-bearing loan principal totalled EUR 216.9 million (2021: EUR 184.0 million).

During the year under review, Ylva had a commercial paper programme to cover its short-term financing needs. The previously issued commercial paper (EUR 5 million) was repaid in early 2022, and the commercial paper programme was not used thereafter.

The equity ratio at carrying value was 24.7 per cent (2021: 28.2 per cent). The equity ratio at the estimated market values of the real estate was 57.6 per cent (2021: 62.7 per cent).

Ylva's operating cash flow was EUR 5.3 million negative (2021: EUR 3.2 million). Ylva's cash-based net investments amounted to EUR 53.9 million (2021: EUR 26.5 million). The net increase in short-term and long-term borrowing was EUR 33.0 million (2021: EUR 5.0 million), and equity investments of EUR 6.0 million were received (2021: EUR 19.9 million). EUR 1.4 million was paid out in capital distribution (2021: profit distribution of EUR 2.8 million).

INVESTMENTS

Ylva's gross investments amounted to EUR 76.2 million (2021: EUR 33.3 million).

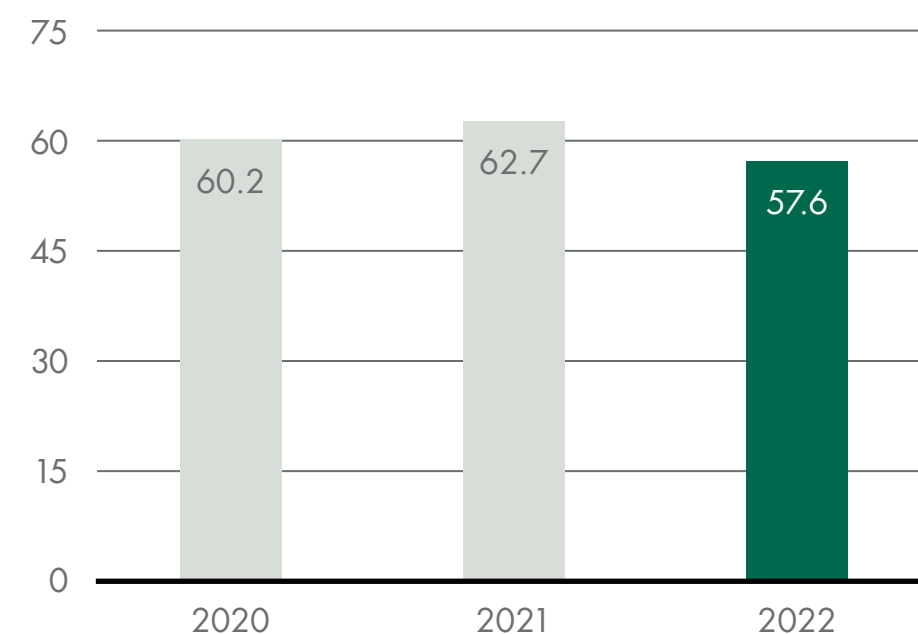
Ylva's largest investments were made by Kiinteistö Oy Helsingin Lyyra, Kiinteistö Oy Kaivokatu 12 and the parent entity HYY Real Estates. The most significant investments were the Lyyra project and facilitating the progress of the city centre hotel project.

Distribution of gross investments by operating sector

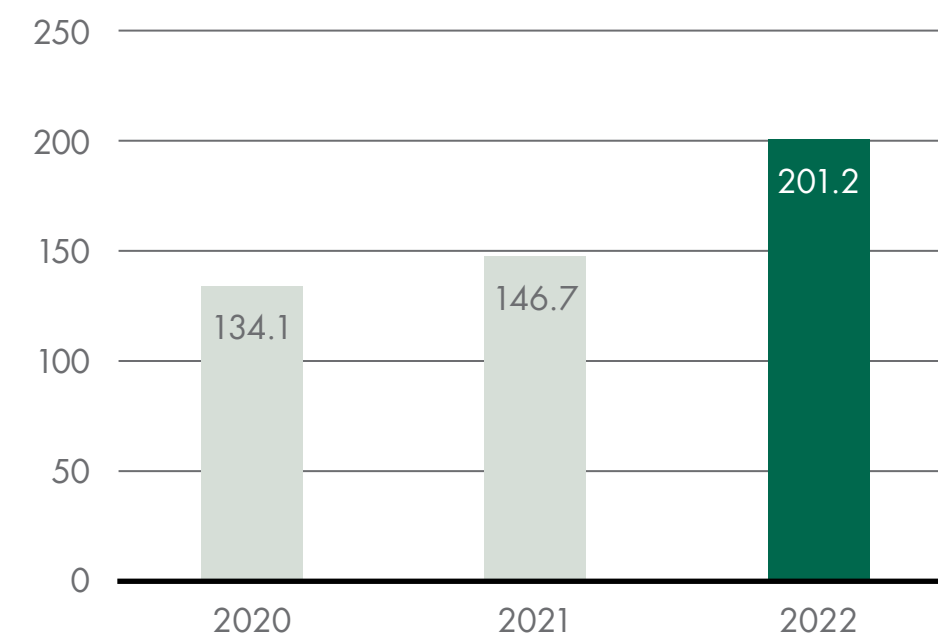
EUR million	2022	2021	2020
Real estate	76.1	33.3	46.8
Ylva Services Ltd	0.0	0.1	0.7
YLVA TOTAL	76.2	33.3	47.5

SUMMARY OF YLVA'S FINANCIAL INDICATORS

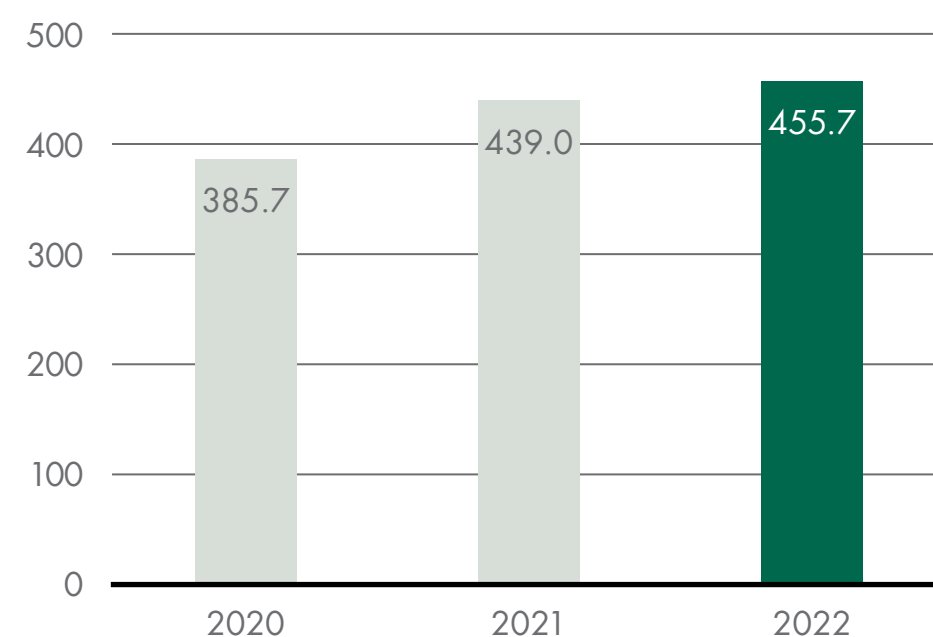
Equity ratio (at market value), %



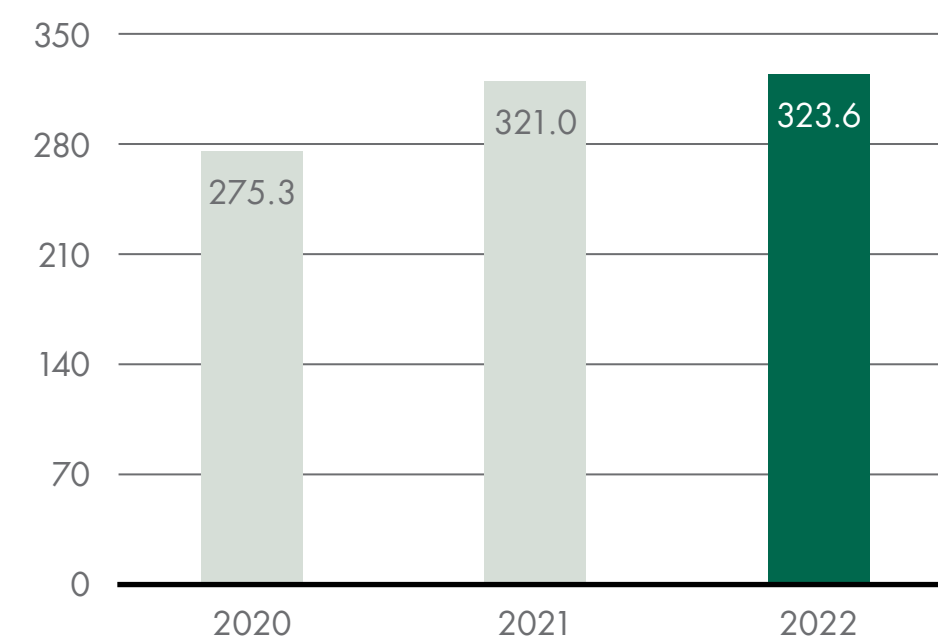
Net interest-bearing liabilities, EUR million



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
Net interest-bearing liabilities	=	Interest-bearing liabilities - cash and cash equivalents

Financial indicators

	2022	2021	2020
Net sales, EUR million	24.9	19.9	22.8
EBITDA, EUR million	9.4	8.8	8.1
Operating profit, EUR million	2.2	1.4	7.3
Profit for the financial period (including the securities portfolio), EUR million	-4.7	-2.6	7.1
Operating profit/net sales (%)	8.7	6.9	31.9
Return on equity (%) (at carrying value)	-6.2	-3.8	1.7
Equity ratio (%) (at carrying value)	24.7	28.2	24.7

In the table above, EBITDA and return on equity are shown exclusive of the profit of EUR 6.1 million gained from the sale of the plot portfolio in 2020. 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 continued to affect Ylva's business operations during the financial year. Russia's invasion of Ukraine in spring 2022 has created additional challenges in the market environment. The continuation of the war has had a negative impact on Finland's economic outlook and created economic uncertainty. The prices of energy and raw materials, in particular, increased in 2022. As inflation accelerated, the Euribor reference rates were also quickly increased during the autumn. These changes have been exceptionally significant by historical comparison. The unexpected changes in the market will be reflected in Ylva's business operations through rising construction and interest rate expenses, among other things. The continuation of the war creates general uncertainty in the near-term economic outlook and makes predicting future developments more difficult.

In the business operations of HYY Real Estates, these disruptions are reflected in the rental market. They slow the decision-making of potential new users and limit their capacity to make investments. These factors prolong rental processes and increase the period of time that premises remain vacant. In addition, the weakened general economic situation and higher costs cause disruptions to tenants' business operations, especially in the restaurant and retail industries.

COVID-19 and the weakened economic situation have also affected the tourism industry and hotel market, with the net sales of industry operators being reduced due to the various restrictions and lower utilisation rates. This affects HYY Real Estates and Kiinteistö Oy Kaivokatu 12 due to the significant hotel project, but it also affects HYY Real Estates' subsidiary Kiinteistö Oy Helsingin Lyyra due to the hotel that is part of the project. The uncertainty in the hotel market is reflected particularly in tenant risks and, consequently, in property valuations.

Due to the hotel project in Helsinki's city centre, a substantially higher proportion of the rental cash flow will be derived from an individual tenant and, due to COVID-19, the financial position and operating conditions of hotel operators are under exceptional pressure. Otherwise, tenant risks have been managed fairly well, and the amount of credit losses during the financial year was minor in spite of the impacts of COVID-19. The tenant base is diverse and the situation regarding tenants' payments is monitored continuously.

There have been slight changes in property valuations and yield requirements for the properties owned by HYY Real Estates, mainly due to the changes in the investment market caused by higher interest rates. Yield requirements have turned to growth, which has had a negative impact on property values. At the same time, however, property values have been supported by the reduction of the repair backlog of the properties due to renovations, and the rental prices of office premises, which have remained on a stable upward trend. Investments in alterations to premises have also led to significantly higher rents in new office rental agreements.

The general economic situation is expected to curb the significant increase in supply in the coming years that was previously expected in the hotel market. This may improve the relative position of 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.

For HYY Real Estates, the most significant risks in the next few years are related to the financing of real estate projects, their success in terms of scheduling and cost control, cyclical fluctuations in the construction market, as well as rental and tenant risks related to projects.

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. In the restaurant business, the near-term risks are related to the University of Helsinki's policy decisions regarding the potential tendering of restaurant services, as well as decisions on whether hybrid teaching will continue to be used, which affects student mobility. In addition, the regulation of the basic price of student lunches, which does not take cost trends into account, remains a challenge. The Kela compensation for student lunches was increased at the beginning of 2023, but the increase was small relative to the sharp rise in the costs of ingredients.

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 applicable to Ylva, approved annually by the Representative Council of the student union of the University of Helsinki.

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 per cent.

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 per cent 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, and they must always be used to hedge loan liabilities, i.e. interest rate derivatives. Hedging agreements are not 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 110 employees. At the end of the year, the number of employees was 129 (2021: 136).

Summary of indicators related to Ylva's personnel

	2022	2021	2020
Average number of employees	110	96	107
Salaries and bonuses (EUR million)	3.7	2.6	3.9

MANAGEMENT, GOVERNANCE AND AUDITORS

Ylva's CEO is Leea Tolvas. During the financial year, the members of Ylva's Executive Team were as follows:

- Leea Tolvas, CEO of Ylva
- Anne Immonen, Business Director, Restaurants
- Ville Vaarala, Real Estate Director
- Antti Ruuska, Chief Sustainability Officer.

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 had 10 members and convened 10 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, until 31 March), Mika Heikkilä (Chair, from 1 April), Tuomas Aho (from 1 April), Jaakko Hietala (assessor), Mikko Järveläinen (from 1 April), Sara Järvinen (until 31 March), Timo Kalliokoski, Joel Lindqvist, Joonas Pulliainen (from 1 April), Tarja Pääkkönen (assessor), Sofia Rahikainen (until 31 March), Reima Rytsölä (assessor), Sameli Sivonen (until 31 March), Erkka Valkila (assessor) and Petri Minni (personnel representative).

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. At the strategic level, Ylva's operations are guided by the ownership strategy approved by the Representative Council of the student union. Among other things, the ownership strategy sets out the key objectives for Ylva's operations and the means

to achieve them. In addition, 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 an audit committee, an investment committee and an HR committee.

The audit committee consists of the Chair of the Board of Directors and two other members of the Board of Directors, one of whom is an assessor. Ylva's CEO, the CFO, the Chair of Ylva's Supervisory Board, the auditor with principal responsibility and the secretary to the committee are entitled to attend the meetings. The audit committee convened twice during the financial period and the attendance rate at the meetings was 83 per cent.

The investment committee is chaired by the Chair of Ylva's Board of Directors and it also includes four other members of the Board of Directors, two of whom are assessors. Ylva's CEO, the Chair of Ylva's Supervisory Board and the secretary to the committee are entitled to attend the meetings. The investment committee assists the management in matters of principle related to investments, investment risks and financing, 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 year. The attendance rate at the investment committee's meetings was 93 per cent.

The HR committee is chaired by the Chair of Ylva's Board of Directors and it additionally consists of 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 secretary to the committee are entitled to attend the meetings. The HR committee convened eight times during the financial year. The attendance rate at the HR committee's meetings was 97 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 2022, 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.

SUSTAINABILITY AND RESPONSIBILITY

Our business areas are developed and managed in an ecologically, socially and economically sustainable manner. Sustainability permeates all of Ylva's activities: Ylva's mission is to conduct responsible business operations by building a vibrant and sustainable city and producing services for the University community. Ylva's Articles of Association include an obligation to align the company's business activities with 1.5°C target stipulated by the Paris climate agreement.

In addition to prioritising sustainability in its own operations, Ylva is a corporate activist that champions the development of sustainable business in Finland. As part of its advocacy efforts, Ylva reports on its operations openly and transparently. Ylva's ethical guidelines and business principles are documented in Ylva's Code of Conduct. Ylva has a third-party whistleblowing channel that anyone can use to send Ylva feedback or anonymously report any observed misconduct or shortcomings.

Sustainability is a permanent component of Ylva's strategy, and the management of sustainability is the responsibility of the company's senior management and the Board of Directors. The sustainability-related principles and targets are

described in more detail in the sustainability strategy approved by Ylva's Board of Directors. Ylva's Executive Team evaluates the sustainability targets and the actions aimed at their achievement at least once a year as part of its strategy-related work, and reports to the Board of Directors three times per year on the sustainability indicators and related actions.

From the perspective of sustainability, the most significant negative impacts of Ylva's business operations are associated with the carbon footprint of construction, the energy consumption of properties, and the carbon emissions of the raw materials used by our restaurants. Ylva's business operations also have social impacts. The selection of partners and stakeholders, employee well-being and inclusion at our construction sites are important aspects of sustainability for Ylva. Ylva's operations are guided by the UN Sustainable Development Goals (SDGs). Ylva's sustainability targets are taken into account at all levels of decision-making, and they are reflected in Ylva's day-to-day business operations. The key sustainability targets, the carbon footprint of operations and the Great Place to Work (GPTW) certificate, which reflects employee well-being, have also been incorporated into the remuneration criteria of the personnel.

External commitments – such as the World Green Building Council's Net Zero Carbon Buildings Commitment, the OECD B4IG network and the UN Global Compact – play a part in determining Ylva's operating principles and disclosures.

Ylva is committed to the 1.5-degree goal set in the Paris Climate Agreement, and achieving operational carbon neutrality by the end of 2025 is one of the Group's strategic goals. The measures aimed at achieving the goal of carbon neutrality are documented annually in Ylva's carbon budget.

Ylva took several significant measures in 2022 to promote the achievement of the carbon neutrality goal. The Science Based Targets initiative (SBTi) validated Ylva's science-based climate targets, which means that Ylva's path to emission reductions is proven to be aligned with the Paris Agreement. Ylva's real estate business achieved operational carbon neutrality when the properties switched to zero-emission energy effective from 1 January 2022. In addition, a sustainability appendix was introduced in rental operations and incorporated into all rental agreements for retail and office premises. UniCafe restaurants carried out a comprehensive carbon footprint calculation to determine the carbon footprint of all student meals sold at the restaurants on an ingredient-specific level. The analysis makes it easier to plan climate-friendly lunch menus and calculate the carbon budget more accurately. Starting from 7 November 2022, main courses, side dishes and beverages that are aligned with the Paris climate agreement are indicated at the restaurants with a "Climate Choice" mark, which helps and encourages UniCafe's customers to choose climate-friendly lunch options.

Ylva's office was ranked among the 20 best workplaces in the small enterprise category for the first time in the Great Place to Work survey. Ylva organised equality and inclusion training for all of its personnel, declared all of its premises as discrimination-free zones, and participated in the Pride event for the third time as an official partner of the Helsinki Pride community. Ylva also launched a trainee programme aimed at providing young people with opportunities to accumulate work experience in their field. Nearly 200 applications for the trainee programme were received. During the summer months, four trainees worked at Ylva's office in the finance, communication, real estate and sustainability/restaurant teams. Ylva also participated in supporting people fleeing the war in Ukraine by providing housing during the summer to 16 Ukrainian youths studying at the University of Helsinki.

More information on sustainability is available on Ylva's website at www.ylva.fi/en.

Indicators related to the sustainability of Ylva's properties

	2022		2021	
	Consumption (MWh)	Emissions (tCO ₂ e)	Consumption (MWh) *	Emissions (tCO ₂ e)
Heating energy used by the properties	9,406	0	10,658	1,204,239
Cooling energy used by the properties	679	0	531	0
Electricity used by the properties	8,700	0	8,170	0

The consumption figures are based on the actual invoiced consumption. The zero emissions of heating and cooling energy are based on certificates obtained from the energy provider. The zero emissions of electricity are based on certificates of origin.

Electricity consumption was exceptionally low in 2021 due to the restrictions related to COVID-19. Consumption returned to normal in 2022.

Sustainability indicators for Ylva's restaurants

	2022	2021	2020
Share of vegetarian and vegan meals of all meals sold	48%	47%	48%
Share of vegan meals of all meals sold	40%	42%	35%

EVENTS AFTER THE FINANCIAL YEAR AND THE DEVELOPMENT OUTLOOK

Ylva still 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. A commissioning inspection was carried out in January 2023 on the office building that is the first part of the Lyyra project. The project is continuing with regard to the residential and hotel building. The focus during the new financial year will be on the successful completion of the real estate projects, in spite of the market-related challenges, while simultaneously managing the financial risks associated with the projects. Negotiations are ongoing with regard to the terms of HYY Real Estates' EUR 205 million syndicated financing package and the group company Helsingin Lyyra Ky's loan agreement. The expectation is that the matter will be resolved within the first half of 2023. Not all of the terms associated with HYY Real Estates' bank loans were fulfilled on the balance sheet date. The bank syndicate has issued a waiver regarding the terms of the loan. The waiver is effective until 31 March 2023.

The Group's net sales and operational EBITDA are expected to increase in 2023. In the real estate business, net sales and EBITDA are expected to remain stable and increase moderately. However, cash flow from operations will be weakened by rising financial expenses due to the increased amount of debt caused by real estate development projects and the rising Euribor reference rates. The restaurant business is expected to recover from the exceptional circumstances, although the business volume is expected to remain slightly below the normal level. Internal services are expected to remain stable on the whole. The focus is on ensuring the profitable growth of Ylva's business during the new year and in the coming years. This will be achieved through business development and the improvement of the cost-efficiency and scalability of internal services.

Barring significant changes in the market, the market value of Ylva's assets is expected to grow moderately as the investments proceed due to the appreciation of the real estate.

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 distribution of profit/capital is carried out by means of 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 2022 amounted to EUR 4.0 million (2021: EUR 3.7 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 2022 – EUR 46.00 per member – was among the lowest student union fees in Finland. The EUR 2.6 million deficit in the financial management of student operations was covered by the contingency reserve, which has been built up with profit/capital distributions from Ylva.

On 31 December 2022, the balance sheet total for the financial management of operations was EUR 4.0 million, with shareholders' equity accounting for EUR 3.3 million of this sum.

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INCOME STATEMENT

EUR	Note number	1 Jan–31 Dec 2022	%	1 Jan–31 Dec 2021	%
NET SALES	1	24,926,427	100.0	19,898,739	100.0
Other operating income	2	946,156	3.8	1,838,067	9.2
Materials and services	3	-5,857,691	23.5	-3,551,424	17.8
Personnel expenses	4	-4,360,935	17.5	-3,162,974	15.9
Depreciation and impairment	5, 9, 10	-7,250,391	29.1	-7,412,301	37.3
Other operating expenses	6	-6,244,190	25.1	-6,243,543	31.4
OPERATING PROFIT (LOSS)		2,159,377	8.7	1,366,565	6.9
Financial income and expenses	7				
Income from other investments in non-current assets		9,531	0.0	20,735	0.1
Other interest and financial income		262,840	1.1	396,208	2.0
Impairment of investments in non-current assets		-416,476	1.7	0	0.0
Interest expenses and other financial expenses		-5,382,477	21.6	-5,297,982	26.6
Change in fair value of investment securities		-1,531,122	6.1	829,254	4.2
Total financial income and expenses		-7,057,704	28.3	-4,051,785	-20.4
PROFIT (LOSS) BEFORE TAXES		-4,898,327	-19.7	-2,685,220	-13.5
Income taxes	8	189,973	-0.8	129,305	-0.6
Minority interests		3,964	0.0	3,682	0.0
PROFIT (LOSS) FOR THE FINANCIAL PERIOD		-4,704,390	-18.9	-2,552,234	-12.8

BALANCE SHEET

EUR	Note number	31 Dec 2022	%	31 Dec 2021	%
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	9				
Intangible rights		359,119		498,773	
Other intangible assets		12,032,977		10,094,951	
		12,392,095	4.0	10,593,724	4.0
Tangible assets	6, 10				
Land		49,107,344		49,587,005	
Buildings and constructions		96,379,863		99,263,918	
Machinery and equipment in buildings		6,961,815		7,883,874	
Machinery and equipment		219,486		282,301	
Other tangible assets		1,182,609		1,252,074	
Advance payments and acquisitions in progress		115,966,433		45,103,337	
		269,817,551	88.1	203,372,508	75.9
Investments	11				
Other shares and holdings		624,811	0.2	12,754,970	4.8
TOTAL NON-CURRENT ASSETS		282,834,458	92.4	226,721,202	84.6
CURRENT ASSETS					
Inventories					
Finished products/goods		88,879	0.0	62,435	0.0
Short-term receivables	12				
Trade receivables		1,318,756		472,297	
Receivables from owners		3,530		3,167	
Loan receivables		13,650		20,400	
Other receivables		5,591,476		2,382,331	
Prepayments and accrued income		754,461		1,063,603	
		7,681,872	2.4	3,941,799	1.5
Cash and cash equivalents		15,743,224	5.1	37,269,114	13.9
TOTAL CURRENT ASSETS		23,323,385	7.6	41,273,348	15.4
ASSETS		306,348,433	100.0	267,994,550	100.0

EUR	Note number	31 Dec 2022	%	31 Dec 2021	%
LIABILITIES AND SHAREHOLDERS' EQUITY					
SHAREHOLDERS' EQUITY					
	13				
Equity		3,000,000		3,000,000	
Reserve fund		207,484		207,484	
Retained earnings (losses)		49,761,166		53,713,400	
Profit (loss) for the financial period		-4,704,390		-2,552,234	
TOTAL SHAREHOLDERS' EQUITY		48,264,260	15.8	54,368,650	20.3
MINORITY INTERESTS		27,053,591	8.8	21,028,917	7.8
LIABILITIES					
	14				
Long-term					
Loans from financial institutions		207,626,354		178,520,213	
Deferred tax liabilities		230,669		420,642	
Accrued expenses and deferred income		77,634		0	
		207,934,657	67.9	178,940,855	66.8
Short-term					
Loans from financial institutions		9,313,245		508,477	
Advances received		657,950		541,062	
Trade payables		6,870,291		5,485,130	
Liabilities to owners		0		5,104	
Other liabilities		2,902,402		6,114,081	
Accrued expenses and deferred income		3,352,037		1,002,275	
		23,095,924	7.5	13,656,128	5.1
TOTAL LIABILITIES		230,839,991	75.4	192,596,983	71.9
LIABILITIES AND SHAREHOLDERS' EQUITY		306,348,433	100.0	267,994,550	100.0

CASH FLOW STATEMENT

EUR	2022	2021
OPERATING CASH FLOW		
Operating profit	2,159,377	1,366,565
Adjustments to operating profit:		
Planned depreciation	7,250,391	7,412,301
Other adjustments	-2,095	3,904
Change in working capital:		
Short-term receivables, increase/decrease (-/+)	-3,845,715	-1,848,399
Inventories, increase/decrease (-/+)	-26,444	25,352
Interest-bearing short-term debt, increase/decrease (+/-)	-6,287,940	-3,865,163
Taxes and fees paid	-4,837,225	-6,444,242
Financial income received	208,919	327,063
Taxes paid	96,750	-132,496
OPERATING CASH FLOW	-5,283,982	-3,155,115
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-64,010,789	-26,530,859
Proceeds from sales of tangible and intangible assets	2,800	0
Long-term investments (investment portfolio)	10,503,710	-1,415,695
Investment portfolio dividends and refunds of fees	60,829	88,967
Proceeds and losses from investment portfolio sales	-415,641	1,326,728
CASH FLOW FROM INVESTMENTS	-53,859,090	-26,530,859

EUR	2022	2021
CASH FLOW FROM FINANCING		
Withdrawal (+)/repayment (-) of short-term loans	-5,000,000	-65,097,056
Withdrawal (+) of long-term loans	38,497,020	170,656,968
Repayment of long-term loans (-)	-508,477	-100,546,287
Distribution of profit/capital paid out	-1,400,000	-2,800,000
Investment in equity	6,028,638	19,858,275
CASH FLOW FROM FINANCING	37,617,181	22,071,900
Change in cash and cash equivalents	-21,525,891	-7,614,074
CASH AND CASH EQUIVALENTS, 1 JAN	37,269,114	44,883,188
CASH AND CASH EQUIVALENTS, 31 DEC	15,743,224	37,269,114

NOTES TO THE FINANCIAL STATEMENTS

Ylva Group's parent entity is HYY Real Estates (domiciled in Helsinki).

HYY Real Estates owns 57.2 per cent of Helsingin Lyyra Ky, which is the parent company of the sub-group (domiciled in Helsinki).

No consolidated sub-group financial statements were prepared for Helsingin Lyyra Ky pursuant to Chapter 6, Section 1 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 per cent.

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.

The interest and other financial expenses associated with the Kiinteistö Oy Lyyra investment project and the Grand Hansa project have been recognised in acquisitions in progress and will be capitalised as building acquisition costs when the buildings are completed.

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. The investment portfolio was liquidated in December 2022. 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	2022	2021
By business sector		
Real estate	15,600,895	16,005,309
Restaurants	9,325,532	3,893,430
TOTAL	24,926,427	19,898,739
By market area		
Finland	24,926,427	19,898,739

2. Other operating income

EUR	2022	2021
Profit from the sale of fixed assets	2,095	0
Insurance compensation and government grants	944,061	1,800,000
Other	0	38,067
TOTAL	946,156	1,838,067

3. Materials and services

EUR	2022	2021
Raw materials and consumables	3,685,354	1,696,752
External services	2,172,337	1,854,671
TOTAL	5,857,691	3,551,424

4. Personnel and members of governing bodies

EUR	2022	2021
Personnel expenses		
Salaries and bonuses	3,658,393	2,637,527
Pension contributions	600,065	417,069
Other personnel expenses	102,477	108,378
TOTAL	4,360,935	3,162,974
Salaries and bonuses for the management		
Ylva's CEO, including fringe benefits	216,400	196,200
Members of Ylva's Board of Directors	97,700	100,450
TOTAL	314,100	296,650

In the event of termination, Ylva's CEO is entitled to compensation corresponding to six months' salary.

Ylva's CEO, Executive Team and personnel are, in accordance with the criteria confirmed by the Board of Directors, covered by the short-term (calendar year) performance-related bonus scheme approved by Ylva's Board of Directors. Ylva also has a long-term performance-related bonus scheme (three-year earning periods) covering the CEO and the key personnel of real estate projects.

Pension commitments for the management

There are no pension commitments pertaining to the management.

Average number of employees during the financial year

	2022	2021
Personnel	110	96

5. Depreciation and impairment

EUR	2022	2021
DEPRECIATION BY FIXED ASSET CLASS		
Intangible assets		
Intangible rights	139,654	143,040
Other intangible assets	2,609,138	2,332,910
Tangible assets		
Buildings and constructions	3,277,513	3,781,663
Machinery and equipment in buildings	985,722	873,660
Machinery and equipment	168,899	211,563
Other tangible assets	69,465	69,465
TOTAL	7,250,391	7,412,301

6. Auditor's fees and services

EUR	2022	2021
Auditing	35,278	33,127
Tax advice	10,420	4,519
Other services	13,258	7,529
TOTAL	58,956	45,175

7. Financial income and expenses

EUR	2022	2021
Dividend income		
From others	9,531	20,735
Other interest and financial income		
Profit from the sale of investment securities	11,514	105,375
Other		
From others	251,325	290,832
Total	262,840	396,208
Total financial income	272,371	416,942
Impairment of investments in non-current assets		
Impairment of equities	-416,476	0
Interest expenses and other financial expenses		
Losses from the sale of investment securities	-106,006	-35,538
Other		
To others	-5,276,471	-5,262,444
Total	-5,382,477	-5,297,982
Total financial expenses	-5,382,477	-5,297,982
Change in fair value of investment securities	-1,531,122	829,254
TOTAL	-7,057,704	-4,051,785

The termination of interest hedges caused expenses totalling EUR 1.3 million during the financial year 2021, recognised in interest expenses and other financial expenses.

8. Assessed taxes

EUR	2022	2021
Change in deferred tax liabilities		
Due to appropriations	-189,973	-129,305
TOTAL	-189,973	-129,305

NOTES TO THE BALANCE SHEET

9. Intangible assets

EUR	2022	2021
INTANGIBLE RIGHTS		
Acquisition cost, 1 Jan	1,334,502	1,306,531
Additions	0	27,971
Acquisition cost, 31 Dec	1,334,502	1,334,502
Accumulated depreciation, 1 Jan	-835,729	-692,690
Depreciation for the financial period	-139,654	-143,040
Accumulated depreciation, 31 Dec	-975,384	-835,729
Carrying value, 31 Dec	359,119	498,773
OTHER INTANGIBLE ASSETS		
Acquisition cost, 1 Jan	33,260,466	30,737,404
Additions	47,780	105,000
Transfers from acquisitions in progress	4,499,384	2,418,063
Acquisition cost, 31 Dec	37,807,630	33,260,466
Accumulated depreciation, 1 Jan	-23,165,516	-20,832,606
Depreciation for the financial period	-2,609,138	-2,332,910
Accumulated depreciation, 31 Dec	-25,774,654	-23,165,516
Carrying value, 31 Dec	12,032,977	10,094,951
ADVANCE PAYMENTS		
Acquisition cost, 1 Jan	0	0
Additions	0	29,940
Transfers between asset items	0	-29,940
Acquisition cost, 31 Dec	0	0

10. Tangible assets

EUR	2022	2021
LAND		
Acquisition cost, 1 Jan	49,587,005	48,428,843
Additions	0	714,533
Decreases	-683,181	-1
Transfers from acquisitions in progress	203,520	443,630
Acquisition cost, 31 Dec	49,107,344	49,587,005
Carrying value, 31 Dec	49,107,344	49,587,005
BUILDINGS AND CONSTRUCTIONS		
Acquisition cost, 1 Jan	162,780,964	149,767,021
Transfers from acquisitions in progress	393,458	13,013,944
Acquisition cost, 31 Dec	163,174,422	162,780,964
Accumulated depreciation, 1 Jan	-63,517,046	-59,735,383
Depreciation for the financial period	-3,277,513	-3,781,663
Accumulated depreciation, 31 Dec	-66,794,559	-63,517,046
Carrying value, 31 Dec	96,379,863	99,263,918
MACHINERY AND EQUIPMENT IN BUILDINGS		
Acquisition cost, 1 Jan	20,694,797	16,390,110
Transfers from acquisitions in progress	63,663	4,304,687
Acquisition cost, 31 Dec	20,758,460	20,694,797
Accumulated depreciation, 1 Jan	-12,810,923	-11,937,263
Depreciation for the financial period	-985,722	-873,660
Accumulated depreciation, 31 Dec	-13,796,645	-12,810,923
Carrying value, 31 Dec	6,961,815	7,883,874

EUR	2022	2021
MACHINERY AND EQUIPMENT		
Acquisition cost, 1 Jan	2,262,151	2,257,664
Additions	87,890	4,487
Decreases	-12,685	0
Transfers from acquisitions in progress	18,900	0
Acquisition cost, 31 Dec	2,356,256	2,262,151
Accumulated depreciation, 1 Jan	-1,979,851	-1,768,288
Accumulated depreciation on decreases and transfers	11,980	0
Depreciation for the financial period	-168,899	-211,563
Accumulated depreciation, 31 Dec	-2,136,770	-1,979,851
Carrying value, 31 Dec	219,486	282,301
OTHER TANGIBLE ASSETS		
Acquisition cost, 1 Jan and 31 Dec	2,117,320	2,117,320
Accumulated depreciation, 1 Jan	-865,246	-795,781
Depreciation for the financial period	-69,465	-69,465
Accumulated depreciation, 31 Dec	-934,711	-865,246
Carrying value, 31 Dec	1,182,609	1,252,074
ADVANCE PAYMENTS AND ACQUISITIONS IN PROGRESS		
Acquisition cost, 1 Jan	45,103,337	32,854,087
Additions	76,042,021	32,433,478
Transfers between asset items	-5,178,925	-20,180,323
Transfers to expenses	0	-3,904
Acquisition cost, 31 Dec	115,966,433	45,103,337
Carrying value, 31 Dec	115,966,433	45,103,337

Market value of real estate¹

EUR	2022	2021
MARKET VALUE		
Central real estate properties	314,500,000	322,800,000
Mannerheimintie 3-5, Kaivokatu 10, Aleksanterinkatu 23 Area of the plot: 11,618 m ² Gross leasable area (GLA) 44,421 m ²		
Leppäsuo properties	48,800,000	53,100,000
Leppäsuonkatu 9, Hietaniemenkatu 14 Area of the plot: 7,076 m ² Gross leasable area (GLA) 13,828 m ²		
Domus Gaudium	8,300,000	8,300,000
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	371,600,000	384,200,000
TOTAL CORRESPONDING CARRYING VALUE	133,610,721	137,173,110
DIFFERENCE BETWEEN MARKET VALUE AND CARRYING VALUE	237,989,279	247,026,890

¹ 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. Their total carrying value is EUR 83,204,505.

11. Investments

EUR	2022	2021
OTHER SHARES AND HOLDINGS		
Acquisition cost, 1 Jan	11,708,135	10,292,440
Additions	2,846,006	4,009,837
Decreases	-13,505,164	-2,594,142
Acquisition cost, 31 Dec	1,048,977	11,708,135
Accumulated value changes, 1 Jan	1,046,835	1,474,472
Decreases	476,597	-1,256,891
Value changes during the financial period	-1,947,598	829,254
Accumulated value changes, 31 Dec	-424,165	1,046,835
Carrying value, 31 Dec	624,811	12,754,970
	Group holding (%)	Parent entity holding (%)
GROUP COMPANIES		
Ylva Services Ltd	100.0	100.0
Kiinteistö Oy Helsingin Lyyra	55.0	55.0
Kiinteistö Oy Kaivokatu 12	100.0	100.0
Ylva Helsinki Oy	100.0	100.0
Kiinteistö Oy Leppätalo	60.7	60.7
Helsingin Lyyra GP Oy	100.0	100.0
Helsingin Lyyra Ky	57.2	57.2

12. Receivables

EUR	2022	2021
SHORT-TERM RECEIVABLES		
Receivables from owners		
Trade receivables	3,530	3,167
Material items of prepayments and accrued income		
Related to personnel	33,503	39,142
Other	720,958	1,024,461
	754,461	1,063,603
Deferred tax assets		
From confirmed losses	238,896	322,855
From deferred depreciation	37,881	38,639
	276,777	361,494

No deferred tax assets have been recognised.

13. Shareholders' equity

EUR	2022	2021
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 (losses), 1 Jan	51,161,166	56,513,400
Distribution of profit/capital	-1,400,000	-2,800,000
Retained earnings (losses), 31 Dec	49,761,166	53,713,400
Profit (loss) for the financial period	-4,704,390	-2,552,234
Total unrestricted equity	45,056,776	51,161,166
TOTAL SHAREHOLDERS' EQUITY	48,264,260	54,368,650

14. Liabilities

EUR	2022	2021
INTEREST-BEARING LIABILITIES		
Long-term		
Loans from financial institutions	207,626,354	178,520,213
Short-term		
Loans from financial institutions	9,313,245	508,477
Commercial paper	0	5,000,000
	9,313,245	5,508,477
Total interest-bearing liabilities	216,939,599	184,028,690
LONG-TERM LIABILITIES		
Deferred tax liabilities		
Due to appropriations	230,669	420,642
Liabilities with over five years until maturity		
Loans from financial institutions	16,422,232	0
SHORT-TERM LIABILITIES		
Liabilities to owners		
Other liabilities	0	5,104
Material items of accrued expenses and deferred income		
Related to personnel	738,052	886,868
Interest	271,185	43,860
Taxes	526,967	0
Other	1,815,832	71,547
	3,352,037	1,002,275

OTHER NOTES

Related party transactions

There have been no transactions with related parties that deviate from the ordinary course of business.

Pledged collateral, contingent liabilities and other obligations

EUR	2022	2021
LIABILITIES SECURED BY MORTGAGES ON REAL ESTATE AND PLEDGES		
Loans from financial institutions	216,939,599	179,028,690
Mortgages pledged to secure loans from financial institutions	368,500,000	284,000,000
Bank accounts pledged to secure loans from financial institutions	10,441,435	15,206,044
Bank accounts pledged to secure interest rate hedges	462,072	1,132,449
Fair value of receivables from pledged interest rate hedges	10,351,478	143,966
Lease receivables pledged to secure loans from financial institutions	1,090,923	455,508
OTHER PLEDGED COLLATERAL		
Pledged mortgages on real estate	2,025,051	2,025,051
GUARANTEES		
Issued on behalf of others		
For a loan from a financial institution	97,733	100,000

EUR	2022	2021
LEASE LIABILITIES		
Outstanding payments on tenancy agreements		
Payable in the next financial period	613,596	521,624
Payable later	50,087	82,265
	663,683	603,889
Value added tax repayment obligation		
VAT repayment obligation on real estate investments	28,611,474	14,819,952
DERIVATIVES		
Electricity forward contracts		
Fair value	553,174	327,947
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	138,750,000	138,750,000
Fair value (according to bank notification)	9,776,510	-1,746,802
Interest rate swaps are used to turn the variable interest rates on loans into fixed rates. On 31 December 2022, 75 per cent of the loan portfolio was hedged. The nominal value, fair value and hedging rate at the end of 2022 includes a hedging agreement with a nominal value of EUR 55.5 million that will enter into effect in 2023. The interest rate swaps will mature in 2023, 2026 and 2027.		
OTHER OBLIGATIONS		
Not all of the terms associated with HYY Real Estates' bank loans were fulfilled on the balance sheet date. The bank syndicate has issued a waiver regarding the terms of the loan. The waiver is effective until 31 March 2023. Negotiations are ongoing with regard to the terms of HYY Real Estates' EUR 205 million syndicated financing package and the group company Helsingin Lyyra Ky's loan agreement. The expectation is that the matter will be resolved within the first half of 2023.		

SIGNATURES TO THE FINANCIAL STATEMENTS AND ANNUAL REPORT

Helsinki, 8 March 2023

Mika Heikkilä
Chair

Tuomas Aho

Jaakko Hietala

Mikko Järveläinen

Timo Kalliokoski

Joel Lindqvist

Joonas Pulliainen

Tarja Pääkkönen

Reima Rytölä

Erkka Valkila

Leea Tolvas
CEO

AUDITOR'S STATEMENT

A statement has been issued today on the performed audit.

Date of electronic signature

KPMG Oy Ab

Roland Pettersson
APA

AUDITOR'S REPORT

To the Representative Council of the Student Union of the University of Helsinki.

Report on the audit of the financial statements

Opinion

We have audited Ylva's consolidated financial statements for the financial year 1 January–31 December 2022. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the CEO for the financial statements

The Board of Directors and the CEO are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the CEO are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the CEO are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 22 March 2023
KPMG OY AB

Roland Pettersson
APA

STATEMENT OF THE SUPERVISORY BOARD

The Supervisory Board has reviewed Ylva's financial statements (the consolidated financial statements, which include the parent entity HYY Real Estates, Ylva Services Ltd, Kiinteistö Oy Kaivokatu 12, Ylva Helsinki Oy, Helsingin Lyyra GP Oy, Kiinteistö Oy Helsingin Lyyra, Helsingin Lyyra Ky and Kiinteistö Oy Leppätalo) for 2022 and the auditor's report. The Supervisory Board has not identified any aspects of the reviewed disclosures that would give cause for objections or remarks.

Therefore, the Supervisory Board recommends the adoption of the financial statements and supports the Board of Directors' proposal on the use of profit.

Helsinki, 22 March 2023

On behalf of the Supervisory Board

Christoffer Aminoff
Chair of the Supervisory Board

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