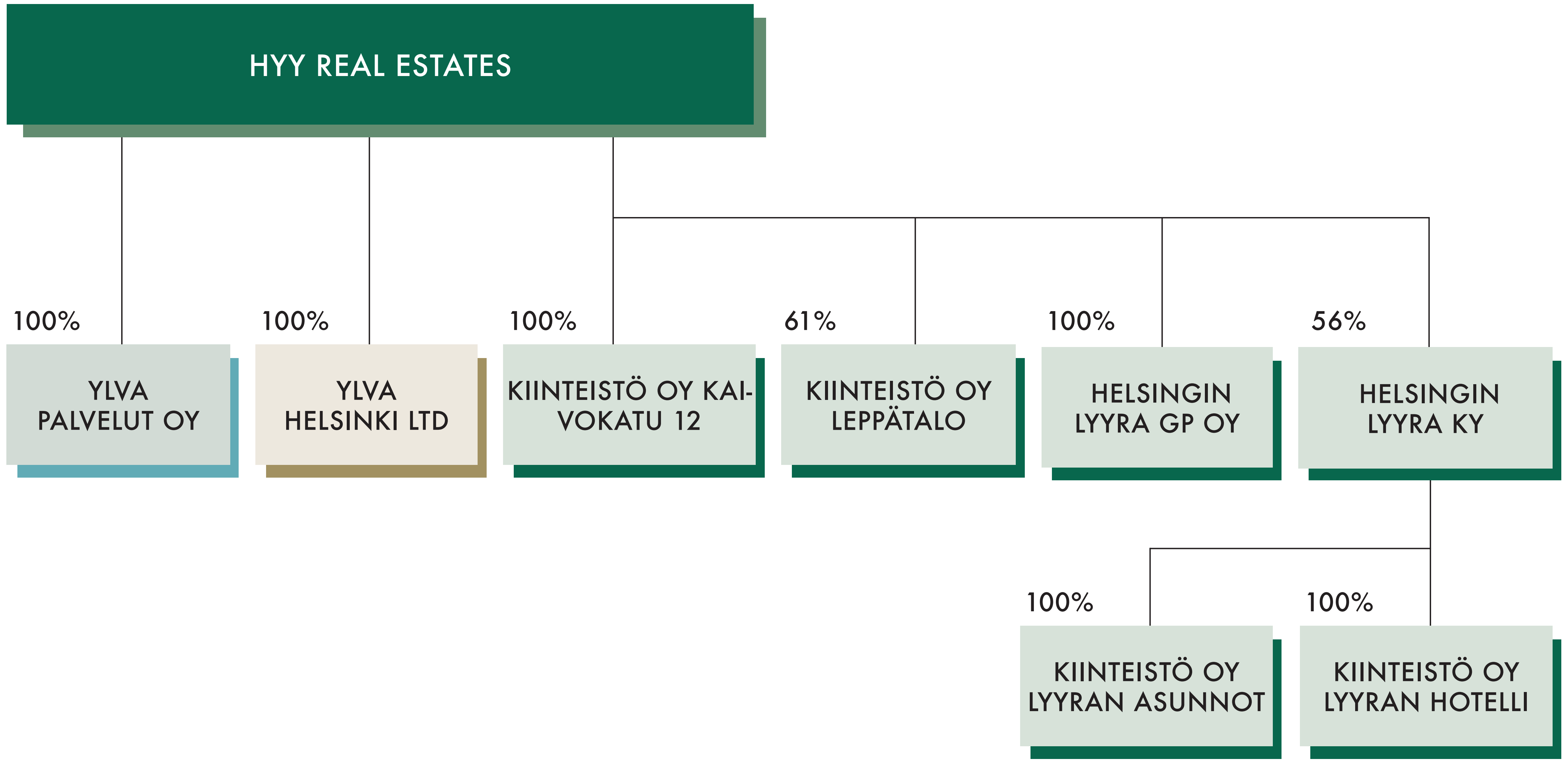
YLVA

Board of Directors' report and financial statements 2024

Board of Directors' report

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 61 per cent of Kiinteistö Oy Leppätalo. In addition, HYY Real Estates owns 56 per cent of Helsingin Lyyra Ky, which owns 100 per cent of Kiinteistö Oy Lyyran Hotelli and Kiinteistö Oy Lyyran Asunnot.

Ylva is owned by the student union of the University of Helsinki, the operations of which are funded by income from Ylva's business operations.

Changes in Group structure

A complete demerger of Kiinteistö Oy Uusi Lyyra was carried out during the financial year. The new companies Kiinteistö Oy Lyyran Hotelli and Kiinteistö Oy Lyyran Asunnot were established as a result of the demerger.

YLVA'S OPERATIONS

Ylva comprises HYY Real Estates and its subsidiaries. The parent entity of the Group is HYY Real Estates. Ylva Group'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's goal is to build the Helsinki of the future. For more than 150 years, we have been building for Helsinki's residents a city where people and ideas meet, and we have accelerated the sustainability transformation of the real estate and restaurant sectors from within through corporate activism.

For us, profitability means making decisions that will also enable the next 150 years. Our unique background requires us to be a pioneer in transparency and responsibility and to be committed to the development of Helsinki.

NET SALES AND PROFIT

Ylva's net sales in 2024 amounted to EUR 33.2 million. Net sales increased by 13 per cent year-on-year. The growth in net sales was due to the higher net sales of the real estate business and also partly attributable to the increased net sales of the restaurant business. Intra-group net sales decreased from the previous financial year 2023.

Distribution of Ylva's net sales

EUR million	2024	2023	Change (%)
Real estate	19.7	16.8	17.6
Ylva Services Ltd (incl. restaurants and internal services)	15.7	15.0	4.4
./. intra-group sales	-2.3	-2.6	-11.0
YLVA TOTAL	33.2	29.3	13.3

Ylva's operating profit increased by 68 per cent year-on-year and amounted to EUR 2.9 million (2023: EUR 1.7 million). The increase in operating profit was mainly attributable to the strengthening of property rental income and the improved profitability of the restaurant business. Operating profit is calculated excluding the capital gain of EUR 0.9 million on the sale of buildings in the financial year 2024 (2023: EUR 5.8 million), a loss adjustment of EUR 0.2 million from the sale of a subsidiary (2023: loss of EUR 2.7 million) and impairments of non-current assets of EUR 74.7 million (2023: EUR 24.7 million).

The estimated fair value of Ylva's properties at the end of the year was EUR 376.9 million, representing a decrease of EUR 25.9 million compared to 2023. The decrease in the fair value was mainly driven by increased yield requirements, but also the realisation of assets. The fair value exceeded the corresponding carrying value amount by EUR 150.4 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 Lyyra project is included at its carrying amount in the fair value calculation.

Real estate

The properties owned directly by HYY Real Estates are located in the heart of Helsinki (Kaivopiha), in Kamppi (Leppäsuo) 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 (61 per cent), as well as Helsingin Lyyra Ky (56 per cent), which owns the limited liability real estate companies Kiinteistö Oy Lyyran Asunnot and Kiinteistö Oy Lyyran Hotelli.

A significant hotel project was completed in the city centre property in the premises of the New Student House, Hansatalo and Kaivokatu 12. The hotel began operations at the beginning of May.

In Hakaniemi, construction of the Group company Kiinteistö Oy Uusi Lyyra progressed according to plan and was completed at the turn of January–February. A complete demerger of Kiinteistö Oy Uusi Lyyra was carried out during the financial year into Kiinteistö Oy Lyyran Asunnot and Kiinteistö Oy Lyyran Hotelli.

During the financial year, a write-down of EUR 19.1 million was recognised on the Kiinteistö Oy Lyyran Asunnot and Kiinteistö Oy Lyyran Hotelli's property and a write-down of EUR 55.6 million related to the city centre hotel project. Underlying the write-downs are factors such as increased costs in the construction phase of projects and the unfavourable development of the property market and increased yield requirements, which have had a negative impact on the value of projects.

The average economic occupancy rate of HYY Real Estates during the year was 87.5 per cent (2023: 86.4%).

The net sales of HYY Real Estates' rental operations in 2024 amounted to EUR 19.7 million (2023: EUR 16.8 million), increasing by 18 per cent year-on-year. Operating profit from rental operations came to EUR 1.8 million (2023: EUR 1.1 million). The most significant factor behind the increase in net sales and operating profit during the financial year was the improved rental income, particularly from retail premises.

The net financial expenses of rental operations amounted to EUR 14.5 million.

Net sales and profit*

	2024			2023		
EUR million	Net sales	EBITDA	Profit	Net sales	EBITDA	Profit
Real estate	19.7	11.0	-12.7	16.8	8.4	-8.1

* Profit before appropriations and taxes. EBITDA and profit are presented excluding the dividend of EUR 0.5 million from a subsidiary in 2024, EUR 0.9 million in capital gains from the sale of buildings (2023: EUR 5.8 million), a loss adjustment of EUR 0.2 million from the sale of a subsidiary (2023: loss of EUR 2.7 million) and impairments of non-current assets of EUR 74.7 million (2023: EUR 24.7 million).

Restaurants and internal services

Ylva Services Ltd engaged in the student restaurant and café business, as well as the conference and catering business, which supports customer relationships. The company has 18 operating locations in Helsinki.

The past financial year was ordinary compared to the preceding financial years during the COVID-19 pandemic. Almost all of the operating locations were open normally. Only one location was closed for part of the financial year due to renovation and tendering. Universities' teaching activities mainly took place on campuses, but teaching was also partially offered under the hybrid model, which had some effect on student mobility and, consequently, the customer volumes of student restaurants.

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 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 4 per cent year-on-year and amounted to EUR 15.7 million (2023: EUR 15.0 million).

The company's operating profit increased to EUR 1.1 million (2023: EUR 0.6 million).

Net sales and profit*

	2024			2023		
EUR million	Net sales	EBITDA	Profit	Net sales	EBITDA	Profit
Ylva Services Ltd	15.7	1.3	1.2	15.0	0.9	0.7

* Profit before appropriations and taxes.

FINANCING

At the end of the financial year, Ylva's liquid assets amounted to EUR 7.9 million (2023: EUR 25.0 million). At the end of the year, interest-bearing loan principal totalled EUR 274.8 million (2023: EUR 259.8 million). At the end of the financial year, the covenants related to the EUR 231.6 million financing of HYY Real Estates were not met. This gives syndicated financing providers the right to demand the immediate repayment of all loans. Loans are classified as current in the financial statements.

Ylva has a commercial paper programme in place for short-term financing needs, but the programme was not utilised during the financial year.

The equity ratio at carrying value was -14.8 per cent (2023: 14.8 per cent). The equity ratio at the estimated fair value of the real estate was 28.1 per cent (2023: 48.8 per cent).

Ylva's operating cash flow was EUR -0.5 million negative (2023: EUR -2.5 million). Ylva's cash-based net investments amounted to EUR 31.6 million (2023: EUR 56.1 million). The net increase in short-term and long-term loans was EUR 15.0 million (2023: EUR 117.6 million) and long-term loans were not amortised during the financial year (2023: EUR 51.3 million). There were no equity investments in the financial year 2024 (2023: EUR 1.5 million). No distribution of equity was paid for the financial year (2023: EUR 0 million).

Ylva's equity became negative due to write-downs in the financial statements for 2024. This is due to the principle of separate valuation and the fact that the carrying amount of some properties significantly exceeded the estimated fair value. Ylva also owns properties with a carrying amount significantly lower than the fair value estimated by the property valuer JLL used by Ylva. Positive differences between fair values and carrying amounts related to properties only affect accounting in the event of realisation. At the end of 2024, the difference between Ylva's carrying amounts and fair value was EUR 150.4 million. The fair value has been calculated using an external assessor's estimate of the fair value and, for the Lyyra entity, the carrying amount.

INVESTMENTS

Ylva's gross investments amounted to EUR 40.7 million (2023: EUR 92.2 million).

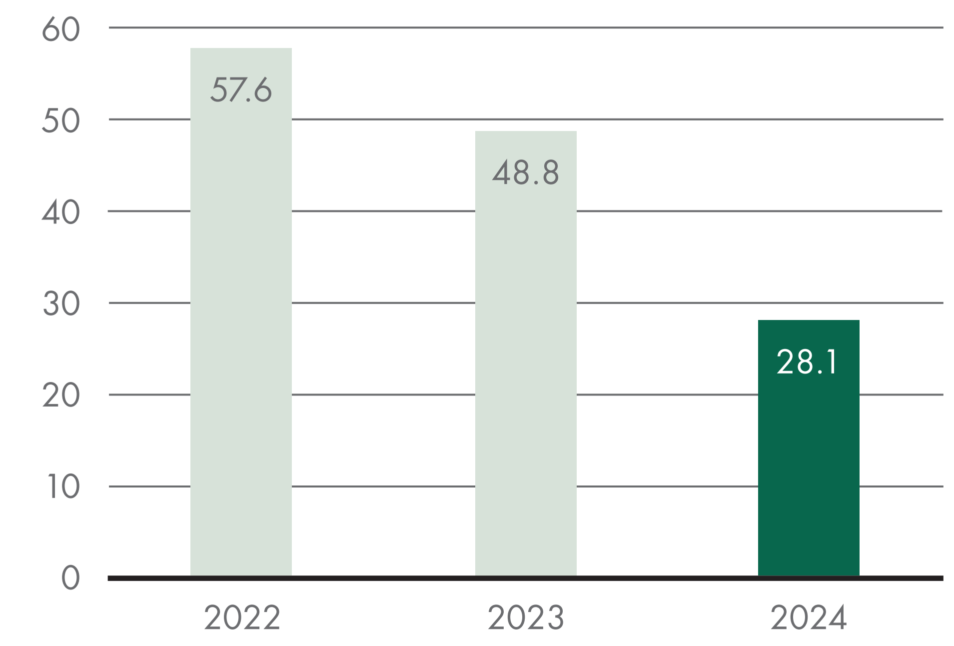
Ylva's largest investments were made by the parent entity HYY Real Estates, Kiinteistö Oy Kaivokatu 12 and Kiinteistö Oy Uusi Lyyra, which underwent a complete demerger during the financial year 2024. Two new companies were established in the demerger: Kiinteistö Oy Lyyran Asunnot and Kiinteistö Oy Lyyran Hotelli.

Distribution of gross investments by operating sector

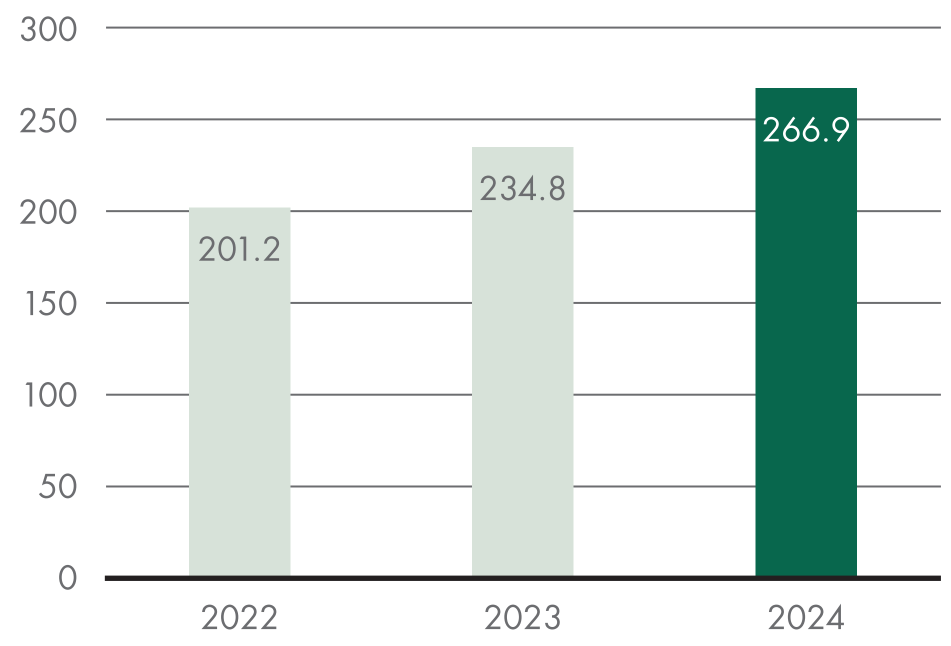
EUR million	2024	2023	2022
Real estate	40.7	92.2	76.1
Ylva Services Ltd	0.0	0.0	0.0
YLVA TOTAL	40.7	92.2	76.2

SUMMARY OF YLVA'S FINANCIAL INDICATORS

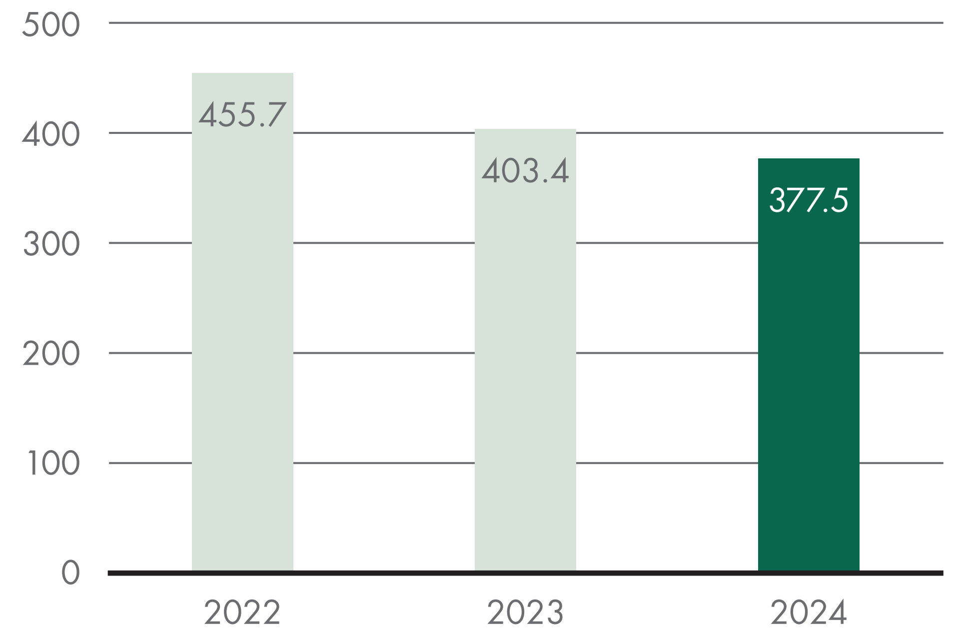
Equity ratio (at fair value), %



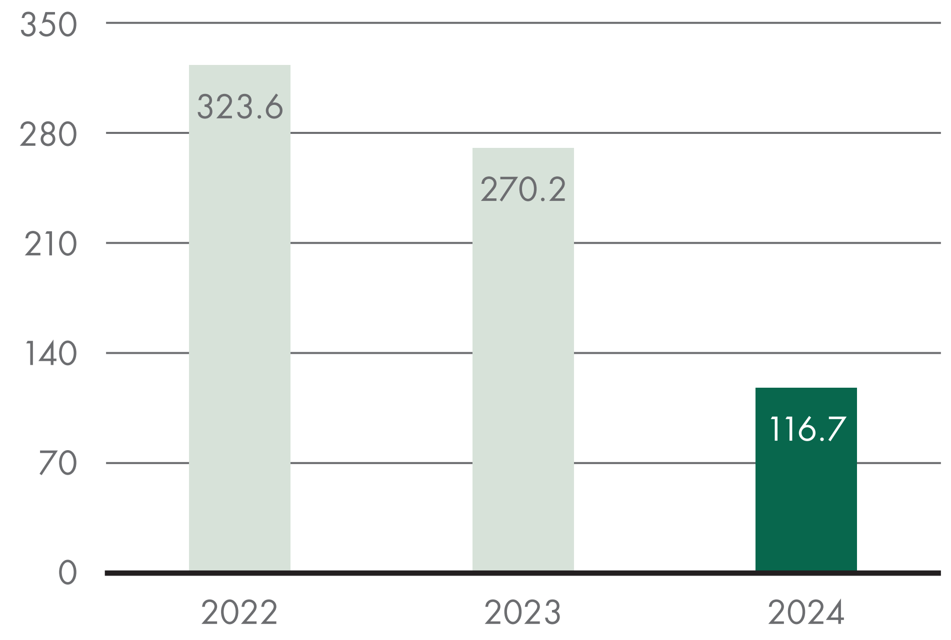
Net interest-bearing liabilities, EUR million



Fair value of real estate and investments, EUR million



Net assets at fair value, EUR million



Calculation principles for key indicators

EBITDA	=	Operating profit + depreciation and impairment
Return on equity (ROE), %	=	$\frac{\text{Net profit x 100}}{\text{Shareholders' equity (average)}}$
Equity ratio at carrying value, %	=	$\frac{\text{(Shareholders' equity + minority interest) x 100}}{\text{Balance sheet total - advances received}}$
Equity ratio at fair value, %	=	$\frac{\text{(Shareholders' equity + minority interest + difference between the estimated fair value and carrying value of real estate) x 100}}{\text{Balance sheet total - advances received + difference between the estimated fair value and carrying value of real estate}}$
Net assets at fair value	=	Balance sheet total + difference between the estimated fair 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

	2024	2023	2022
Net sales, EUR million	33.2	29.3	24.9
EBITDA, EUR million	12.3	9.3	9.4
Operating profit, EUR million	2.9	1.7	2.2
Profit/loss for the period (including profit and loss from the sale of assets and the impairment of non-current assets), EUR million	-74.2	-17.0	-4.7
Operating profit/net sales (%)	8.7	5.9	8.7
Return on equity (%) (at carrying value)	-222.3	-12.0	-6.2
Equity ratio (%) (at carrying value)	-14.8	14.8	24.7

In the table above, EBITDA, operating profit, operating profit/net sales percentage and return on equity percentage are presented excluding a capital gain of EUR 0.9 million on the sale of buildings in the financial year 2024 (2023: EUR 5.8 million), a loss adjustment of EUR 0.2 million from the sale of a subsidiary (2023: loss of EUR 2.7 million) and impairments of non-current assets of EUR 74.7 million (2023: EUR 24.7 million). However, profit from the sale of assets, adjustment of loss from the sale of assets and the impairment of non-current assets are included in the profit for the period. The figures above are calculated based on balance sheet values and they do not take the fair values of the real estate into consideration.

RISKS AND UNCERTAINTIES

The unstable situation in the Finnish real estate market and geopolitical tensions continue. Although inflation and reference rates have been declining, the situation remains uncertain. The continuation of geopolitical tensions creates general uncertainty in the near-term economic outlook and makes forecasting more difficult. Changes in the market may be reflected in Ylva's business operations through rising procurement and maintenance costs and financial expenses, among others. The uncertain situation in the real estate market may affect the purchase price of properties in any sale situation.

In HYY's real estate business, the weak development of the Finnish economy is also reflected in the rental market. The situation has slowed down the decision-making of potential new users and limited their capacity to make investments. However, compared to 2023, there have been signs of recovery. In addition, the weakened general economic situation and higher costs continue to cause disruptions to some tenants' business operations, especially in the restaurant and retail industries.

The rental customer risk for HYY Real Estates has increased slightly due to the weak general economic situation. Due to the hotel project in Helsinki's city centre, a substantially higher proportion of the rental cash flow will be derived from a single tenant. As the tourism industry is recovering from the coronavirus pandemic and the travel restrictions caused by the war in Ukraine, there is still, however, uncertainty in the industry. Otherwise, tenant risks have been managed fairly well. 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 future relative position of the hotel projects carried out. In addition, Ylva's properties will benefit from their central location in the very centre of Helsinki next to excellent transport connections.

The most significant near-term risks of HYY Real Estates are related to the cyclical development of the financial and property transaction markets, cost management and rental risks and tenant risks. HYY Real Estates has incomplete financing and balance sheet structure arrangements, the implementation of which involves significant risks. The unstable situation in the Finnish real estate market may complicate the transactions and weaken the availability of financing.

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. In addition, conference and catering sales are highly dependent on the general economic climate.

The risks and uncertainties of internal services 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. However, the target was not achieved during the financial year.

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 are always used to hedge loan liabilities. 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.

Due to the incomplete financing and balance sheet structure arrangements, temporary deviations from the policy objectives may be made in 2024 and 2025.

PERSONNEL

During the year under review, Ylva had an average of 125 employees. At the end of the year, the number of employees was 134 (2023: 132).

Summary of indicators related to Ylva's personnel

	2024	2023	2022
Average number of employees	125	126	110
Salaries and bonuses (EUR million)	4.8	4.5	3.7

MANAGEMENT, GOVERNANCE AND AUDITORS

Until 23 October, Leea Tolvas served as the CEO of Ylva Services Ltd. Pekka Huotari served as the interim CEO from 24 October to 26 November 2024. Mika Perkiö became the CEO of Ylva Services Ltd on 27 November.

During the financial year, the members of Ylva's Executive Team were as follows:

- Leea Tolvas, CEO of Ylva, until 23 October
- Pekka Huotari, Interim CEO of Ylva, from 24 October to 26 November 2024
- Mika Perkiö, CEO of Ylva, since 27 November
- Anne Immonen, Business Director, Restaurants
- Ville Vaarala, Real Estate Director
- Eelis Rytkönen, Chief Impact Leader.

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 12 times during the financial year. The attendance rate at Board meetings was 97 per cent. The members of Ylva's Board of Directors were as follows:

- Mika Heikkilä, Chair
- Tuomas Aho (until 31 March)
- Christoffer Aminoff (from 1 April)
- Jaakko Hietala, assessor (until 31 March)
- Mikko Järveläinen (until 31 March)
- Tuukka Kainulainen (from 1 April)
- Timo Kalliokoski
- Hanna-Mari Manninen, expert member (from 1 April)
- Joonas Pulliainen
- Tarja Pääkkönen, assessor
- Reima Rytsölä, expert member (until 31 March)
- Mari Tyster, expert member (from 1 April)
- Aleksi Tujunen
- Erkka Valkila, assessor
- 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 decisions 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 task of the Audit Committee is to prepare, monitor, develop and assess matters relating to risk management, tax matters, internal control systems, financial reporting and auditing and internal audit. The audit committee convened twice during the financial period and the attendance rate at the meetings was 100 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 five times during the financial year. The attendance rate at the investment committee's meetings was 96 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 prepares proposals to the Board of Directors of Ylva on short-term and long-term management remuneration as well as general principles concerning remuneration. In addition, the HR committee takes care of the development of remuneration and prepares proposals to the Board of Directors for the review of management salaries and benefits. The HR committee convened seven times during the financial year. The attendance rate at the HR committee's meetings was 96 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 2024, having been elected to this position at the Annual General Meeting.

SUSTAINABILITY AND RESPONSIBILITY

Our business areas are developed and managed in an ecologically, socially and economically sustainable manner. Sustainability is incorporated into all of Ylva's work: Ylva's mission is to conduct responsible business operations by building a vibrant and sustainable city and producing services for the University community. Ylva Services Ltd'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 and maintenance 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 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 Science Based Targets initiative (SBTi) and the UN Global Compact – play a part in determining Ylva's operating principles and disclosures.

In April 2024, Ylva published its Irresponsibility Report, which attracted interest both nationally and internationally, resulting in dozens of speaker requests and more than 12,000 readers. For example, the report honestly aligned Ylva's carbon neutrality target with the development of EU directives. As a result, Ylva does not claim to reverse the emissions it causes, but specifies the environmental harm caused, which it aims to minimise, as well as the targeted environmental benefit that Ylva aims to maximise.

The measures aimed at minimising and maximising environmental harm and benefits are documented annually in Ylva's carbon budget. In order to bear responsibility for the harm caused, Ylva collects internal carbon tax tied to the emissions caused and profit. Ylva will accumulate the amount as a responsibility budget, which will be invested in environmental actions at the end of the year. The percentage budgeted for 2025 is small: 1 per cent of the profit. The aim is to increase the share year by year.

In 2024, Ylva will invest EUR 3,000 through the John Nurminen Foundation (JNS) to improve the state of the Baltic Sea, as, according to the nature footprint survey carried out by Ylva, more than 60 per cent of the eutrophication potential of Ylva's raw material procurement concerns the Baltic Sea catchment area. JNS does impressive work, for example, by treating fields with gypsum and recycling nutrients from animal farms to plant farms. Ylva does not claim that the measures will reverse the harm caused and admits that the investment is small. For example, compared to the emissions from the lunch service at UniCafe Biokeskus, which opened in autumn 2024, the investment amounted to EUR 88 per tonne of CO_2e. UniCafe Biokeskus' emissions represent less than 1 per cent of Ylva's 2024 emissions. The impact of the selected project can be criticised, but as ecosystems deteriorate, their carbon sequestration capacity deteriorates, and the Baltic Sea plays an obvious role in slowing down climate change. In addition, there is an obvious link between the cyanobacterial situation on the Baltic Sea shores and diet, which can awaken individuals to consider the impacts of their own choices on the environment.

In 2023, Ylva was accepted as one of the participants in the Science Based Targets for Nature pilot programme of UN Global Compact Finland. As a result of the programme, Ylva developed its nature work based on the 2024 Science Based Targets Network (SBTN) framework and investigated the nature footprints of its restaurant business and two significant construction projects. With the nature footprint survey, Ylva became aware of the extent of the supply chain and the local eutrophication of the Baltic Sea and the major impacts of rice farming on nature, for example. A decision was made to systematically replace rice with Finnish oats, which also have the potential to save more than 100 tonnes of CO_2e, or approximately 5 per cent of UniCafe's emissions. In late 2024, Ylva applied for the UN Global Compact's Business and Human Rights Accelerator programme to improve the assessment of the social impacts of the identified supply chain.

Indicators related to the sustainability of Ylva's properties, Scope 1 & Scope 2 2023–2024

	2024			2023		
	Consumption (MWh)*	Market-based emissions (tCO_2e)	Location-based emissions (tCO_2e)**	Consumption (MWh)	Market-based emissions (tCO_2e)	Location-based emissions (tCO_2e)**
Purchased heating energy used by the properties	8,353	0	1,145	8,823	0	1,430
Purchased cooling energy used by the properties	1,789	0	0	878	0	0
Purchased electricity used by the properties	9,429	0	312	8,270	0	802
Energy produced by solar panels installed at the properties	14	0	0	26	0	0
Energy produced by air source heat pumps installed at the properties	0	0	0	257	0	0
TOTAL	19,584	0	1,456	18,254	0	2,232

The consumption figures are based on actual invoiced and measured 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. Production data for solar energy and heat pump solutions is based on measurements.

* The figures for 2024 include the commissioned Lyyra apartments and hotel and Grand Hansa.

** The district heating emissions calculated using the location-based protocol are based on Helen's specific district heating emissions in 2024. The specific emissions of electricity are based on Fingrid's emission value of energy consumed in Finland in 2024 (33 g/kWh). The specific emissions of electricity in 2023 are based on the Statistics Finland's location-based coefficient for 2022 (97 g/kWh).

Waste management emissions at Ylva's properties (Scope 3) 2022–2024

	2024	2023	2022
Recycling rate	62%	51%	46%
Emissions (tCO_2e)	12.2	6.3	4.8

Estimated construction-related emissions (Scope 3) in Ylva's renovation and new construction projects before the commissioning of the buildings (YM50, A1–A5) 2020–2024

	2020–2024		
	Emissions before commissioning (A1–A5, YM50, tCO_2e)	gross m^2	Emissions before commissioning $kgCO_2e$/gross m^2
Lyyra (calculated using the YM50 method 2020)	13,000	28,200	461
Lyyra (amounts reassessed with material choices made in 2024)	11,000	28,200	390
Grand Hansa (calculated using the YM50 method 2020)	3,000	19,500	154
Grand Hansa (calculated using the updated YM50 method 2023)	4,400	19,500	226
Supermetrics tenant change in Kaivotalo (according to FiGBC tenant change carbon footprint calculation instructions, 2024)	24	260	91

Sustainability indicators for Ylva's restaurants

	2024	2023	2022
Share of vegetarian and vegan meals among all meals sold (%)	48	48	48
Share of vegan meals among all meals sold (%)	47	45	40
Average carbon footprint of sold lunch meals ($kgCO_2e$/meal)	0.64	0.64	0.65
Cumulative emissions from lunches sold (tCO_2e)	1,200	1,030	920
Coverage of the carbon footprint calculation of lunch meals (% of lunch meals sold)	98%**	96%*	93%*

** Buffet lunches are included in the calculation.

* Buffet lunches are not included in the calculation.

Ylva also started working with Carbonlink to find out all of its Scope 3 emission sources directly from purchase invoice data. The preliminary estimates for 2022 and 2023 indicate that more than 50 per cent of Ylva's reported Scope 3 emissions have been missing, as the reported figures only cover the assumed largest emissions. There are still inconsistencies in the emissions data for 2024 from the exercise with Carbonlink. Nevertheless, based on internal calculations, the difference is less than 5 per cent for lunch emissions, for example, which indicates that the method is valid.

As in previous years, zero-emission energy was used in all properties owned by Ylva. After the completion of Lyyra and Grand Hansa, the total consumption of purchased energy in Ylva's property portfolio increased by approximately 7 per cent. However, consumption per square metre remained almost unchanged compared to 2023. Lyyra also achieved energy class A, and both projects were awarded LEED Platinum sustainability certificates. The projects' construction-time emissions were reduced by approximately 10 per cent on average through design choices. In addition, the carbon footprint of one 260 m^2 tenant change in Kaivotalo was calculated in 2024, but its share of emissions was small: approximately 24 tonnes of CO_2e. Another smaller office was renovated using only surplus materials.

In 2024, Ylva's recycling rate increased to 62 per cent (2023: 51%). However, more than twice as much waste was produced as the use of properties and the number of visitors increased, which almost doubled the amount of waste management emissions to 12.2 tonnes of CO_2e (2023: 6.3 tCO_2e). However, the increase in the recycling rate was facilitated by more efficient final waste sorting, which made it possible to recover a large part of the energy fraction. The pilot started with the growth company Carrot encouraged the tenants of Kaivopiha properties to improve sorting at source.

The cumulative carbon footprint of lunches sold at UniCafe restaurants increased by approximately 16 per cent in 2024 due to the increase in lunch sales and the expansion of the calculation to cover buffet services, and was 1,197 tonnes of CO_2e (2023: 1,030 tCO_2e). The share of vegan meals sold increased to 46.7 per cent (2023: 45%). However, the average carbon footprint of lunches sold remained at the previous year's level of 0.64 $kgCO_2e$, which is explained by the high emissions of popular courses. The careful selection of products was also continued due to Russia's war of aggression. No new products were added to the boycott list in 2024. However, Unilever, for example, announced that it had divested its last Russia-related businesses. The Sustainability Agent programme was also continued, which involves personnel representatives monitoring the use of sustainable practices at the restaurants.

In 2024, Ylva committed to the Ministry of the Environment's Circular Economy Green Deal, committing to proclaim goals for improving the utilisation rates of properties, halving construction material emissions, increasing the proportion of vegan food and minimising harm to nature. The amount of single-use plastic in take-away packaging was successfully reduced to 0.63 tonnes in 2024, significantly below the target of 0.86 tonnes by 2026. As in the previous year, take-away packaging was kept subject to a charge, plastic lids for disposable cups were only given to customers on separate request, and customers were allowed to use their own reusable containers for take-away purchases.

The Great Place To Work survey, which measures the well-being of employees, was carried out again in 2024, and the certificate was earned as in previous years. Ylva's anonymous whistleblowing channel made it possible to address any shortcomings observed in 2024. The problems were addressed, which made work easier at Ylva's construction sites.

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

EVENTS AFTER THE FINANCIAL YEAR, DEVELOPMENT OUTLOOK AND CONTINUITY OF OPERATIONS

Following the completion of significant construction projects in the city centre and Hakaniemi in 2024, the focus for the current financial year has shifted to rental measures, continuous cost management and optimisation, post-monitoring of construction projects and the development of the restaurant business. In addition to the business objectives, Ylva Group aims to reduce its debt level in order to establish a sustainable basis for its operations. Decreasing the debt level requires the realisation of assets.

At the end of the financial year, the covenants related to the EUR 231.6 million financing of HYY Real Estates were not met. This gives syndicated financing providers the right to demand the immediate repayment of all loans. After the end of the financial year, Ylva agreed with the company's financiers on 20 March 2025 that all payments such as amortisation of Ylva's loans will not be made until 30 September 2025, so that Ylva has time to draw up a debt management plan and start implementing it. As part of the implementation of the debt management plan, Ylva sold the Lyyra apartment and hotel property on 27 March 2025. Close negotiations are underway with the financiers, and the management believes that the negotiations will be completed by the end of Q3/2025. To ensure the continuity of operations, a plan has been drawn up with the aim of securing Ylva's financing in the future. The realisation of the plan requires successful large-scale asset realisations and financing restructuring as well as the approval of the financiers. If the measures are not successful, it is likely to compromise the continuity of operations.

In 2025, the Group's net sales and operating margin may decrease from the level of 2024 as a result of potential real estate sales. Although net sales and EBITDA are expected to decline in the real estate business, real estate sales will potentially lower the amount of loans and thereby also interest expenses. Moderate growth in net sales and profit is expected in the restaurant business. The aim has been to cut the costs of internal services, which will be reflected in a decrease in internal sales and margin.

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 2024 amounted to EUR 3.4 million (2023: EUR 3.8 million). Of this amount, EUR 1.5 million was covered by membership fees and EUR 0.1 million was covered by proactive fundraising, grants and collections. The student union membership fee for 2024 – EUR 57.00 per member – was among the lowest student union fees in Finland. The EUR 1.8 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, and an internal loan arrangement agreeed upon with HYY Real Estates.

Financial statements

INCOME STATEMENT

EUR	Note number	1 Jan–31 Dec 2024	(%)	1 Jan–31 Dec 2023	(%)
NET SALES	1	33,170,624	100.0	29,270,464	100.0
Other operating income	2	3,001,442	9.0	6,391,604	21.8
Materials and services	3	-7,907,213	23.8	-7,654,166	26.1
Personnel expenses	4	-5,688,685	17.1	-5,420,836	18.5
Depreciation and impairment	5, 9, 10	-84,046,484	85.7	-32,234,330	110.1
Other operating expenses	6	-9,197,941	27.7	-10,157,420	34.7
OPERATING PROFIT (LOSS)		-70,668,256	-45.4	-19,804,684	-67.7
Financial income and expenses	7				
Other interest and financial income		184,281	0.6	1,010,634	3.5
Interest expenses and other financial expenses		-14,540,733	43.8	-10,136,089	34.6
Total financial income and expenses		-14,356,453	43.3	-9,125,455	31.2
PROFIT (LOSS) BEFORE TAXES		-85,024,708	-88.7	-28,930,139	-98.8
Income taxes	8	-230,781	0.7	-9,898	0.0
Minority interests		11,017,502	33.2	11,906,832	40.7
PROFIT (LOSS) FOR THE FINANCIAL PERIOD		-74,237,987	-56.2	-17,033,205	-58.2

BALANCE SHEET

EUR	Note number	31 Dec 2024	(%)	31 Dec 2023	(%)
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	9				
Intangible rights		114,895		229,789	
Other intangible assets		7,911,965		8,608,876	
		8,026,859	2.6	8,838,665	2.7
Tangible assets	5, 10				
Land		23,646,656		41,874,554	
Buildings and constructions		186,596,646		92,028,053	
Machinery and equipment in buildings		15,743,497		8,420,820	
Machinery and equipment		4,252,942		296,395	
Other tangible assets		1,043,680		1,113,144	
Advance payments and acquisitions in progress		2,225,798		135,409,236	
		233,509,217	92.3	279,142,204	86.0
Investments	11				
Other shares and holdings		624,811	0.2	624,811	0.2
TOTAL NON-CURRENT ASSETS		242,160,889	95.1	288,605,680	88.9
CURRENT ASSETS					
Inventories					
Finished products/goods		120,492	0.0	118,359	0.0
RECEIVABLES	12				
Long-term					
Receivables from associated companies		1,112,409	0.4	0	
Short-term receivables					
Trade receivables		3,077,680		3,212,895	
Receivables from owners		3,355		10,860	
Loan receivables		450		4,750	
Other receivables		2,678,514		7,151,469	
Prepayments and accrued income		623,233		547,084	
		6,383,231	2.0	10,927,058	3.4
Cash and cash equivalents		7,890,010	2.5	24,982,695	7.7
TOTAL CURRENT ASSETS		15,506,143	4.9	36,028,113	11.1
ASSETS		257,667,032	100.0	324,633,792	100.0

EUR	Note number	31 Dec 2024	(%)	31 Dec 2023	(%)
LIABILITIES AND SHAREHOLDERS' EQUITY					
SHAREHOLDERS' EQUITY	13				
Equity		3,000,000		3,000,000	
Reserve fund		207,484		207,484	
Retained earnings (losses)		28,023,571		45,056,776	
Profit (loss) for the financial period		-74,237,987		-17,033,205	
TOTAL SHAREHOLDERS' EQUITY		-43,006,931	4.0	31,231,055	9.6
MINORITY INTERESTS		5,644,790	1.8	16,662,293	5.1
MANDATORY PROVISIONS		569,364		1,835,000	
LIABILITIES	14				
Long-term					
Loans from financial institutions		0		226,659,351	
Advances received		3,700,000		0	
Other liabilities		8,406,917		0	
Deferred tax liabilities		143,879		164,130	
		12,250,796	3.9	226,823,481	69.9
Short-term					
Loans from financial institutions		274,793,713		33,120,926	
Advances received		910,746		560,376	
Trade payables		1,103,098		7,031,242	
Liabilities to owners		1,476		0	
Other liabilities		463,351		3,151,610	
Accrued expenses and deferred income		4,936,629		4,217,810	
		282,209,012	90.1	48,081,964	14.8
TOTAL LIABILITIES		294,459,809	94.0	274,905,444	84.7
LIABILITIES AND SHAREHOLDERS' EQUITY		257,667,032	100.0	324,633,792	100.0

CASH FLOW STATEMENT

EUR	2024	2023
OPERATING CASH FLOW		
Operating profit	-70,668,256	-19,804,684
Adjustments to operating profit		
Planned depreciation	9,372,674	7,574,330
Other adjustments	70,006,858	23,352,058
Change in working capital		
Change in non-current non-interest-bearing liabilities, increase (+)	3,072,500	0
Inventories, increase/decrease (-/+)	-2,133	-29,481
Short-term receivables, increase/decrease (-/+)	5,476,326	-2,403,645
Interest-bearing short-term debt, increase/decrease- (+/-)	-3,120,272	-3,476,392
Taxes and fees paid	-14,544,046	-8,643,857
Financial income received	184,281	1,010,634
Taxes paid	-251,032	-76,437
OPERATING CASH FLOW	-473,099	-2,497,474

EUR	2024	2023
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-34,806,731	-89,065,939
Proceeds from sales of tangible and intangible assets	3,173,710	32,976,670
Investment portfolio dividends and refunds of fees	0	6,107
CASH FLOW FROM INVESTMENTS	-31,633,021	-56,083,162
CASH FLOW FROM FINANCING		
Withdrawal (+)/repayment (-) of short-term loans	15,013,436	23,720,181
Withdrawal (+) of long-term loans	0	93,913,346
Repayment of long-term loans (-)	0	-51,328,953
Investment in equity	0	1,515,534
CASH FLOW FROM FINANCING	15,013,436	67,820,108
Change in cash and cash equivalents	-17,092,685	9,239,472
CASH AND CASH EQUIVALENTS, 1 JAN	24,982,695	15,743,224
CASH AND CASH EQUIVALENTS, 31 DEC	7,890,010	24,982,695

NOTES TO THE FINANCIAL STATEMENTS

Ylva Group's parent entity is HYY Real Estates (domiciled in Helsinki). HYY Real Estates owns 56 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 and impairment. 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 15–50 years
- Machinery and equipment in buildings 5–20 years
- Machinery and equipment 3–5 years
- Other tangible assets 20 years

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

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

Kiinteistö Oy Lyyran Asunnot, Kiinteistö Oy Lyyran Hotelli and Kiinteistö Oy Kaivokatu 12 wrote down the value of the properties during the financial year. The impairments are based on an external assessor's estimate of the fair value and the value derived from the purchase price received for the Lyyra property. The values of properties have declined due to factors such as the unfavourable development of the property market and increased yield requirements.

Information on the difference between the fair value and carrying amount of properties is presented under the heading Fair values of properties.

The estimated fair values of properties were calculated by Jones Lang LaSalle Finland Oy, an authorised property valuer.

The fair 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.

The uncertain situation in the real estate market may affect the purchase price of properties in any sale situation.

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.

Continuity of operations

At the end of the financial year, the covenants related to HYY Real Estates were not met, which gives Ylva's syndicate financiers the right to demand the repayment of Ylva's loans. After the end of the financial year, Ylva agreed with the company's financiers on 20 March 2025 that all payments such as amortisation of Ylva's loans will not be made until 30 September 2025, so that Ylva has time to draw up a debt management plan and start implementing it. As part of the implementation of the debt management plan, Ylva sold the Lyyra apartment and hotel property on 27 March 2025. Close negotiations are underway with the financiers, and the management believes that the negotiations will be completed by the end of Q3/2025.

To ensure the continuity of operations, a plan has been drawn up with the aim of securing Ylva's financing in the future. The realisation of the plan requires successful large-scale asset realisations and financing restructuring as well as the approval of the financiers. If the measures are not successful, it is likely to compromise the continuity of operations.

NOTES TO THE INCOME STATEMENT

1. Distribution of net sales

EUR	2024	2023
By business sector		
Real estate	19,736,456	16,776,353
Restaurants	13,434,169	12,494,112
TOTAL	33,170,624	29,270,464
By market area		
Finland	33,170,624	29,270,464

2. Other operating income

EUR	2024	2023
Profit from the sale of fixed assets	931,226	5,848,295
Other	2,070,216	543,309
TOTAL	3,001,442	6,391,604

Profits from the sale of fixed assets include the proceeds from the sale of the property in Leppäsuo and other operating income includes damages for breach of contract.

3. Materials and services

EUR	2024	2023
Raw materials and consumables	5,239,115	4,812,582
External services	2,668,098	2,841,585
TOTAL	7,907,213	7,654,166

4. Personnel and members of governing bodies

EUR	2024	2023
Personnel expenses		
Salaries and bonuses	4,775,539	4,476,264
Pension contributions	792,008	768,498
Other personnel expenses	121,139	176,075
TOTAL	5,688,685	5,420,836
Salaries and bonuses for the management		
Ylva's CEO, including fringe benefits	212,557	262,000
Members of Ylva's Board of Directors	100,450	103,700
TOTAL	313,007	365,700

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.

Pension commitments for the management

There are no pension commitments pertaining to the management.

Average number of employees during the financial year

	2024	2023
Personnel	125	126

5. Depreciation and impairment

EUR	2024	2023
DEPRECIATION BY FIXED ASSET CLASS		
Intangible assets		
Intangible rights	114,895	129,329
Other intangible assets	2,455,644	2,726,248
Tangible assets		
Buildings and constructions	5,126,490	3,502,967
Machinery and equipment in buildings	1,343,039	1,024,441
Machinery and equipment	263,142	121,880
Other tangible assets	69,465	69,465
Impairment of non-current assets[1]	74,673,810	24,660,000
TOTAL	84,046,484	32,234,330

[1] The impairments are related to KOy Lyyran Asunnot and KOy Lyyran Hotelli (EUR 19.1 million) and KOy Kaivokatu 12 (EUR 55.6 million). The impairments are based on an external assessor's estimate of the fair value and the value of the property derived from the purchase price received for the Lyyra property.

6. Auditor's fees and services

EUR	2024	2023
Auditing	81,363	80,891
Tax advice	18,448	5,322
Other services	148,137	174,608
TOTAL	247,948	260,821

7. Financial income and expenses

EUR	2024	2023
Other interest and financial income		
From others	184,281	1,010,634
Total financial income	184,281	1,010,634
Interest expenses and other financial expenses		
To others	-14,540,733	-10,136,089
Total financial expenses	-14,540,733	-10,136,089
TOTAL	-14,356,453	-9,125,455

8. Assessed taxes

EUR	2024	2023
Change in deferred tax liabilities		
Due to appropriations	-230,781	-9,898
TOTAL	-230,781	-9,898

NOTES TO THE BALANCE SHEET

9. Intangible assets

EUR	2024	2023
INTANGIBLE RIGHTS		
Acquisition cost, 1 Jan	1,334,502	1,334,502
Additions	0	0
Acquisition cost, 31 Dec	1,334,502	1,334,502
Accumulated depreciation, 1 Jan	-1,104,713	-975,384
Depreciation for the financial period	-114,895	-129,329
Accumulated depreciation, 31 Dec	-1,219,608	-1,104,713
Carrying value, 31 Dec	114,895	229,789
OTHER INTANGIBLE ASSETS		
Acquisition cost, 1 Jan	36,513,617	37,807,630
Additions	31,443	0
Decreases	-1,311,151	-2,084,147
Transfers from acquisitions in progress	2,164,601	790,134
Acquisition cost, 31 Dec	37,398,510	36,513,617
Accumulated depreciation, 1 Jan	-27,904,742	-25,774,654
Accumulated depreciation on decreases and transfers	873,840	596,160
Depreciation for the financial period	-2,455,644	-2,726,248
Accumulated depreciation, 31 Dec	-29,486,545	-27,904,742
Carrying value, 31 Dec	7,911,965	8,608,876

10. Tangible assets

EUR	2024	2023
LAND		
Acquisition cost, 1 Jan	41,874,554	49,107,344
Additions	719,402	318,730
Decreases	-18,147	-7,551,520
Transfers from acquisitions in progress	24,735	0
Impairment	-18,953,889	0
Acquisition cost, 31 Dec	23,646,656	41,874,554
Carrying value, 31 Dec	23,646,656	41,874,554
BUILDINGS AND CONSTRUCTIONS		
Acquisition cost, 1 Jan	159,223,707	163,174,422
Decreases	-3,191,030	-42,162,556
Transfers from acquisitions in progress	156,831,401	38,211,841
Acquisition cost, 31 Dec	312,864,079	159,223,707
Accumulated depreciation, 1 Jan	-67,195,654	-66,794,559
Accumulated depreciation on decreases and transfers	1,289,922	3,101,872
Impairment	-55,235,211	
Depreciation for the financial period	-5,126,489	-3,502,967
Accumulated depreciation, 31 Dec	-236,267,433	-67,195,654
Carrying value, 31 Dec	186,596,646	92,028,053
MACHINERY AND EQUIPMENT IN BUILDINGS		
Acquisition cost, 1 Jan	23,095,727	20,758,460
Additions	0	0
Decreases	0	-6,276,121
Transfers from acquisitions in progress	8,665,717	8,613,388
Acquisition cost, 31 Dec	31,761,444	23,095,727

EUR	2024	2023
Accumulated depreciation, 1 Jan	-14,674,907	-13,796,645
Accumulated depreciation on decreases and transfers	0	146,178
Depreciation for the financial period	-1,343,039	-1,024,441
Accumulated depreciation, 31 Dec	-16,017,947	-14,674,907
Carrying value, 31 Dec	15,743,497	8,420,820
MACHINERY AND EQUIPMENT		
Acquisition cost, 1 Jan	2,484,279	2,356,256
Additions	122,770	206,750
Decreases	0	-78,727
Transfers from acquisitions in progress	4,096,918	0
Acquisition cost, 31 Dec	6,703,967	2,484,279
Accumulated depreciation, 1 Jan	-2,187,883	-2,136,770
Accumulated depreciation on decreases and transfers	0	70,766
Depreciation for the financial period	-263,142	-121,880
Accumulated depreciation, 31 Dec	-2,451,025	-2,187,883
Carrying value, 31 Dec	4,252,942	296,395
OTHER TANGIBLE ASSETS		
Acquisition cost, 1 Jan and 31 Dec	2,117,320	2,117,320
Accumulated depreciation, 1 Jan	-1,004,175	-934,711
Depreciation for the financial period	-69,465	-69,465
Accumulated depreciation, 31 Dec	-1,073,640	-1,004,175
Carrying value, 31 Dec	1,043,680	1,113,144
ADVANCE PAYMENTS AND ACQUISITIONS IN PROGRESS		
Acquisition cost, 1 Jan	135,409,236	115,966,433
Additions	64,569,381	91,718,167
Decreases	-25,250,046	-24,660,000

EUR	2024	2023
Transfers between asset items	-172,502,773	-47,615,363
Acquisition cost, 31 Dec	2,225,798	135,409,236
Carrying value, 31 Dec	2,225,798	135,409,236

Fair values of properties[1]

EUR	2024	2023
FAIR VALUES		
Central real estate properties	288,400,000	300,100,000
Mannerheimintie 3–5, Kaivokatu 10, Aleksanterinkatu 23 Area of the plot: 11,612 m^2 Gross leasable area (GLA) 43,948 m^2		
Leppäsuo properties	34,700,000	38,700,000
Leppäsuonkatu 9, Hietaniemenkatu 14 Area of the plot: 3,748 m^2 Gross leasable area (GLA) 8,473 m^2		
Domus Gaudium	7,500,000	7,100,000
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) 3,248 m^2		
TOTAL FAIR VALUE	330,600,000	345,900,000
TOTAL CORRESPONDING CARRYING VALUE	180,232,267	131,023,910
DIFFERENCE BETWEEN FAIR VALUE AND CARRYING AMOUNT	150,367,733	214,876,090

[1] The fair value is stated if it is materially different from the carrying amount.
The accounting principles in the financial statements describe the calculation principles used.

11. Investments

EUR	2024	2023
OTHER SHARES AND HOLDINGS		
Acquisition cost, 1 Jan	1,048,977	1,048,977
Additions	0	0
Decreases	0	0
Acquisition cost, 31 Dec	1,048,977	1,048,977
Accumulated value changes, 1 Jan	-424,165	-424,165
Decreases	0	0
Value changes during the financial period	0	0
Accumulated value changes, 31 Dec	-424,165	-424,165
Carrying value, 31 Dec	624,811	624,811

	Group ownership (%)	Parent entity ownership (%)
GROUP COMPANIES		
Ylva Services Ltd	100.0	100.0
KOy Lyyran Asunnot	56.0	56.0
KOy Lyyran Hotelli	56.0	56.0
Kiinteistö Oy Kaivokatu 12	100.0	100.0
Ylva Helsinki Ltd	100.0	100.0
Kiinteistö Oy Leppätalo	61.1	61.1
Helsingin Lyyra GP Oy	100.0	100.0
Helsingin Lyyra Ky	56.0	56.0

12. Receivables

EUR	2024	2023
LONG-TERM RECEIVABLES		
Receivables from associated companies		
Loan receivables	1,112,409	0
SHORT-TERM RECEIVABLES		
Receivables from owners		
Trade receivables	3,355	10,860
Material items of prepayments and accrued income		
Related to personnel	44,768	33,879
Other	578,464	513,205
Total	623,233	547,084
Deferred tax assets		
From confirmed losses	1,800,067	473,479
From deferred depreciation	33,120	38,296
Total	1,833,187	511,775

No deferred tax assets have been recognised.

13. Shareholders' equity

EUR	2024	2023
RESTRICTED EQUITY		
Equity, 1 Jan and 31 Dec	3,000,000	3,000,000
Equity, 31 Dec	3,000,000	3,000,000
Reserve fund, 1 Jan and 31 Dec	207,484	207,484
Reserve fund, 31 Dec	207,484	207,484
Total restricted equity	3,207,484	3,207,484
UNRESTRICTED EQUITY		
Retained earnings (losses), 1 Jan	28,023,571	45,056,776
Distribution of profit/capital	0	0
Retained earnings (losses), 31 Dec	28,023,571	45,056,776
Profit (loss) for the financial period	-74,237,987	-17,033,205
Total unrestricted equity	-46,214,416	28,023,571
TOTAL SHAREHOLDERS' EQUITY	-43,006,931	31,231,055

Ylva's equity became negative due to write-downs in the financial statements for 2024. This is due to the principle of separate valuation and the fact that the carrying amount of some properties significantly exceeded the estimated fair value. Ylva also owns properties with a carrying amount significantly lower than the fair value estimated by the property valuer JLL used by Ylva. Positive differences between fair values and carrying amounts related to properties only affect accounting in the event of realisation. At the end of 2024, the difference between Ylva's carrying amounts and fair value was EUR 150.4 million. The fair value has been calculated using an external assessor's estimate of the fair value and, for the Lyyra entity, the carrying amount.

14. Liabilities

EUR	2024	2023
INTEREST-BEARING LIABILITIES		
Long-term		
Loans from financial institutions	0	226,659,351
Short-term		
Loans from financial institutions[1]	274,793,713	33,120,926
Total interest-bearing liabilities	274,793,713	259,780,277
LONG-TERM LIABILITIES		
Advances received	3,700,000	0
Other liabilities	8,406,917	0
Total	12,106,917	0
Deferred tax liabilities		
Due to appropriations	143,879	164,130
SHORT-TERM LIABILITIES		
Liabilities to owners		
Trade payables	1,476	0
Material items of accrued expenses and deferred income		
Related to personnel	812,790	832,714
Interest	1,368,500	1,261,807
Taxes	77,074	76,437
Other	2,678,264	2,046,853
Total	4,936,629	4,217,810

[1] The covenants have been breached and the financiers have the right to immediately demand the repayment of HYY Real Estates loans (EUR 231.8 million).

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	2024	2023
LIABILITIES SECURED BY MORTGAGES ON REAL ESTATE AND PLEDGES		
Loans from financial institutions	274,793,713	259,780,277
Mortgages pledged to secure loans from financial institutions	419,460,000	419,460,000
Bank accounts pledged to secure loans from financial institutions	3,927,407	13,390,213
Bank accounts pledged to secure interest rate hedges	4,141	3,235,041
Fair value of receivables from pledged interest rate hedges	2,717,100	5,741,659
Lease receivables pledged to secure loans from financial institutions	2,169,973	1,998,074
OTHER PLEDGED COLLATERAL		
Pledged mortgages on real estate	3,525,051	1,025,051
GUARANTEES		
Issued on behalf of others		
For a loan from a financial institution	0	28,113
LEASE LIABILITIES		
Outstanding payments on tenancy agreements		
Payable in the next financial period	60,429	58,806
Payable later	242,230	99,751
	302,660	158,557

EUR	2024	2023
Leasing liabilities		
Payable in the next financial period	7,340	0
Payable later	9,054	0
	16,394	0
Value added tax repayment obligation		
VAT repayment obligation on real estate investments	38,328,231	24,961,181
DERIVATIVES		
Electricity forward contracts		
Fair value	-123,322	-165,431
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	111,000,000	111,000,000
Fair value (according to bank notification)	2,717,100	5,741,659
Interest rate swaps are used to turn the variable interest rates on loans into fixed rates. On 31 December 2024, 48% of the loan portfolio was hedged. The interest rate swaps will mature in 2026.		

SIGNATURES TO THE FINANCIAL STATEMENTS AND ANNUAL REPORT

Helsinki, 30 April 2025

Kim Holmberg
Chair

Emil Aarnio

Tuukka Kainulainen

Antti Kaijansinkko

Hanna-Mari Manninen

Joonas Pulliainen

Mari Tyster

Erkka Valkila

Mika Perkiö
CEO

AUDITOR'S STATEMENT

A statement has been issued today on the performed audit.

Date of electronic signature

Auditing firm 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 financial statements for the financial year 1 January–31 December 2024. The financial statements comprise the consolidated ("entity") balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the entity'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 entity 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.

Material uncertainty related to the continuity of operations

We would like to draw attention to note Continuity of operations to the financial statements, according to which at the end of the financial year, the covenants related to HYY Real Estates were not met, which gives Ylva's syndicate financiers the right to demand the repayment of Ylva's loans. After the end of the financial year, Ylva agreed with the company's financiers on 20 March 2025 that all payments such as amortisation of Ylva's loans will not be made until 30 September 2025, so that Ylva has time to draw up a debt management plan and start implementing it. As part of the implementation of the debt management plan, Ylva sold the Lyyra apartment and hotel property on 27 March 2025. Close negotiations are underway with the financiers, and the management believes that the negotiations will be completed by the end of Q3/2025.

The note also states that to ensure the continuity of operations, a plan has been drawn up with the aim of securing Ylva's financing in the future. The realisation of the plan requires successful large-scale asset reallocations and refinancing arrangements as well as the approval of the financiers. If the measures are not successful, it is likely to compromise the continuity of operations.

These events and circumstances indicate a material uncertainty that may give significant reason to doubt the Group's ability to continue its operations.

Our opinion has not been adapted in this respect.

Emphasis on a particular aspect – measurement of properties

We would like to draw attention to section Non-current assets and depreciation of the accounting policies, which states that the properties have been measured at their acquisition cost less depreciation and impairment. Kiinteistö Oy Lyyran Asunnot, Kiinteistö Oy Lyyran Hotelli and Kiinteistö Oy Kaivokatu 12 wrote down the value of the properties during the financial year. The values of properties have declined due to factors such as the unfavourable development of the property market and increased yield requirements. The impairments are based on an external assessor's estimate of the fair value and the value of the investment derived from the purchase price received for the Lyyra property. The uncertain situation in the real estate market may affect the purchase price of properties in any sale situation.

Our opinion has not been adapted in this respect.

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 entity'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 entity 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 entity'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 entity'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 entity 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.
- Design and perform the entity's audit procedures in order to obtain audit evidence of the financial information concerning the entities or business units included in the entity that is sufficient and appropriate to provide a basis for our opinion. We are responsible for directing, supervising and reviewing the audit work carried out for the audit of the entity. We are solely responsible for the audit opinion.

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, 6 May 2025

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 Lyyran Asunnot, Kiinteistö Oy Lyyran Hotelli, Helsingin Lyyra Ky and Kiinteistö Oy Leppätalo) for 2024 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.

Pursuant to section 59 of HYY's administrative regulations, the Supervisory Board supports the discharge of liability granted to the administration.

Helsinki, 30 April 2025

On behalf of the Supervisory Board

Juunia Honkanen
Chair of the Supervisory Board

WWW.YLVA.FI