

BUSINESS REVIEW JANUARY-MARCH 2017



HOIVATILAT



Suomen Hoivatilat Oyj

Business Review for January–March 2017 (not audited)

Increased outlook

Business Review for January–March 2017

Suomen Hoivatilat Oyj stock exchange release on 18 May 2017, 8:00 a.m.

January–March 2017 in brief (January–March 2016 in brackets for comparison)

- Revenue: 2.49 (1.66) million euros, growth 49.4%
- Profit for the period: 3.10 (1.99) million euros, growth 55.5%
- Operational result: 0.88 (0.60) million euros, growth 47.6%
- Earnings per share 0.15 (0.13): euros, growth 15.4%
- Operational result per share 0.04 (0.04): euros, change 0.0%
- Value of investment properties: 173.25 (97.35) million euros, growth 78.0%
- Economic occupancy rate: 100% (100%)
- Net asset value (NAV) per share: 4.57 (3.24) euros, growth 41.0%
- Value of the agreement portfolio (no index increases): 233.92 (167.45) million euros
- Average maturity of the agreement portfolio: 14.1 (14.3) years.

Outlook for 2017

The company expects its total revenue to reach at least EUR 12 million in 2017. Operational result is expected to be at least EUR 4.5 million. The market value of the investment properties is expected to be between EUR 225 and 245 million at the end of 2017 (previously EUR 200–220 million).

Jussi Karjula, CEO:

The company's steady growth continues. Our revenue grew by 49.4%, the operational result increased by 47.6% and net asset value per share grew by 41.0% compared to the corresponding period in 2016. The market value of our investment properties grew by 12.0% compared to the end of 2016 (78.0% compared to the corresponding period in 2016), and their market value was EUR 173.2 million at the end of March. The valuation of investment properties on 31 March 2017 is based on the assumptions and return requirements that were applied to the financial statements for 2016. The next comprehensive external valuation of the investment property portfolio will be done on 30 June 2017.

On 1 March 2017, the company was moved from the First North list to Nasdaq Helsinki. The company carried out a directed offering for institutional investors, comprising 4,500,000 new shares and bringing in EUR 31.5 million in new capital before expenses. As a result, the company's capital re-

serves are excellent and major investments can be made in the property portfolio. The issue introduced notable investors into the company's owner base from Sweden, Norway and the UK, in addition to Finland. The number of the company's shareholders has more than quadrupled in the past year, reaching over 5,500 on 31 March 2017.

The average lease agreement maturity of completed and unfinished properties was 14.1 years on 31 March 2017, and the total value of the lease agreements (= future lease cash flow with no index increases) was EUR 233.9 million. Since March 31st, the company has signed agreements for ten new development projects. The combined market value of these projects is approximately EUR 23 million. Due to the new development projects, the company's financial estimates for 2017 will be adjusted with regard to the market value of the investment properties.

Five properties were completed during the reviewed period and immediately handed over to occupants for use. Furthermore, the company purchased one complete day care property. The purchase of another complete day care property was completed in early April 2017.

Financial calendar for 2017

Suomen Hoivatilat Oyj will publish its half-yearly financial report (January-June 2017) on 22 August 2017 and its business review (January–September 2017) on 9 November 2017.

In Oulu on 18 May 2017

Suomen Hoivatilat Oyj
Board of Directors

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