

Hoivatilat as a company

We are creating a better society and service environments with our partners.

Hoivatilat was established with this promise in 2008. Since January 2020, we have been part of the Belgian listed Aedifica SA Group.



ATTE NIITTYLÄ

Country lead, Aedifica Group
CEO, Hoivatilat Oyj



Hoivatilat



Finland

A stable, progressive Nordic welfare state

Independence

1917

Member of EU

1995

Member of NATO

2023

FINLAND IS THE 3RD LARGEST NORDIC COUNTRY RECOGNIZED GLOBALLY AS

- **The happiest country in the world** (UN WORLD HAPPINESS REPORT, 2022)
- **The 3rd most stable country in the world** (THE FRAGILE STATE INDEX, 2023)
- **Top 10 most innovative countries in the world** (GLOBAL INNOVATION INDEX, 2022)
- **The 2nd least corrupt country in the world** (CORRUPTION PERCEPTIONS INDEX, 2022)
- **The 6th best startup-ecosystem in Europe** (STARTUP GENOME, 2023)

KEY FACTS

Population: ca. 5.6 million

Area: ca. 338,000 km²

Capital: Helsinki

Currency: Euro (€)

GDP (2022)*: EUR 269 billion

GDP per capita (2022)*:
EUR 48,345

Main industries: Machinery,
forest & paper, electronics

* preliminary data

OUTSTANDING PERFORMANCE
IN EDUCATION

**Consistent
top rankings
in PISA tests**

ONE OF THE STRONGEST CREDIT
RATINGS IN EUROPE

AA+ (FITCH)

Aa1 (MOODY'S)

AA+ (S&P)



We develop, invest, own and lease



Care homes



Schools



Service communities



Day care centres



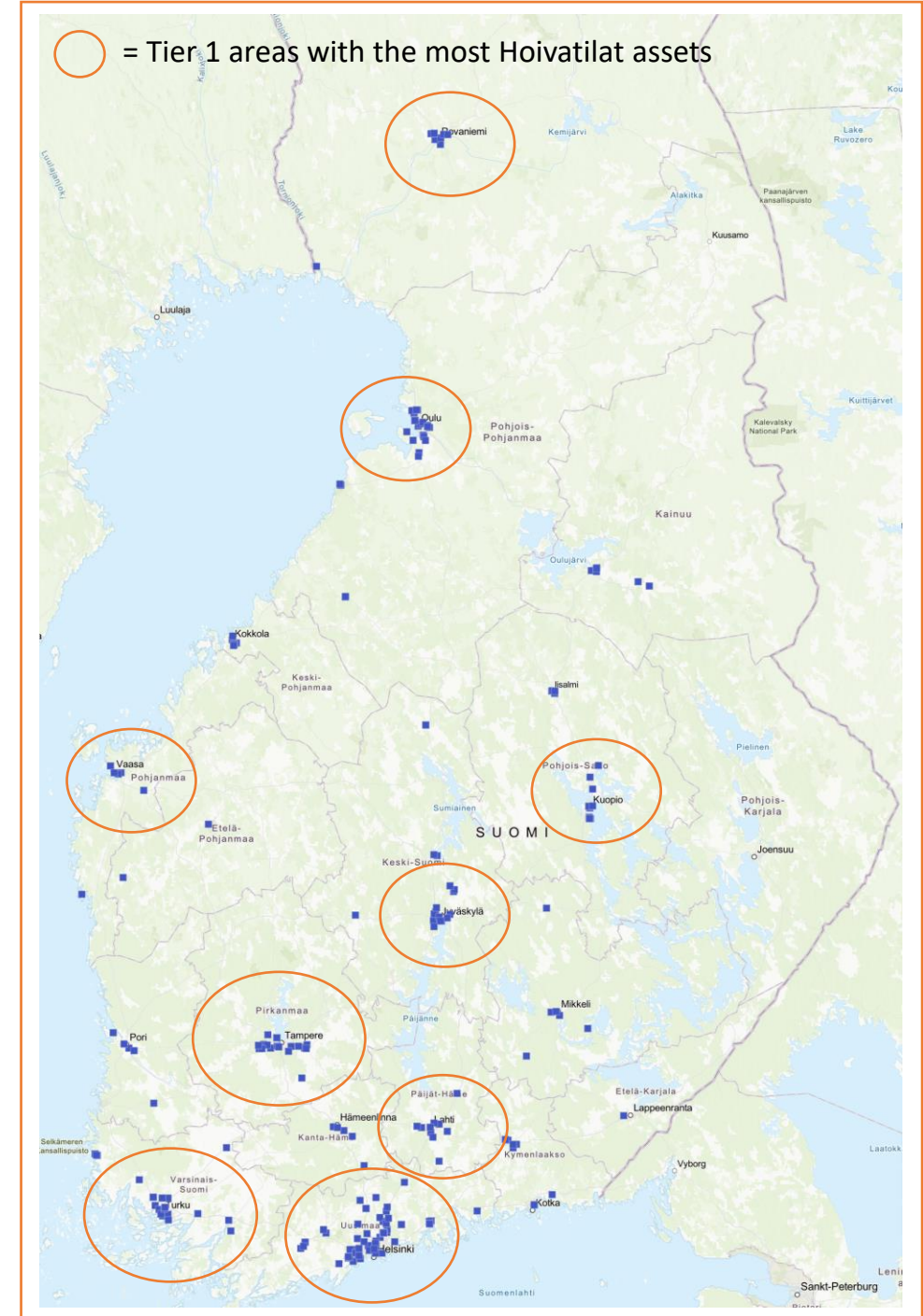
Properties for people
with special needs

- Full project development:
land acquisition, construction
company and tenant selection
- All largest professional operators in
Finland as tenants
- Inflation linked double-net
long lease agreements
- ~100 MEUR committed pipeline
with strong weight on public sector




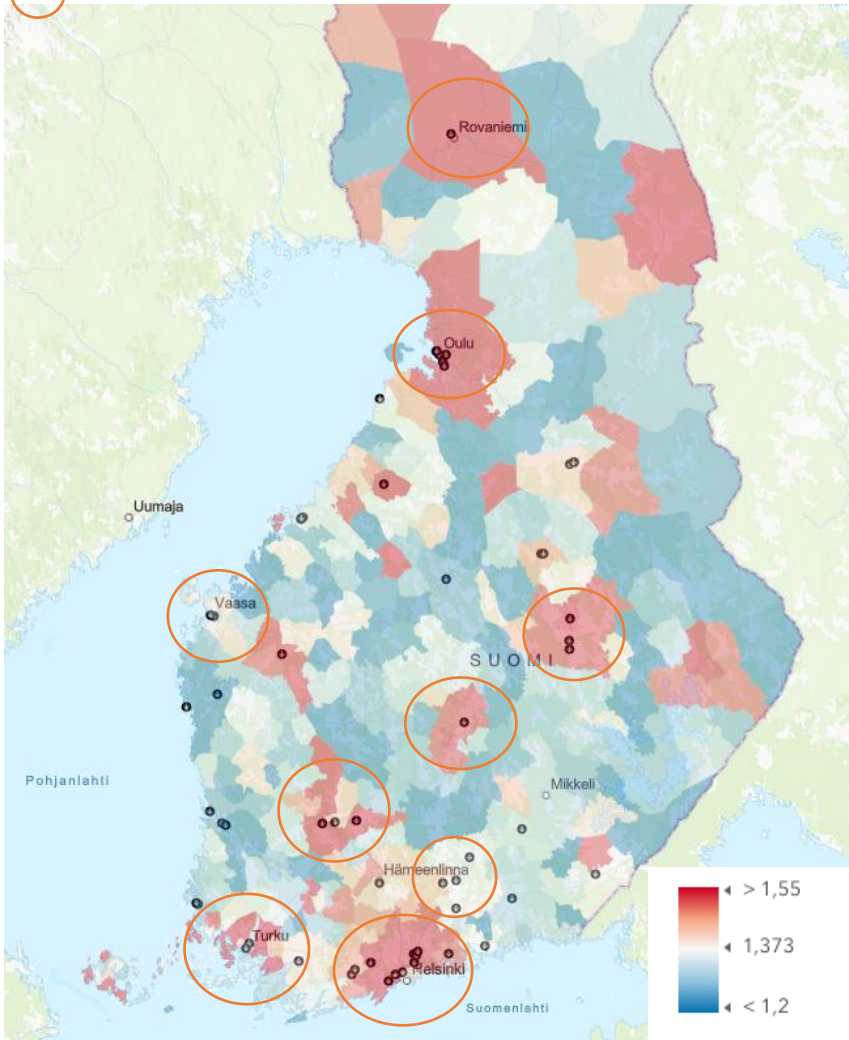
Hoivatilat assets

Hoivatilat assets by areas in Finland	Total amount of assets	Fair value (Meur) H1-2023	% - share of portfolio value
All areas in Finland	193	965	100 %
Tier 1 area	137	753	78 %
Tier 2 area	56	212	22 %
Tier 3 area	0	0	0 %
Top 6 biggest cities	91	502	52 %
Helsinki metropolitan area	40	245	25 %
Oulu area	20	128	13 %
Tampere area	16	69	7 %
Kuopio area	10	65	7 %
Turku area	15	60	6 %
Jyväskylä area	15	51	5 %
Lahti area	10	47	5 %
Vaasa area	6	26	3 %
Rovaniemi area	7	25	3 %




Population change between 2023-2040 and Hoivatilat assets

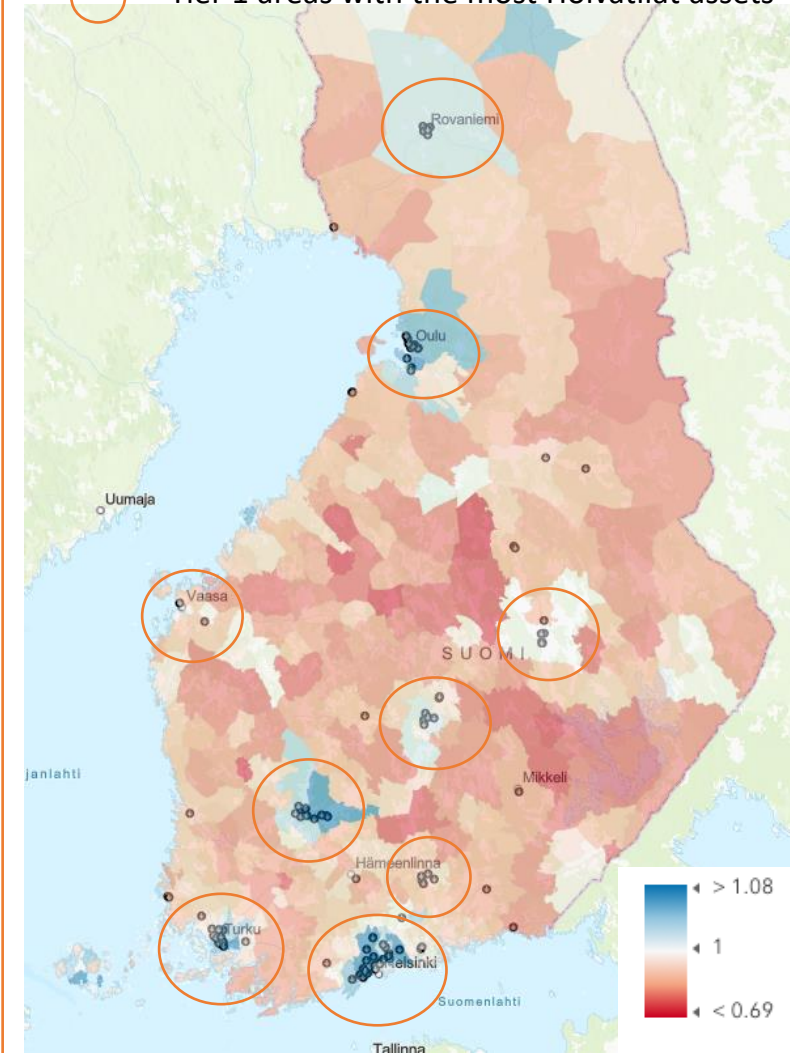
 = Tier 1 areas with the most Hoivatilat assets



About 70% of Hoivatilat elderly care homes are located inside biggest Tier1 areas

Change in the population of over 75 year-olds:
- Red indicates the highest change areas
- Blue indicates the lowest change areas

 = Tier 1 areas with the most Hoivatilat assets

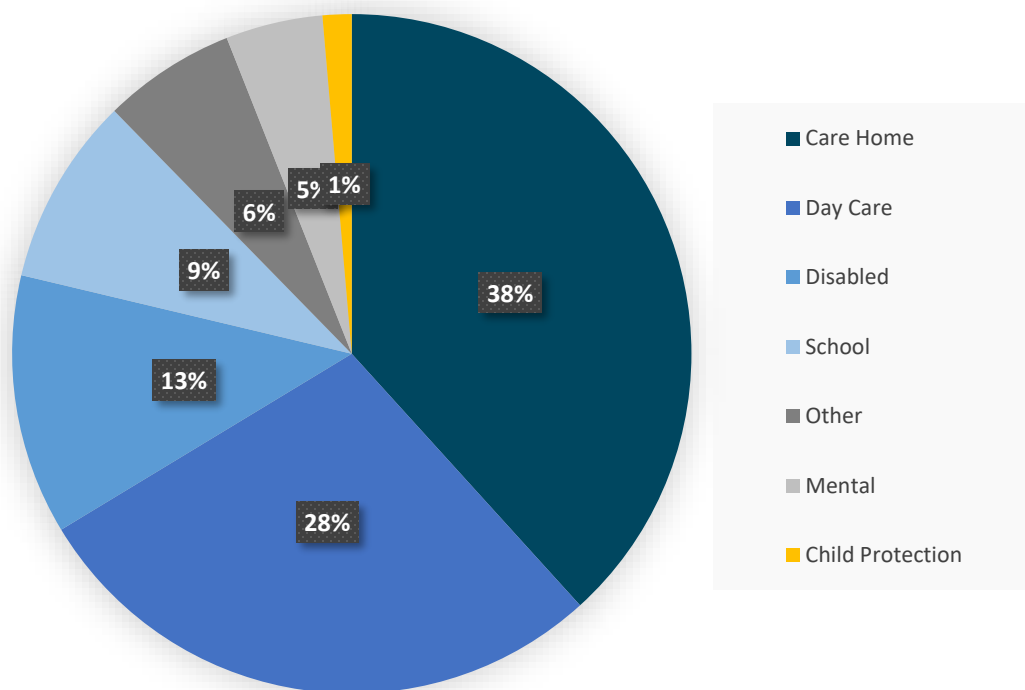


About 90% of Hoivatilat day care centres are located inside biggest Tier1 areas

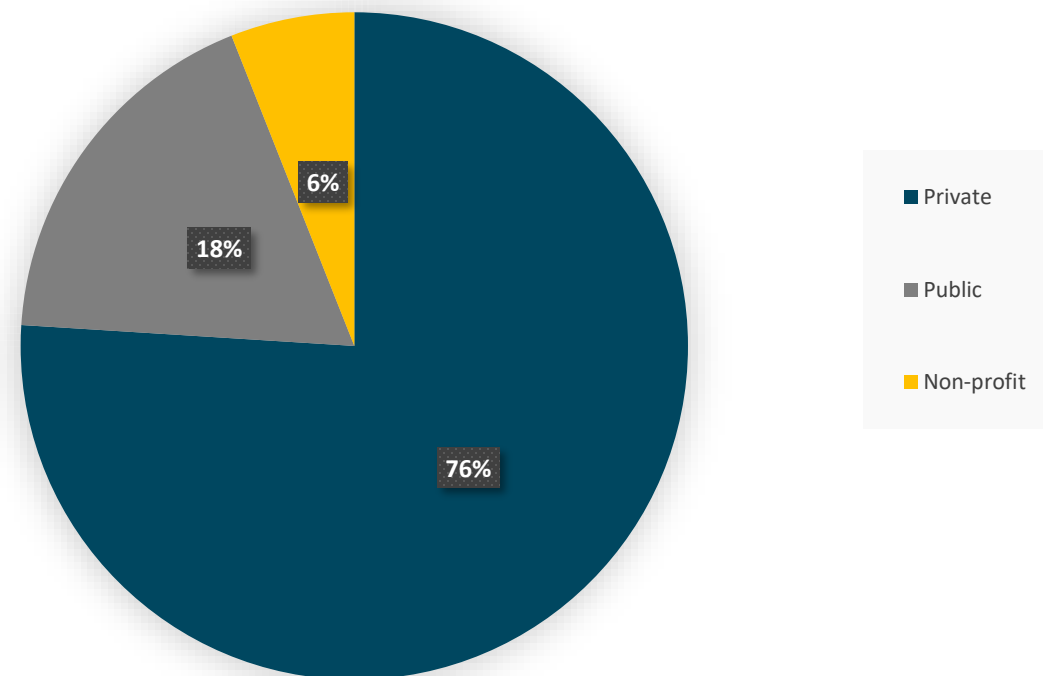
Change in the population of 0-6 year-olds:
- Blue indicates the highest growth areas
- Red indicates the declining areas

Hoivatilat portfolio

Fair value by property type 30.6.2023



Contractual rent by tenant sector 1.1.- 30.6.2023



- The contractual rent value of the public sector for the whole duration of the contracts is 24% of the portfolio (standing assets)

Key figures

FINNISH PORTFOLIO

30.6.2023

193

assets

47

Tenant groups

Occupancy rate

100 %

WAULT

12 years

Yield on fair value

5.8 %

Portfolio fair value

965 M€

Portfolio outlook as of 1
August 2023

991 M€

Sustainability programs

- **Environment**
 - All properties are covered by automation and remote monitoring systems
 - Energy efficiency programs in place and in ongoing development
 - Net energy use intensity targets set according to Aedifica pathway
- **Social**
 - Customer satisfaction surveys conducted yearly for all clients
 - Customer satisfaction in year 2022 was 4.3, range 0-5
- **Governance**
 - Yearly employee survey conducted by GPTW
 - Best place to work in Finland 2023
 - Trust index 98
 - Top 5 ranking in Finland five times in a row
- For more Aedifica Group related information visit Aedifica CSR report





Hoivatilat project development

Capital Markets Day, Helsinki 4th of Oct 2023



Jussi Vikman
Account director



Antti Heiskanen
Project development manager

Content

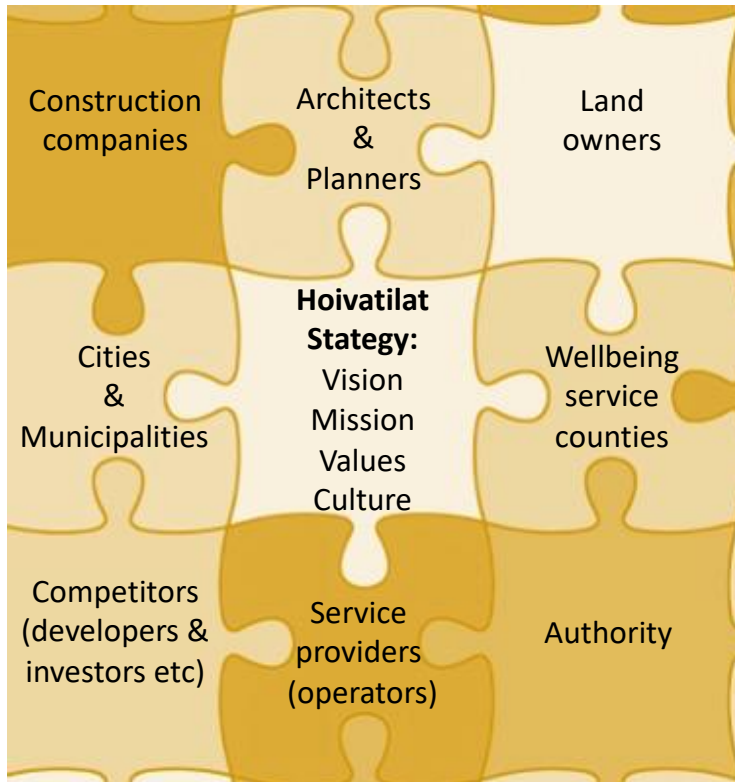
1. Development process and general information
2. How do we create value to shareholders by our own development
3. Case examples
 1. Helsinki Pakarituvantie - Malminkartano Service Community
 2. Helsinki Landbontie - Disabled care home



Development process and general information

General information

The pieces you need to succeed
(operational environment as a puzzle)



Picture 1. Operational environment

Development process

Simple and unique “Hoivatilat Way” for development

- Market analysis and understanding
- Customer needs and different concepts
- Teamwork culture, roles and responsibilities



Picture 2. Development process (example)



**How do we create value to
shareholders by our own
development**

How do we create value to shareholders by our own development

Risk controlling

- Simple and clear strategy, focus areas, macro and micro locations
- **Up-to-date information of market yield requirements**
- **Internal investment processing**
- **Pre-agreement policy**
- Control of construction contracts and lease agreement
- Construction supervision

Value creation

- Customer first–mindset, cost awareness
- Continuous improvement and learning
- Long-term and systematic work
- **Competence and experience**
- **Customer and partner knowledge**
- **Wide partner network**

Case example:

**Helsinki Pakarituvantie -
Malminkartano Service
Community**

Helsinki Pakarituvantie – Malminkartano Service Community



- Size approx. 7000 sqm
- Care home 108 beds
 - Elderly care home
 - Service Apartments
- Assisted living for Disabled 26 beds
- Day care centre for 50 children
- Restaurant and other multifunctional premises
- Multitenant property by capital rent leases
- Completed 12/2022



Helsinki Pakarituvantie - Malminkartano Service Community

2017-
2018

- Hoivatilat updated its strategy and developed Service Community concept. We made the decision to develop the Service Community project.

2019

- Good macro and micro locations, old suburb and old office building > big potential
- Negotiation with property owner for development and LOI 2019

2020

- Negotiation with tenants, lease agreement signed 3/2020

2021

- Land acquisition 4/2020
- Building permit 11/2020 > valid 4/2021

2022

- Construction started 5/2021 > completed 12/2022

Helsinki Landbontie - disabled care home

- 1 400 Sqm
- 18 Care homes + 6 service apartments
- 24/7 Service housing
- Capital lease agreement
- 15 Year contract
- Completion 4/2024



Helsinki Landbontie - disabled care home

- 6/21 • Market demand
 - Continuous search, multiple potential locations
- 12/21 • Land acquisition
 - (3/23) • After own search pre-agreement to buy the property with building permit clause (limits risk)
- 12/21 • Tenants
 - (3/22) • Started as a mental rehabilitation care project, changed to disabled care home, pre-agreement before permit process
- 3/22 • Development and building permit
 - 5/22-3/23 • Customer specific design after pre-agreement
 - Long permit process
- (4/22) • Contractor
 - Contractor locked with fixed price before rental agreement and signing after rental agreement
- 4/23 • Construction phase
 - 4/24 • Ongoing, completed 2/2024

