



kojamo

Interim Report
1 January–30 September 2021



Kojamo plc's Interim Report 1 January–30 September 2021

Total revenue increased, the fair value of investment properties was EUR 7.6 billion

Unless otherwise stated, the comparison figures in brackets refer to the corresponding period of the previous year. The figures in this Interim Report have not been audited.

All statements made in this report regarding the company or its business are based on the views of the management, and the

sections addressing the general macro-economic or industry situation are based on third-party information.

If there are differences between different language versions of the Interim Report, the Finnish version is the official one.

Summary of July-September 2021

- Total revenue increased by 1.9 per cent to EUR 98.1 (96.3) million
- Net rental income increased by 4.9 per cent totalling EUR 72.2 (68.9) million. Net rental income represented 73.6 (71.5) per cent of revenue
- Profit before taxes was EUR 69.3 (72.8) million. The profit includes EUR 17.9 (25.8) million in net gain on the valuation of investment properties at fair value. Earnings per share was EUR 0.22 (0.24)
- Funds From Operations (FFO) increased by 7.1 per cent and amounted to EUR 45.0 (42.0) million
- Gross investments totalled EUR 81.6 (85.1) million, representing 83.2 (88.4) per cent of total revenue

Summary of January–September 2021

- Total revenue increased by 1.8 per cent to EUR 292.0 (286.8) million
- Net rental income increased by 1.5 per cent to EUR 196.7 (193.8) million. Net rental income was 67.4 (67.6) per cent of total revenue
- Profit before taxes was EUR 616.0 (198.0) million. The profit includes EUR 484.1 (74.1) million in net gain on the valuation of investment properties at fair value and EUR 0.3 (-0.7) million in profits and losses from the sale of investment properties. Earnings per share was EUR 2.00 (0.64)
- Funds From Operations (FFO) increased by 1.1 per cent to EUR 114.5 (113.3) million
- The fair value of investment properties was EUR 7.6 (6.6) billion at the end of the review period, including EUR 1.1 (2.4) million in Investment properties held for sale
- The financial occupancy rate was 94.0 (96.3) per cent for the review period
- Gross investments amounted to EUR 258.1 (264.1) million, or 88.4 (92.1) per cent of total revenue
- Equity per share was EUR 15.08 (12.76) and return on equity was 18.7 (6.8) per cent. Return on investment was 13.1 (5.3) per cent
- EPRA NRV (Net Reinstatement Value) per share grew by 17.6 per cent to EUR 19.32 (16.43)
- There were 2,624 (2,532) Lumo apartments under construction at the end of the review period

Kojamo owned 36,484 (35,613) rental apartments at the end of the review period. Since September of last year, Kojamo has acquired 26 (188) apartments, completed 1,012 (446) apartments, sold 0 (56) apartments and demolished or otherwise altered -167 (-26) apartments.



Effects of the COVID-19 pandemic on Kojamo

Kojamo takes the coronavirus seriously and is committed to looking after the health and well-being of the Group's employees, customers and partners. Kojamo monitors the recommendations issued by the authorities and complies with them. The pandemic did not have a significant impact on the Group's profit, balance sheet or cash flow during the review period. Kojamo's financial position and liquidity are good.

The pandemic has had an impact on the housing market and the operating environment. The supply of rental apartments has increased temporarily in the market. Due to the restrictions on travel, apartments intended for short-term rentals switched to long-term leases. Work-related immigration slowed down

and students, for example, temporarily moved in with their parents, while foreign students returned to their home countries. These factors have had a substantial effect on the Group's financial occupancy rate.

Vaccinations against coronavirus have progressed well in Finland. COVID-19 pandemic has been prolonged, but the significantly improved vaccination coverage has made it possible to lift restrictions. The lifting of restrictions has increased activity in the rental market during the summer and early autumn. Kojamo expects the impacts of the pandemic to be shortlived, and that migration will gradually recover to the level seen before the COVID-19 pandemic.

Outlook for Kojamo in 2021

Kojamo estimates that in 2021, the Group's total revenue will increase by 2–4 per cent year-on-year. In addition, Kojamo estimates that the Group's FFO for 2021 will amount to between EUR 150–158 million, excluding non-recurring costs.

The outlook is based on the management's assessment of total revenue, net rental income, administrative expenses, financial expenses, taxes to be paid and new development to be completed, as well as the management's view on future developments in the operating environment.

The outlook takes into account the estimated occupancy rate and rises in rents as well as the number of apartments to be

completed. The outlook does not take into account the impact of potential acquisitions on total revenue and FFO.

The outlook also takes into account that delays in lifting COVID-19 restrictions affect the rate at which migration recovers to the level seen before the COVID-19 pandemic. Migration sustains strong demand, which will increase Like-for-Like rental income.

The management can influence total revenue and FFO through the company's business operations. In contrast, the management has no influence over market trends, the regulatory environment or the competitive landscape.



Key figures

	7–9/2021	7–9/2020	Change %	1–9/2021	1–9/2020	Change %	2020
Total revenue, M€	98.1	96.3	1.9	292.0	286.8	1.8	383.9
Net rental income, M€ *	72.2	68.9	4.9	196.7	193.8	1.5	257.6
Net rental income margin, % *	73.6	71.5		67.4	67.6		67.1
Profit before taxes, M€ *	69.3	72.8	-4.8	616.0	198.0	211.1	391.2
EBITDA, M€ *	83.2	87.2	-4.6	656.3	240.8	172.6	447.6
EBITDA margin, % *	84.8	90.6		224.7	84.0		116.6
Adjusted EBITDA, M€ *	65.2	61.4	6.3	171.5	167.5	2.4	222.6
Adjusted EBITDA margin, % *	66.5	63.8		58.7	58.4		58.0
Funds From Operations (FFO), M€ * ¹⁾	45.0	42.0	7.1	114.5	113.3	1.1	151.4
FFO margin, % *	45.9	43.7		39.2	39.5		39.5
FFO excluding non-recurring costs, M€ *	45.0	42.0	7.1	114.5	113.3	1.1	151.4
Investment properties, M€ ²⁾				7,606.7	6,597.8	15.3	6,863.1
Financial occupancy rate, %				94.0	96.3		96.4
Interest-bearing liabilities, M€ *				3,351.1	3,137.6	6.8	3,053.3
Return on equity (ROE), % *				18.7	6.8		9.8
Return on investment (ROI), % *				13.1	5.3		7.4
Equity ratio, % *				46.2	44.1		45.6
Loan to Value (LTV), % * ³⁾				41.0	42.1		41.4
EPRA Reinstatement value (NRV), M€				4,775.1	4,060.4	17.6	4,254.6
Gross investments, M€ *	81.6	85.1	-4.0	258.1	264.1	-2.3	371.2
Number of personnel, end of the period				316	309		317
Key figures per share, €							
FFO per share *	0.18	0.17	5.9	0.46	0.46	0.0	0.61
Earnings per share	0.22	0.24	-8.3	2.00	0.64	212.5	1.27
EPRA NRV per share				19.32	16.43	17.6	17.21
Equity per share				15.08	12.76	18.2	13.39

* In accordance with the guidelines issued by the European Securities and Markets Authority (ESMA), Kojamo provides an account of the Alternative Performance Measures used by the Group in the Key figures, the formulas used in their calculation, and reconciliation calculations in accordance with ESMA guidelines section of the Interim Report

¹⁾ The formula used in the calculation was changed during the review period regarding current taxes from disposals. The comparison figures for 2020 have been adjusted to reflect the current calculation method

²⁾ Including Non-current assets held for sale

³⁾ Excluding Non-current assets held for sale



CEO's review



Our total revenue and net rental income grew during the first nine months of the year. Funds From Operations (FFO) also developed favourably, especially in the third quarter. Our financial position was strong at the end of September, with our equity ratio and Loan to Value (LTV) being in line with our strategic targets.

Despite the good progress with vaccinations, the COVID-19 pandemic, the related restrictions and the uncertainty around the lifting of the restrictions have had a temporary impact on migration. This, together with the increased supply, continued to affect our operations especially in the capital region, and our financial occupancy rate decreased during the period under review. The recovery of migration is a key factor in the recovery of demand. According to the current estimate, COVID-19 restrictions and recommendations will be lifted in Finland when

over 80 per cent of people over the age of 12 have received two vaccine doses.

There are signs of a recovery and the lifting of the restrictions has already begun. For example, the national remote work recommendation was lifted in mid-October and universities have announced they will increase the proportion of contact instruction during the remainder of the year. The number of job vacancies in the capital region increased significantly in the third quarter. The prevailing labour shortages in the service industry are slowing down the recovery of that sector. However, decision-making has been somewhat slow and uncertain, and the effects of lifting the restrictions will be reflected in the recovery of migration with a delay. These uncertainties have slowed down the migration of labour to the Helsinki region. There are regional differences in recovery, with normalisation of the market already seen in Finland's other large university cities during the summer. Our occupancy rate improved in the third quarter in Tampere and Turku, for example, while the recovery in the Helsinki region has been slower to start.

We are in a good position to respond to the recovery of demand, and we expect urbanisation to continue in line with forecasts. We focus on creating long-term growth in the regions where future demand will be concentrated. The 36,484 apartments in our portfolio are located in Finland's largest cities and our strong project pipeline is situated entirely in the Helsinki region. We are also making good progress in our development projects, with the first projects under the Metropolia real estate development undertaking set to be put up for tender during the remainder of the year. We also expect zoning for rest of the projects to be completed during this and next year.

Our investments have progressed in line with our strategic targets during the year. The substantial increase in construction costs in the market has not affected us significantly, as our contracts have been signed at fixed prices. Approximately 800 apartments have already been completed this year and their development margin has been at a very good level.

Jani Nieminen
CEO



Operating environment

General operating environment

As Kojamo operates in the residential real estate sector, the company is affected particularly by the situation in the residential property market and development in Finnish growth centres. The company is also affected by macroeconomic factors,

such as economic growth, employment, disposable income, inflation, regional population growth and development of household sizes.

Operating environment key figures

%	2021E	2020
GDP growth	3.3	-2.9
Unemployment	7.8	7.7
Inflation	1.8	0.3
Coverage of vaccination against COVID-19 virus, over 12 years old * (1st vaccine / 2nd vaccine)	85.3 / 77.2	

* Coverage as at 27 October 2021

Sources: Ministry of Finance, Economic survey, Autumn 2021; Finnish Institute for Health and Welfare 27 October 2021

According to the economic survey of the Ministry of Finance, the global economy has recovered from the COVID-19 pandemic quickly thanks to financial stimulus measures, the release of pent-up consumer demand and the progress of vaccinations.

The recovery of the Finnish economy after the COVID-19 pandemic has been quick after last spring. The economic recovery is continuing in the autumn, especially in the sectors that are still affected by the restrictions. Consequently, economic

growth is expected to remain strong during the remainder of the year and to continue in 2022.

The growth of employment accelerated significantly in the first half of the year. The labour market is currently pulling in a lot of labour and there is even potential for more in certain sectors. Some service industries, in particular, are starting to see shortages of skilled workers. At the same time, inflation has accelerated particularly due to the higher prices of energy and food.

Industry operating environment

Industry key figures

	2021E	2020
Residential start-ups, units	44,000	40,500
of which non-subsidised block-of-flats	23,000	20,900
start-ups in the capital region	n/a	14,278
Building permits granted, annual, units *	46,187	36,475
Construction costs, change %	3.5	-0.3
Prices of old apartments in the whole country, change, %	1.5	2.3
Prices of old apartments in the capital region, change, %	0.5–4.0	0.6–5.0
Rents of non-subsidised apartments in the whole country, change, %	1.4	1.2
Rents of non-subsidised apartments in the capital region, change, %	1.7–1.8	1.5–1.7

* Rolling 12 months, July 2021

Sources: Confederation of Finnish Construction Industries, business survey October 2021; Housing production information of the municipalities in the capital region; Statistics Finland, Building and dwelling production, July 2021; Pellervo Economic Research PPT, Housing market 2021 forecast

According to the business survey of the Confederation of Finnish Construction Industries (RT), the volume of new housing production turned to growth in the second quarter and growth is anticipated to accelerate in the second half of the year. According to RT's survey on housing production, the construction

of apartment buildings and terraced houses is growing especially in larger cities outside the Helsinki region. The focus is shifting even more clearly towards developer contracting and the share of investor demand is declining. The volume of new construction of detached houses will also increase substantially this year.



The factors behind the high activity in residential construction include the low supply of housing relative to demand, the positive attitude of consumers and the prevailing low interest rates. In spite of the high construction activity, the foundation of the Finnish housing market is stable. Nevertheless, rapidly increasing costs and problems with the availability of materials and labour may significantly slow down housing production.

According to the Ministry of Finance's economic survey, residential investments will turn to a slight decline in 2022 and return closer to the long-term average in 2023.

Effects of urbanisation

Area	Population growth forecast, %	Share of rental household-dwelling units, %	
	2020–2040	2010	2020
Helsinki	18.8	47.1	49.4
Capital region ¹⁾	21.1	41.9	45.6
Helsinki region ²⁾	n/a	37.7	41.6
Jyväskylä	4.2	40.2	45.0
Kuopio	0.0	36.5	40.5
Lahti	-1.1	37.3	41.1
Oulu	5.0	36.7	42.3
Tampere	11.1	42.2	49.4
Turku	11.7	43.0	49.9
Other areas	n/a	23.8	26.2

¹⁾ Helsinki, Espoo, Kauniainen, Vantaa

²⁾ Capital region, Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Mäntsälä, Nurmijärvi, Pornainen, Porvoo, Riihimäki, Sipoo, Tuusula, Vihti

Sources: Statistics Finland, Dwellings and Housing Conditions 2020; MDI, New population forecast 2021

According to the population forecast published by MDI in June, the capital region will continue to attract people in the future. The forecasts present three growth scenarios that also take the impacts of the COVID-19 pandemic into account. The population of the capital region is predicted to grow by 13–21 per cent during the period 2020–2040 in the three scenarios. Turku and Tampere will also grow by more than 10 per cent in all three scenarios.

According to the forecast, population growth will be driven by the growth of the non-Finnish-speaking population. This is predicted to be the case particularly in the capital region, where

growth is driven by the positive net migration of non-Finnish-speakers from other countries and from other regions of Finland. The future population trends will increase regional divergence, with significant population growth only seen in the largest urban areas.

According to Statistics Finland, three out of five households of people under 40 years of age currently rent their homes. In changing life circumstances, rental housing is more flexible than owner-occupied housing.

Business operations

Kojamo is the largest private residential real estate company in Finland measured by the fair value of investment properties. Kojamo offers rental apartments and housing services for residents in Finnish growth centres. At the end of the review period, Kojamo's property portfolio comprised 36,484 (35,613) rental apartments. The fair value of Kojamo's investment properties at the end of the review period was EUR 7.6 (6.6) billion. Investment properties include completed apartments as well as development projects and land areas.

Measured at fair value on 30 September 2021, 97.6 per cent of Kojamo's rental apartments were located in the seven largest Finnish growth centres, 87.6 per cent in the Helsinki, Tampere and Turku regions and 75.5 per cent in the Helsinki region.

Kojamo's share of the country's entire rental housing market is about four per cent.

Kojamo aims to create the best customer service experience for its customers, which is why the company has made significant investments in services. The Lumo webstore allows customers to rent a suitable apartment by paying the first month's rent, after which they can move into their new home as soon as the next day. Kojamo's resident cooperation model gives the residents an opportunity to influence the development of housing and Lumo services. Lumo apartments offer a range of different services, such as broadband internet connection included in the rent and a car sharing service.



Financial development July–September 2021

Total revenue

Kojamo's total revenue increased to EUR 98.1 (96.3) million. Total revenue is generated entirely by income from rental operations.

The completion of rental apartments in 2020 and 2021 and rental growth had a positive impact and the decrease of financial occupancy rate had a negative impact on the total revenue.

Result and profitability

Net rental income increased to EUR 72.2 (68.9) million, which corresponds to 73.6 (71.5) per cent of total revenue. The increase in net rental income was mainly due to the total revenue growth and decline in repairs.

Profit before taxes was EUR 69.3 (72.8) million. The profit includes EUR 17.9 (25.8) million in net gain on the valuation of investment properties at fair value and EUR 0.0 (0.0) million in profits and losses from the sale of investment properties. Profit before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 4.4 million.

Financial income and expenses totalled EUR -13.6 (-13.7) million. Financial income and expenses include EUR 1.3 (0.3) million in unrealised changes in the fair value of derivatives.

Funds From Operations (FFO) amounted to EUR 45.0 (42.0) million. The increase in FFO was attributable to the improvement in net rental income during the review period.

Financial development January–September 2021

Total revenue

Kojamo's total revenue increased to EUR 292.0 (286.8) million. Total revenue is generated entirely by income from rental operations.

The completion of rental apartments in 2020 and 2021 and rental growth had a positive impact and the decrease of financial occupancy rate had a negative impact on the total revenue.

Result and profitability

Net rental income increased to EUR 196.7 (193.8) million, which corresponds to 67.4 (67.6) per cent of total revenue. The growth of total revenue and the decrease of repair costs had a positive impact and higher property maintenance costs had a negative impact on the net rental income. Heating costs, in particular, increased year-on-year due to the cold weather in the first quarter.

Profit before taxes was EUR 616.0 (198.0) million. The profit includes EUR 484.1 (74.1) million in net gain on the valuation

of investment properties at fair value and EUR 0.3 (-0.7) million in profits and losses from the sale of investment properties. The net gain on the valuation of investment properties at fair value was mainly attributable to yield compression. Profit before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 7.9 million.

Financial income and expenses totalled EUR -39.4 (-41.6) million. Financial income and expenses decreased by EUR 2.2 million year-on-year. Gains and losses on the valuation of investments amounted to EUR 0.2 (-0.2) million and the unrealised change in the fair value of derivatives EUR 3.5 (-0.9) million. Interest expenses increased by EUR 2.7 million year-on-year due to the higher amount of interest-bearing liabilities.

Funds From Operations (FFO) amounted to EUR 114.5 (113.3) million. The increase in FFO was attributable to the improvement in net rental income during the review period.

Kojamo has assessed the impact of the COVID-19 pandemic on the Group's result and profitability and determined that the pandemic did not have a significant impact on these items during the review period.



Balance sheet, cash flow and financing

	30 Sep 2021	30 Sep 2020	31 Dec 2020
Balance sheet total, M€	8,068.1	7,155.1	7,261.5
Equity, M€	3,726.4	3,154.1	3,309.5
Equity per share, €	15.08	12.76	13.39
Equity ratio, %	46.2	44.1	45.6
Return on equity (ROE), %	18.7	6.8	9.8
Return on investment (ROI), %	13.1	5.3	7.4
Interest-bearing liabilities, M€	3,351.1	3,137.6	3,053.3
Loan to Value (LTV), %	41.0	42.1	41.4
Average interest rate of loan portfolio, % *	1.8	1.8	1.8
Average loan maturity, years	4.5	4.6	4.5
Cash and cash equivalents, M€	232.8	358.4	210.5

* Includes interest rate derivatives

Kojamo's liquidity was very good during the review period. At the end of the period, Kojamo's cash and cash equivalents stood at EUR 232.8 (358.4) million and liquid financial assets at EUR 152.9 (127.9) million.

EUR 50.0 (50.0) million of the EUR 250 million commercial paper programme was in use at the end of the review period. In addition, Kojamo has committed credit facilities of EUR 300 million and an uncommitted credit facility of EUR 5 million that were unused at the end of the period.

The following financing arrangements were made during the review period:

In January, Kojamo plc signed a committed EUR 75 million revolving credit facility linked to its sustainability targets with Danske Bank A/S, Finland branch. The revolving credit facility is unsecured and has a maturity of three years with two one-year extension options. The credit facility will be used for the Group's general financing needs and it replaced the previous EUR 55 million revolving credit facility signed with Danske Bank, maturing in 2021.

In March, Kojamo plc signed a committed EUR 100 million revolving credit facility linked to its sustainability targets with Handelsbanken. The revolving credit facility is unsecured and

has a maturity of five years. The revolving credit facility will be used for the Group's general financing needs and it replaced EUR 100 million revolving credit facility signed with Handelsbanken, maturing in 2022.

In March, Lumo Kodit Oy signed an unsecured loan agreement of EUR 100 million with Swedbank AB (publ). The maturity of the loan is 5 years and it was used to refinance the secured loan facility from Swedbank, maturing in 2021.

In March, Kojamo published its Green Finance Framework, which links the Group's sustainability targets and climate actions with the Group's investments and their financing. Within the framework, Kojamo can finance or refinance investments that promote sustainable and low-carbon urban development with green bonds or other green debt instruments.

In May, Kojamo plc issued inaugural green bond of EUR 350 million under its EMTN (Euro Medium Term Notes) programme of EUR 2,500,000,000. The maturity of the senior unsecured Notes is 8 years and the maturity date is 28 May 2029. The Notes carry a fixed annual coupon of 0.875 per cent.



Real estate property and fair value

M€	30 Sep 2021	30 Sep 2020	31 Dec 2020
Fair value of investment properties on 1 Jan ¹⁾	6,863.1	6,260.8	6,260.8
Acquisition of investment properties ^{1) 2)}	250.0	243.0	348.7
Modernisation investments	7.7	20.1	27.1
Disposals of investment properties	-2.4	-3.3	-4.2
Capitalised borrowing costs	4.2	2.6	3.8
Transfer from property, plant and equipment	-	0.5	1.2
Profit/loss on fair value of investment properties ¹⁾	484.1	74.1	225.8
Fair value of investment properties at the end of the period	7,606.7	6,597.8	6,863.1

The value of investment properties includes EUR 1.1 (2.4) million in Investment properties held for sale.

¹⁾ Includes IFRS 16 Leases

²⁾ Includes the existing apartment stock and the acquisition costs of new projects under construction

Kojamo owned a total of 36,484 (35,613) rental apartments at the end of the review period.

The fair value of Kojamo's investment properties is determined quarterly on the basis of the company's own evaluation. An external expert gives a statement on the valuation of Kojamo's investment properties. The latest valuation statement was issued on the situation as at 30 September 2021. The criteria for determining fair value are presented in the Notes to the Financial Statements.

At the end of the review period, the plot and real estate development reserve held by the Group totalled about 168,000 floor sq.m (183,000 floor sq.m). The fair value of the plot and real estate development reserve (including the Metropolia properties) was EUR 134.0 (145.8) million at the end of the review period.

Rental housing

Lumo apartments	30 Sep 2021	30 Sep 2020	31 Dec 2020
Number of apartments	36,204	35,287	35,476
Average rent, €/m ² /month	16.87	16.42	16.48
Average rent, €/m ² /month, yearly average	16.67	16.31	16.35

Kojamo responds to the trends of urbanisation, digitalisation and communality in accordance with its strategy, providing its customers with apartments with good locations and services that make daily life easier, increase the attractiveness of housing and improve the sense of community. Kojamo's properties form a networked service platform that enables agile innovation implementation in cooperation with other operators.

All Lumo rental apartments that become vacant are available for rent on the Lumo webstore, where customers can rent the apartment of their choice by using their online banking credentials and paying the first month's rent.

Rental housing key figures

%	1-9/2021	1-9/2020	1-12/2020
Financial occupancy rate	94.0	96.3	96.4
Tenant turnover rate, excluding internal turnover	25.6	24.4	32.5
Like-for-Like rental income growth *	-0.1	1.7	1.2
Rent receivables in proportion to revenue	1.1	1.2	1.2

* Change of rental income for properties owned for two consecutive years in the past 12 months compared to the previous 12-month period



The financial occupancy rate was 94.0 (96.3) per cent for the review period. The COVID-19 pandemic had a substantial effect on the Group's financial occupancy rate. At the end of the period, 199 (369) apartments were vacant due to renovations.

Kojamo's property portfolio by region as at 30 September 2021

%	Helsinki region	Tampere region	Turku region	Oulu	Jyväskylä	Kuopio region	Lahti region	Others
Distribution by number of apartments	59.6	10.7	5.2	6.1	4.9	4.6	3.9	5.1
Distribution by fair value	75.5	8.4	3.8	2.8	2.6	2.4	2.2	2.4

Information on the property portfolio as at 30 September 2021

Area	Number of apartments, units	Number of commercial premises and other leased premises, units	Fair value, M€	Fair value, € 1,000/unit	Fair value, €/m ²	Financial occupancy rate, % ³⁾
Helsinki region	21,729	410	5,271.6	238	4,299	93.6
Tampere region	3,899	115	583.3	145	2,827	97.0
Turku region	1,904	20	263.5	137	2,400	97.0
Other	8,952	144	864.6	95	1,781	93.3
Total	36,484	689	6,983.1 ¹⁾	188	3,444	94.0
Other			623.7 ²⁾			
Total portfolio	36,484	689	7,606.7			

¹⁾ The figures reflect income-generating portfolio assets, which excludes ongoing projects, plots owned by the company and ownership of certain assets through shares

²⁾ Fair value of ongoing projects, plots owned by the company and ownership of certain assets through shares and rented plots (IFRS 16 right-of-use assets)

³⁾ The financial occupancy rate does not include commercial premises and other leased premises



Investments, divestments and real estate development

Investments

M€	30 Sep 2021	30 Sep 2020	31 Dec 2020
Acquisition of investment properties *	246.2	241.4	340.4
Modernisation investments	7.7	20.1	27.1
Capitalised borrowing costs	4.2	2.6	3.8
Total	258.1	264.1	371.2
Repair expenses, M€	23.5	24.9	35.8

* Not including IFRS 16 Leases

Number of apartments

Units	30 Sep 2021	30 Sep 2020	31 Dec 2020
Apartments at the start of the period	35,802	35,272	35,272
Divestments	-	-18	-18
Acquisitions	-	45	71
Completed	820	340	532
Demolished or altered	-138	-26	-55
Apartments at the end of the period	36,484	35,613	35,802
Started during the review period	818	1,556	1,840
Under construction at the end of the period	2,624	2,532	2,624
Preliminary agreements for new construction	796	1,062	965

Kojamo estimates that investments in development projects will amount to EUR 350–380 million in 2021.

No apartments were acquired during the period under review.

During the review period, Kojamo announced agreements on the construction of the following projects:

- 18 January 2021: an agreement with Hausia Oy on the acquisition of two properties in Tillingmäki and Jousenpuisto, Espoo. The properties will comprise a total of 120 apartments.
- 31 May 2021: an agreement with Suomen Kaupunkikodit Oy on the acquisition of two properties. A conversion project in Helsinki's Pohjois-Haaga district will have 119 apartments, while 142 new apartments will be built in Tampere's Hervanta district.
- 30 June 2021: an agreement with Newil & Bau and Samla Asunnot on the acquisition of a newly constructed property in Helsinki's Lehtisaari district. The property will consist of 54 new apartments.
- 12 July 2021: an agreement with SRV on the construction of two properties in Helsinki's Pasila district as part of the cooperation agreement signed by Kojamo and SRV in March 2020. The properties will comprise a total of 129 apartments.

- 12 July 2021: an agreement with SRV on the construction of 65 apartments in Vantaa's Veromies district as part of the cooperation agreement signed by Kojamo and SRV in August 2019.
- 12 July 2021: an agreement with Pohjola Rakennus Oy on the construction of two properties in Helsinki's Kannelmäki and Malmi districts. The properties will comprise a total of 113 apartments.
- 12 July 2021: an agreement with Hartela on the construction of 80 apartments in Espoo's Olari district as part of the previously signed cooperation agreement with Hartela.
- 12 July 2021: an agreement with Hausia on the acquisition of two properties in Espoo's Jousenpuisto district and Vantaa's Tikkurila district. The properties will comprise a total of 206 apartments.

All the apartments under construction, 2,624 (2,532) are located in the Helsinki region. A total of 820 (340) apartments were completed during the review period.

Modernisation investments during the review period amounted to EUR 7.7 (20.1) million and repair costs totalled EUR 23.5 (24.9) million.



Binding acquisition agreements for new development

M€	30 Sep 2021	30 Sep 2020	31 Dec 2020
Actual costs incurred from new construction in progress	411.9	326.8	370.0
Cost of completing new construction in progress	233.4	295.0	262.9
Total	645.2	621.8	633.0

Plots and real estate development sites owned by the company

	30 Sep 2021		30 Sep 2020		31 Dec 2020	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Plots	28.2	52	32.7	61	29.3	55
Plots and existing residential building	25.8	38	27.6	43	25.0	37
Conversions	80.0	78	85.5	80	85.5	80
Total ¹⁾	134.0	168	145.8	184	139.8	172

¹⁾ The management's estimate of the fair value and building rights of the plots

Binding preliminary agreements and provisions for plots and real estate development

	30 Sep 2021		30 Sep 2020		31 Dec 2020	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Preliminary agreements for new construction ¹⁾	163.4		233.4		214.0	
Estimate of the share of plots of preliminary agreements for new development ²⁾	27.1	38	37.8	53	37.8	53
Preliminary agreements and reservations for plots ²⁾	36.7	54	36.9	50	35.4	52

¹⁾ Including plots

²⁾ The management's estimate of the fair value and building rights of the plots

Strategic targets and their achievement

Strategic targets 2020–2023

	1–9/2021	2020	Target
Annual growth of total revenue, %	1.8	2.3	4–5
Annual investments, M€	258.1	371.2	200–400
FFO/total revenue, %	39.2	39.5	> 36
Loan to Value (LTV), %	41.0	41.4	< 50
Equity ratio, %	46.2	45.6	> 40
Net Promoter Score (NPS)	20	36	40

Kojamo's objective is to be a stable dividend payer whose annual dividend payment will be at least 60 per cent of FFO, provided that the Group's equity ratio is 40 per cent or more and taking account of the company's financial position.



Shares and shareholders

Issued shares and share capital

Kojamo's share capital on 30 September 2021 was EUR 58,025,136 and the number of shares at the end of the review period totalled 247,144,399.

Kojamo has a single series of shares, and each share entitles its holder to one vote in the general meeting of shareholders of the company. There are no voting restrictions related to the shares. The shares have no nominal value. The company shares belong to the book-entry system.

Share price and trading

	1–9/2021	1–9/2020	1–12/2020
Lowest price, €	15.64	13.64	13.64
Highest price, €	21.42	21.45	21.45
Average price, €	18.53	18.08	17.95
Closing price, €	17.91	18.34	18.10
Market value of share capital, end of period, M€	4,426.4	4,532.6	4,473.3
Share trading, million units	90.3	105.9	159.2
Share trading of total share stock, %	36.5	42.8	64.4
Share trading, M€	1,673.1	1,914.3	2,858.1

In addition to the Nasdaq Helsinki stock exchange, Kojamo shares were traded on other marketplaces, such as Cboe BXE, Cboe APA and Posit. During 1 January–30 September 2021, approximately 110 (over 210) million Kojamo shares were traded on alternative marketplaces, corresponding to approximately 55 (almost 65) per cent of the total trading volume (sources: Modular Finance, Fidessa, Refinitiv).

Own shares

Kojamo did not hold any of its own shares during or at the end of the review period.

Dividend

In accordance with the Board of Directors' proposal, the Annual General Meeting on 17 March 2021 decided that a dividend of EUR 0.37 per share, or EUR 91,443,427.63 in total, be paid for the financial year and that EUR 264,578,868.99 be retained in unrestricted equity. The dividend payment date was 8 April 2021.

Shareholders

At the end of the review period, the number of registered shareholders was 12,258, including nominee-registered shareholders. The proportion of nominee-registered and direct foreign shareholders was 46.1 per cent of the company's shares at the end of the review period. The 10 largest shareholders owned in aggregate 45.1 per cent of Kojamo's shares at the end of the review period.

The list of Kojamo's shareholders is based on information provided by Euroclear Finland Ltd.

The trading code of the shares is KOJAMO and the ISIN code is FI4000312251.

Trading in the company's share

Kojamo's shares are listed on the official list of Nasdaq Helsinki.

The Board of Directors' authorisations

Kojamo's Annual General Meeting on 17 March 2021 authorised the Board of Directors to decide on the repurchase and/or acceptance as pledge of an aggregate maximum of 24,714,439 of the company's own shares according to the proposal of the Board of Directors. The proposed amount of shares corresponds to approximately 10 per cent of all the shares of the company. The authorisation will remain in force until the closing of the next Annual General Meeting, however, no longer than until 30 June 2022.

The Board of Directors was also authorised to decide on the issuance of shares and the issuance of special rights entitling to shares as referred to in Chapter 10, Section 1 of the Companies Act according to the proposal of the Board of Directors. The number of shares to be issued on the basis of the authorisation shall not exceed an aggregate maximum of 24,714,439 shares, which corresponds to approximately 10 per cent of all the shares of the company. The authorisation applies to both the issuance of new shares and the conveyance of own shares held by the company. The authorisation will remain in force until the closing of the next Annual General Meeting, however, no longer than until 30 June 2022.

Flagging notifications

Flagging notification 6 September 2021

On 6 September 2021, Kojamo received a notification pursuant to Chapter 9, Section 5 of the Securities Market Act from Norges Bank (the Central Bank of Norway). According to the



notification, Norges Bank's holdings of Kojamo plc's shares and votes rose above the threshold of 5 per cent on 3 September 2021. According to the notification, the company's holdings amount to 13,102,045 shares, corresponding to 5.30 per cent of Kojamo plc's shares and votes.

Flagging notification 25 May 2021

On 25 May 2021, Kojamo received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act from Teollisuusliitto Ry. According to the notification, Teollisuusliitto

Governance

Annual General Meeting

Kojamo's Annual General Meeting (AGM) of 17 March 2021 adopted the financial statements for the financial year 2020 and discharged the members of the Board of Directors and the CEO from liability. The AGM also decided on dividend payment, the number of members of the Board of Directors, the Board of Director's remuneration and composition and the election and remuneration of the auditor. The AGM approved the Remuneration Report for the members of the Board of Directors, the CEO and the Deputy CEO. The AGM authorised the Board of Directors to resolve on one or more share issues or the issuance of special rights entitling to shares, as referred to in Chapter 10, Section 1 of the Companies Act. The minutes of the AGM are available at www.kojamo.fi/agm.

Board of Directors and auditors

The members of Kojamo's Board of Directors are Mikael Aro (Chairman), Mikko Mursula (Vice-Chairman), Matti Harjuniemi, Anne Leskelä, Minna Metsälä, Reima Rytsölä and Catharina Stackelberg-Hammarén. The company's auditor is KPMG Oy Ab, with Authorised Public Accountant Esa Kailiala as the auditor with principal responsibility.

Board committees

Kojamo's Board of Directors has established two permanent committees, an Audit Committee and a Remuneration Committee. Anne Leskelä (Chairman), Matti Harjuniemi, Mikko Mursula and Catharina Stackelberg-Hammarén serve in the Audit Committee. Mikael Aro (Chairman), Minna Metsälä and Reima Rytsölä serve in the Remuneration Committee.

Personnel

At the end of the review period, Kojamo had a total of 316 (309) employees. The average number of personnel during the review period was 321 (314). Kojamo employed nearly 50 summer workers in summer 2021.

The salaries and fees paid during the review period totalled EUR 12.4 (13.1) million.

Ry's holdings of Kojamo plc's shares and votes fell below 10 per cent on 24 May 2021. Following the transaction, Teollisuusliitto Ry holdings in Kojamo plc amounted to 24,409,561 shares, corresponding to 9.87664 percent of Kojamo plc's shares and votes.

Managers' transactions and shareholdings

Managers' transactions at Kojamo in 2021 have been published as stock exchange releases and they are available on the Kojamo website at www.kojamo.fi/en/news.

Nomination Board

A stock exchange release was issued on 6 September 2021 announcing the composition of Kojamo plc's Nomination Board. Kojamo's three largest shareholders nominated the following members to the Shareholders' Nomination Board: Riku Aalto, President, Finnish Industrial Union; Jouko Pölönen, CEO, Ilmarinen Mutual Pension Insurance Company; and Risto Murto, CEO, Varma Mutual Pension Insurance Company. In addition, the Chairman of Kojamo's Board of Directors serves as an expert member of the Nomination Board.

The Shareholders' Nomination Board is a body established by the Annual General Meeting consisting of shareholders, with the task of annually preparing and presenting proposals for the General Meeting concerning the number, composition and Chairman of the Board of Directors, remuneration of the Board of Directors and remuneration of the members of the Board Committees.

CEO

Jani Nieminen, M.Sc. (Tech.), MBA was CEO during the review period. The CEO's deputy was CFO Erik Hjelt, Licentiate in Laws, EMBA.

Management Team

At the end of the review period, the members of the Management Team were Jani Nieminen, CEO; Erik Hjelt, CFO; Irene Kantor, Marketing and Communications Director; Tiina Kuusisto, Chief Customer Officer; Katri Harra-Salonen, Chief Digital Officer; and Ville Raitio, Chief Investment Officer.

Annual performance bonus and incentive system

Kojamo's employees are included in an annual performance bonus system which is based on the achievement of the company's general targets as well as personal targets.



Kojamo also has a long-term share-based incentive plan for the Group's key personnel. The reward is based on reaching the targets set for Kojamo's key business criteria in relation to the Group's strategic goals. Three performance periods were ongoing at the end of the review period: 2019–2021, 2020–2022, 2021–2023.

On 18 February 2021, Kojamo's Board of Directors resolved on the long-term incentive plan's performance period of 2021–2023. The possible rewards for the performance period are based on the Group's revenue (%) and Funds From Operations (FFO) per share. The rewards to be paid on the basis of the performance period correspond to the value of a maximum

total of 102,277 shares including the proportion to be paid in cash.

If the three ongoing earning periods were accrued in full, the maximum bonus would be a sum corresponding to 312,161 Kojamo shares, of which 50 per cent would be paid in Kojamo shares and 50 per cent in cash. More information on the long-term incentive plan is provided in Kojamo's Remuneration Report for 2020.

Responsibility

Responsibility and sustainable development is one of Kojamo's strategic focal points. Sustainability is integral to Kojamo's operations and corporate culture. Sustainability is part of our DNA and it plays an important role in the work of everyone at Kojamo.

Our sustainability programme

Our sustainability programme documents the priorities of our sustainability efforts until 2030: sustainable cities, the best customer experience, the most competent personnel and a dynamic place to work, and a responsible corporate citizen. The focus areas of the sustainability programme consist of sustainability themes that create added value in our business as well as related short-term and long-term targets and actions along with key performance indicators. The key cornerstones of our sustainability programme are ensuring long-term profitability and growth, sustainable and responsible operations and transparent sustainability communications and reporting.

In our sustainability programme, we commit to the UN Sustainable Development Goals and carbon-neutral energy consumption throughout our property portfolio by 2030. As part of our goal of becoming carbon-neutral with regard to energy consumption, we have joined the Net Zero Carbon Buildings Commitment of the World Green Building Council.

Strong performance in the GRESB sustainability survey

We participated in the annual Global Real Estate Sustainability Benchmark (GRESB) survey for the second time. The results of the survey, which focused on operations in 2020, were published after the end of the review period. Our score of 77/100 represented an improvement of seven points compared to the previous year. With our result, we earned our second Green Star designation and three stars out of five. We also exceeded the average score of all survey participants (73) and the average score of our comparison group (Europe, Listed Residential, 72). We ranked second in our comparison group.

We also participated in the separate GRESB Public Disclosure assessment, which measures the transparency and scope of public disclosures on sustainability. In this assessment, we achieved the highest possible score (A) and ranked second in our comparison group (Northern Europe, Residential).

The quality of our sustainability reporting was also recognised by EPRA (European Public Real Estate Association), which is an advocacy organisation for publicly listed European property investment companies. Our sustainability reporting received a silver award for the second time. We have reported in accordance with the EPRA Sustainability Best Practices Recommendations since 2019.

We are continuing to focus on high-quality and transparent sustainability reporting. We will report in accordance with the GRESB, GRI and EPRA frameworks and continuously develop our reporting.

Sustainable cities

Since 2016, we have implemented all of our new construction projects using our own plot reserves as near-zero energy buildings in accordance with the nZEB principles. At the end of the period, near zero-energy buildings represented 84% (2,877 apartments) of all Kojamo projects completed since 2016. Of the properties under construction using Kojamo's own plot reserve at the end of the period, near zero-energy buildings represented 100% (937 apartments) and of all properties under construction 72% (1,898). All of our newly constructed properties are situated in growth centres, in locations that are close to good transport links and services.

Kojamo has joined the Rental Property Action Plan (VAETS II) for the period 2017–2025. Our target under this action plan is to enhance the efficiency of energy consumption by 7.5 per cent during the period in question, using 2016 as the baseline. We focus on managing the energy consumption of the buildings in our property portfolio and use an AI-driven IoT solution to control the temperature of 29,000 apartments owned by Kojamo.

All Kojamo offices are WWF Green Office certified.

The best customer experience

We want to deliver the best customer experience in housing for our customers. We create safe and comfortable homes that provide our customers with a strong sense of community, sustainable housing and services that make life easier. The operating model Through the Customer's Eyes has become an established practice for us. Nearly 500 Lumo teams made up of active residents have already been established.



All of Kojamo's properties use hydropower-certified property electricity. We have also started to use carbon-neutral district heating at many of our properties. Carbon-neutral district heating has already been introduced at 79 properties. We offer the residents of Lumo homes the opportunity to use shared cars. We continuously develop waste recycling and aim to provide our residents with comprehensive recycling opportunities.

During the period under review, we launched a more extensive nationwide model of the car sharing service we provide for the residents of Lumo homes. Lumo residents now have access to all of our partner's more than 700 shared cars in over 30 municipalities around Finland. The car sharing service provides Lumo residents with mobility options, complements public transport and promotes our sustainability objectives.

The most competent personnel and a dynamic place to work

We ensure our future competitiveness through competence development and offer an employee experience that attracts the best talent in the industry. We also work continuously to promote our corporate culture and the well-being of our personnel. Our corporate culture is based on Kojamo's shared values: Happy to serve, Strive for success and Courage to change.

Near-term risks and uncertainties

There were no significant changes in Kojamo's near-term risks and uncertainties during the review period.

Kojamo estimates that the most significant risks and uncertainties in the current review period are related to the development of the Finnish economy. The near-term risks arise particularly from the COVID-19 pandemic. The risks and their magnitude are affected particularly by the development of the pandemic as well as the scope and duration of the measures introduced to limit the pandemic. Delays in COVID-19 vaccinations or in achieving a sufficient vaccination coverage and the potential acceleration of the pandemic could prolong the pandemic and its impacts.

Urbanisation is expected to continue in the longer term. However, the pandemic and related restrictions may, in the short term, affect people's willingness to relocate and reduce migration.

If prolonged, the pandemic may have an impact on the operations of construction companies, which could result in delays in projects. The prolongation of the pandemic could also have

During the review period, we continued to develop our "Leadership steps", or Kojamo's leadership culture and consistent leadership model, among supervisors and the Management Team. The operating model summarises our leadership principles and the objectives we all commit to in our day-to-day work.

In the summer, we employed 50 summer workers and participated in the Responsible Summer Job campaign.

A responsible corporate citizen

Our Code of Conduct documents the sustainable operating practices we apply in our interactions with our stakeholders, society and the environment. Code of Conduct training for all of our employees is under way in 2021.

We also require our partners to operate sustainably, which is why our Supplier Code of Conduct is an integral part of all of our partnership agreements starting from the beginning of 2021. The anti-grey economy models used by Kojamo exceed the legislative requirements in many respects.

Kojamo's sponsorship and grant programme provides financial support for young talents. The programme covers not only individual sports but also team sports. Grants have been awarded annually since 2012.

broader impacts on the housing market and property market, including apartment prices, rents and yield requirements.

Helsinki, 4 November 2021

Kojamo plc
Board of Directors

Further information:

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News conference and webcast

Kojamo will hold a news conference for institutional investors, analysts and media on 4 November 2021 at 10.00 a.m. EET at the company's head office at Mannerheimintie 168A, Helsinki. The event will be held in English. Members of the media will also have the opportunity to ask questions in Finnish after the event. Participants are requested to only attend the event in person if they are completely healthy.

The event can also be followed as a live webcast. A recording of the webcast will be available later on the company website at <https://kojamo.fi/en/investors/releases-and-publications/financial-reports/>.

The news conference can be followed online at <https://kojamo.videosync.fi/2021-q3-results>.

You can also participate in the press conference by calling:

FI: +358 981 710 310

SE: +46 856 642 651

UK: +44 333 300 0804

US: +1 631 913 1422

Please use the following PIN code to participate in the press conference by telephone: 66303324#.



EPRA performance measures

EPRA (European Public Real Estate Association) is an advocacy organisation for publicly listed European property investment companies. Kojamo is a member of EPRA. As part of its activities, the organisation promotes financial reporting in the industry and the adoption of best practices to ensure the qual-

ity of information provided to investors and improve comparability between companies. Kojamo follows EPRA recommendations in its reporting practices. This section covers EPRA performance measures and their calculation. More information on EPRA and EPRA recommendations is available on the EPRA website at www.epra.com.

EPRA performance measures

	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
EPRA Earnings, M€	44.5	41.9	113.5	111.9	150.0
EPRA Earnings per share (EPS), €	0.18	0.17	0.46	0.45	0.61
EPRA Net Reinstatement Value (NRV), M€			4,775.1	4,060.4	4,254.6
EPRA NRV per share, €			19.32	16.43	17.21
EPRA Net Initial Yield (NIY), %			3.8	4.3	4.2
EPRA 'topped-up' NIY, %			3.8	4.3	4.2
EPRA Vacancy Rate, %			6.0	3.7	3.7
EPRA Cost Ratio (including direct vacancy costs), %	9.2	11.1	11.7	13.7	13.5
EPRA Cost Ratio (excluding direct vacancy costs), %	6.8	9.7	8.7	11.8	11.7

EPRA Earnings

M€	7-9/2021	7-9/2020	1-9/2021	1-9/2020	2020
Earnings per IFRS income statement	55.4	58.4	493.1	158.5	312.9
(i) Change in value of investment properties, development properties held for investment and other interests	-17.9	-25.8	-484.1	-74.1	-225.8
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	0.0	0.0	-0.6	0.7	0.7
(iv) Tax on profits or losses on disposals	0.8	0.0	1.1	-0.2	-0.1
(vi) Changes in fair value of financial instruments and associated close-out costs	-1.3	-0.3	-3.5	0.9	0.8
(viii) Deferred tax in respect of EPRA adjustments	7.6	9.6	107.6	26.1	61.5
EPRA Earnings	44.5	41.9	113.5	111.9	150.0
EPRA Earnings per share (EPS), €	0.18	0.17	0.46	0.45	0.61

EPRA Net Reinstatement Value

M€	1-9/2021	1-9/2020	2020
IFRS Equity attributable to shareholders	3,726.4	3,154.1	3,309.5
Diluted NAV	3,726.4	3,154.1	3,309.5
Diluted NAV at Fair Value	3,726.4	3,154.1	3,309.5
Exclude:			
(v) Deferred tax in relation to fair value gains	840.7	691.7	726.7
(vi) Fair value of financial instruments	55.9	82.7	81.1
Include:			
(xi) Real estate transfer tax	152.1	132.0	137.3
EPRA Net Reinstatement Value (NRV)	4,775.1	4,060.4	4,254.6
EPRA NRV per share, €	19.32	16.43	17.21



EPRA Net Initial Yield (NIY) and EPRA "topped-up" NIY

M€		1–9/2021	1–9/2020	2020
Investment property		7,606.7	6,597.8	6,863.1
Trading property		0.1	0.1	0.1
Developments		-571.0	-485.4	-571.3
Completed property portfolio		7,035.9	6,112.6	6,291.9
Allowance for estimated purchasers' costs		140.7	122.3	125.8
Gross up completed property portfolio valuation	B	7,176.6	6,234.8	6,417.8
Annualised cash passing rental income		400.2	393.0	395.6
Property outgoings		-127.0	-123.8	-127.4
Annualised net rents	A	273.2	269.1	268.2
Notional rent expiration of rent-free periods or other lease incentives		-	-	-
Topped-up net annualised rent	C	273.2	269.1	268.2
EPRA Net Initial Yield (NIY), %	A/B	3.8	4.3	4.2
EPRA 'topped-up' NIY, %	C/B	3.8	4.3	4.2

EPRA Vacancy Rate

M€		1–9/2021	1–9/2020	2020
Estimated rental value of vacant space *	A	17.6	10.5	13.8
Estimated rental value of the whole portfolio *	B	290.8	280.6	375.4
EPRA Vacancy Rate, %	A/B	6.0	3.7	3.7

* Including rental value of apartments

EPRA Cost Ratios

M€		7–9/2021	7–9/2020	1–9/2021	1–9/2020	2020
Include:						
(i) Administrative expense line per IFRS income statement		8.2	8.8	27.4	29.0	38.4
(i) Maintenance expense line per IFRS income statement		17.8	17.9	71.8	68.1	90.5
(i) Repair expense line per IFRS income statement		8.1	9.6	23.5	24.9	35.8
(ii) Net service charge costs/fees		-2.9	-2.2	-8.2	-6.1	-8.5
(iii) Management fees less actual/estimated profit element		-0.1	0.0	-0.1	-0.1	-0.1
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits		-0.1	-0.1	-0.2	-0.2	-0.3
Exclude:						
(vii) Ground rent costs		0.0	0.0	0.0	0.0	0.0
(viii) Service charge costs recovered through rents but not separately invoiced		-24.6	-26.4	-91.9	-89.6	-121.7
EPRA Costs (including direct vacancy costs)	A	6.5	7.5	22.4	26.0	34.1
(ix) Direct vacancy costs		-1.7	-1.0	-5.8	-3.5	-4.6
EPRA Costs (excluding direct vacancy costs)	B	4.8	6.5	16.6	22.6	29.5
(x) Gross Rental Income less ground rent costs - per IFRS		95.0	93.9	283.4	280.3	374.9
(xi) Service fee and service charge costs components of Gross Rental Income		-24.6	-26.4	-91.9	-89.6	-121.7
Gross Rental Income	C	70.4	67.5	191.5	190.8	253.2
EPRA Cost Ratio (including direct vacancy costs), %	A/C	9.2	11.1	11.7	13.7	13.5
EPRA Cost Ratio (excluding direct vacancy costs), %	B/C	6.8	9.7	8.7	11.8	11.7



Condensed consolidated income statement

M€	Note	7–9/2021	7–9/2020	1–9/2021	1–9/2020	1–12/2020
Total revenue		98.1	96.3	292.0	286.8	383.9
Maintenance expenses		-17.8	-17.9	-71.8	-68.1	-90.5
Repair expenses		-8.1	-9.6	-23.5	-24.9	-35.8
Net rental income		72.2	68.9	196.7	193.8	257.6
Administrative expenses		-8.2	-8.8	-27.4	-29.0	-38.4
Other operating income		1.2	1.2	2.8	2.6	3.6
Other operating expenses		0.1	0.2	-0.3	0.0	-0.2
Profit/loss on sales of investment properties		-	0.0	0.3	-0.7	-0.7
Profit/loss on fair value of investment properties	3	17.9	25.8	484.1	74.1	225.8
Depreciation, amortisation and impairment losses		-0.3	-0.7	-0.9	-1.2	-1.3
Operating profit		82.9	86.5	655.4	239.6	446.3
Financial income		1.8	0.4	4.9	1.6	1.8
Financial expenses		-15.3	-14.1	-44.3	-43.2	-57.0
Total amount of financial income and expenses		-13.6	-13.7	-39.4	-41.6	-55.3
Share of result from associated companies		-	-	-	0.0	0.2
Profit before taxes		69.3	72.8	616.0	198.0	391.2
Current tax expense		-6.3	-4.8	-15.4	-13.5	-16.9
Change in deferred taxes		-7.6	-9.6	-107.6	-26.1	-61.5
Profit for the period		55.4	58.4	493.1	158.5	312.9
Profit for the financial period attributable to shareholders of the parent company		55.4	58.4	493.1	158.5	312.9
Earnings per share based on profit attributable to shareholders of the parent company						
Basic, €		0.22	0.24	2.00	0.64	1.27
Diluted, €		0.22	0.24	2.00	0.64	1.27
Average number of shares, million	8	247.1	247.1	247.1	247.1	247.1
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Cash flow hedges		4.1	-0.4	20.6	-13.1	-11.9
Deferred taxes		-0.8	0.1	-4.1	2.6	2.4
Items that may be reclassified subsequently to profit or loss		3.3	-0.3	16.5	-10.5	-9.6
Total comprehensive income for the period		58.7	58.1	509.6	148.0	303.3
Total comprehensive income attributable to shareholders of the parent company		58.7	58.1	509.6	148.0	303.3



Condensed consolidated balance sheet

M€	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
Assets				
Non-current assets				
Intangible assets		0.5	0.1	0.4
Investment properties	3	7,605.6	6,595.4	6,860.7
Property, plant and equipment	4	28.7	29.6	29.8
Investments in associated companies		1.1	1.6	1.1
Financial assets	7	0.7	0.7	0.7
Non-current receivables		7.8	7.9	7.7
Derivatives	6, 7	0.0	0.1	-
Deferred tax assets		13.3	17.2	16.0
Total non-current assets		7,657.8	6,652.5	6,916.4
Non-current assets held for sale	10	1.1	2.4	2.4
Current assets				
Trading property		0.1	0.1	0.1
Derivatives	6, 7	1.7	0.5	0.1
Current tax assets		7.8	2.5	3.8
Trade and other receivables		13.8	10.7	10.5
Financial assets	7	152.9	127.9	117.5
Cash and cash equivalents		232.8	358.4	210.5
Total current assets		409.1	500.2	342.7
Total assets		8,068.1	7,155.1	7,261.5
Shareholders' equity and liabilities				
Equity attributable to shareholders of the parent company				
Share capital		58.0	58.0	58.0
Share issue premium		35.8	35.8	35.8
Fair value reserve		-37.7	-55.1	-54.2
Invested non-restricted equity reserve		164.4	164.4	164.4
Retained earnings		3,505.8	2,950.9	3,105.5
Equity attributable to shareholders of the parent company		3,726.4	3,154.1	3,309.5
Total equity		3,726.4	3,154.1	3,309.5
Liabilities				
Non-current liabilities				
Loans and borrowings	5, 7	3,190.5	2,889.0	2,832.6
Deferred tax liabilities		853.5	710.0	744.5
Derivatives	6, 7	57.1	82.5	80.6
Provisions		0.4	0.4	0.4
Other non-current liabilities		5.1	4.7	4.6
Total non-current liabilities		4,106.5	3,686.6	3,662.7
Current liabilities				
Loans and borrowings	5, 7	160.6	248.6	220.7
Derivatives	6, 7	0.5	0.7	0.6
Current tax liabilities		9.1	2.3	2.3
Trade and other payables		64.8	62.8	65.6
Total current liabilities		235.2	314.4	289.2
Total liabilities		4,341.7	4,001.0	3,952.0
Total equity and liabilities		8,068.1	7,155.1	7,261.5



Consolidated statement of cash flows

M€	1–9/2021	1–9/2020	1–12/2020
Cash flow from operating activities			
Profit for the period	493.1	158.5	312.9
Adjustments	-323.0	8.3	-90.6
Change in net working capital			
Change in trade and other receivables	0.0	-2.4	-2.1
Change in trade and other payables	-2.7	6.4	3.6
Interest paid	-47.1	-40.3	-50.5
Interest received	0.6	0.7	0.8
Other financial items	-4.4	-6.3	-6.1
Taxes paid	-12.6	-15.6	-20.3
Net cash flow from operating activities	104.1	109.3	147.7
Cash flow from investing activities			
Acquisition of investment properties	-255.3	-272.7	-378.6
Acquisition of associated companies	-	-	-0.1
Acquisition of property, plant and equipment and intangible assets	-0.2	0.0	-0.4
Proceeds from sale of investment properties	2.7	2.6	3.5
Proceeds from sale of property, plant and equipment and intangible assets	0.8	-	-
Purchases of financial assets	-93.1	-153.0	-210.0
Proceeds from sale of financial assets	58.0	157.0	224.8
Non-current loans, granted	-	-4.8	-4.8
Repayments of non-current loan receivables	0.1	0.1	0.2
Interest and dividends received on investments	0.2	1.1	1.1
Net cash flow from investing activities	-286.8	-269.9	-364.2
Cash flow from financing activities			
Non-current loans and borrowings, raised	484.0	643.5	643.5
Non-current loans and borrowings, repayments	-186.5	-176.6	-268.2
Current loans and borrowings, raised	150.0	189.8	261.8
Current loans and borrowings, repayments	-150.0	-189.9	-261.8
Repayments of lease liabilities	-1.1	-1.2	-1.6
Dividends paid	-91.4	-84.0	-84.0
Net cash flow from financing activities	205.0	381.7	289.7
Change in cash and cash equivalents	22.3	221.1	73.2
Cash and cash equivalents at the beginning of the period	210.5	137.3	137.3
Cash and cash equivalents at the end of the period	232.8	358.4	210.5



Condensed consolidated statement of changes in equity

M€	Share capital	Share issue premium	Fair value reserve	Invested non-restricted equity reserve	Retained earnings	Equity attributable to shareholders of the parent company	Total equity
Equity at 1 Jan 2021	58.0	35.8	-54.2	164.4	3,105.5	3,309.5	3,309.5
Comprehensive income							
Cash flow hedging			16.5			16.5	16.5
Profit for the period					493.1	493.1	493.1
Total comprehensive income for the period			16.5		493.1	509.6	509.6
Transactions with shareholders							
Share-based incentive scheme					-1.3	-1.3	-1.3
Dividend payment					-91.4	-91.4	-91.4
Total transactions with shareholders					-92.8	-92.8	-92.8
Total change in equity			16.5		400.3	416.8	416.8
Equity at 30 Sep 2021	58.0	35.8	-37.7	164.4	3,505.8	3,726.4	3,726.4

M€	Share capital	Share issue premium	Fair value reserve	Invested non-restricted equity reserve	Retained earnings	Equity attributable to shareholders of the parent company	Total equity
Equity at 1 Jan 2020	58.0	35.8	-44.7	164.4	2,877.0	3,090.6	3,090.6
Comprehensive income							
Cash flow hedging			-10.5			-10.5	-10.5
Profit for the period					158.5	158.5	158.5
Total comprehensive income for the period			-10.5		158.5	148.0	148.0
Transactions with shareholders							
Share-based incentive scheme					-0.6	-0.6	-0.6
Dividend payment					-84.0	-84.0	-84.0
Total transactions with shareholders					-84.6	-84.6	-84.6
Total change in equity			-10.5		73.9	63.4	63.4
Equity at 30 Sep 2020	58.0	35.8	-55.1	164.4	2,950.9	3,154.1	3,154.1

M€	Share capital	Share issue premium	Fair value reserve	Invested non-restricted equity reserve	Retained earnings	Equity attributable to shareholders of the parent company	Total equity
Equity at 1 Jan 2020	58.0	35.8	-44.7	164.4	2,877.0	3,090.6	3,090.6
Comprehensive income							
Cash flow hedging			-9.6			-9.6	-9.6
Profit for the period					312.9	312.9	312.9
Total comprehensive income for the period			-9.6		312.9	303.3	303.3
Transactions with shareholders							
Share-based incentive scheme					-0.3	-0.3	-0.3
Dividend payment					-84.0	-84.0	-84.0
Total transactions with shareholders					-84.4	-84.4	-84.4
Total change in equity			-9.6		228.5	218.9	218.9
Equity at 31 Dec 2020	58.0	35.8	-54.2	164.4	3,105.5	3,309.5	3,309.5



Condensed notes to the consolidated financial statements

Basic information about the Group

Kojamo plc is Finland's largest market-based, private housing investment company that offers rental apartments and housing services in Finnish growth centres. Its range of apartments is extensive. On 30 September 2021, Kojamo owned 36,484 rental apartments across Finland.

The Group's parent company, Kojamo plc, is a Finnish public company domiciled in Helsinki. Its registered address is Mannerheimintie 168, 00300 Helsinki, Finland.

Trading in Kojamo's shares commenced on the pre-list of Nasdaq Helsinki on 15 June 2018 and on the official list of

Nasdaq Helsinki on 19 June 2018. In addition, a bond issued by Kojamo in 2016 is listed on the official list of Nasdaq Helsinki Ltd. The Group's four other bonds are listed on the official list of the Irish Stock Exchange. The Group has chosen Finland as its home state for the disclosure of periodic information pursuant to Chapter 7, Section 3 of the Finnish Securities Market Act.

Kojamo plc's Board of Directors approved this Interim Report for publication at its meeting on 4 November 2021.

1. Accounting policies

Basis for preparation

These interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting as well as by applying the same accounting policies as in the previous annual financial statements, excluding the exceptions described below. The figures of the interim financial statements have not been audited.

The figures for 2020 are based on Kojamo plc's audited financial statements for 2020. The figures in brackets refer to the corresponding period in 2020, and the comparison period is the corresponding period the year before, unless otherwise stated.

The preparation of the interim financial statements in accordance with IFRS requires application of judgement by Kojamo's management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the balance

sheet date and the reported amounts of income and expenses for the period. Management must also make judgements when applying the Group's accounting policies. Actual results may differ from the estimates and assumptions used. The most significant items of this Interim Report where judgement has been applied by management, as well as the assumptions about the future and other key uncertainty factors in estimates at the end of the reporting period that create a significant risk of change in the carrying amounts of Kojamo's assets and liabilities within the next review period, are the same as those presented in the consolidated financial statements for the 2020 financial year. Of these, the most important are the determination of the fair values of investment properties and financial instruments. The COVID-19 pandemic may affect the housing and financial markets in exceptional ways. These factors may have an impact on Kojamo's profit and cash flow as well as the fair value of apartments.

2. Revenue

Specification of revenue from contracts with customers

M€	1-9/2021	1-9/2020	1-12/2020
Rental income	283.4	280.3	374.9
Water fees	7.7	5.8	8.0
Sauna fees	0.5	0.3	0.5
Other income from service sales	0.1	0.0	0.1
Total	291.7	286.5	383.5

Revenue consists primarily of rental income based on tenancy agreements. In the Group's business, the scope of IFRS 15 includes maintenance and service revenue, which include use-based charges collected from tenants.



3. Investment properties

M€	30 Sep 2021	30 Sep 2020	31 Dec 2020
Fair value of investment properties on 1 Jan ¹⁾	6,863.1	6,260.8	6,260.8
Acquisition of investment properties ^{1) 2)}	250.0	243.0	348.7
Modernisation investments	7.7	20.1	27.1
Disposals of investment properties	-2.4	-3.3	-4.2
Capitalised borrowing costs	4.2	2.6	3.8
Transfer from property, plant and equipment	-	0.5	1.2
Profit/loss on fair value of investment properties ¹⁾	484.1	74.1	225.8
Fair value of investment properties at the end of the period	7,606.7	6,597.8	6,863.1

The value of investment properties includes EUR 1.1 (2.4) million in Investment properties held for sale.

¹⁾ Includes IFRS 16 Leases

²⁾ Includes the existing apartment stock and the acquisition costs of new projects under construction

Right-of-use assets included in the fair values of investment properties

M€	30 Sep 2021	30 Sep 2020	31 Dec 2020
Fair value on 1 Jan	67.4	60.2	60.2
Increases/decreases	3.8	1.6	8.3
Profit/loss on fair value of investment properties	-0.8	-0.8	-1.1
Fair value at the end of the period	70.4	61.0	67.4

Modernisation investments are often significant and they are primarily related to repairs and renovations of plumbing, facades, roofs, windows and balconies. The expected average technical useful lives of the plumbing systems, facades, roofs and balconies of residential properties are taken into consideration in the planning of modernisation investments.

Capitalised borrowing costs totalled EUR 4.2 (2.6) million. The interest rate applied to capitalised borrowing costs was 1.8 (2.1) per cent at the end of the review period.

Fair value of investment properties by valuation method

M€	30 Sep 2021	30 Sep 2020	31 Dec 2020
Yield value *	6,868.5	5,937.2	6,157.1
Acquisition cost	667.8	599.6	638.7
Right-of-use assets	70.4	61.0	67.4
Total	7,606.7	6,597.8	6,863.1

* 30 September 2021 including properties valued at the cash flow based valuation method (DCF) EUR 6,802.5 million and other yield-based valued items EUR 66.0 million

Number of apartments	30 Sep 2021	30 Sep 2020	31 Dec 2020
Yield value	34,357	33,084	33,527
Acquisition cost *	2,127	2,529	2,275
Total	36,484	35,613	35,802

* 30 September 2021 includes 4 apartments as part of development projects



Average valuation parameters for yield-based valued items

	30 Sep 2021		
	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement, weighted, %	3.50	4.81	3.91
Inflation assumption, %	1.5	1.5	1.5
Market rents, weighted by square metres, €/m ² /month	19.00	14.59	16.87
Property maintenance expenses, repairs and modernisation investments €/m ² /month	6.06	6.06	6.06
10-year average financial occupancy rate, %	97.5	96.6	97.2
Rent increase assumption, %	2.0	1.7	1.9
Expense increase assumption, %	2.0	2.0	2.0

	30 Sep 2020		
	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement, weighted, %	3.83	5.05	4.23
Inflation assumption, %	1.5	1.5	1.5
Market rents, weighted by square metres, €/m ² /month	18.63	14.40	16.55
Property maintenance expenses, repairs and modernisation investments €/m ² /month	6.10	6.05	6.07
10-year average financial occupancy rate, %	98.0	96.4	97.1
Rent increase assumption, %	2.0	1.6	1.8
Expense increase assumption, %	2.0	2.0	2.0

	31 Dec 2020		
	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement, weighted, %	3.83	5.06	4.23
Inflation assumption, %	1.5	1.5	1.5
Market rents, weighted by square metres, €/m ² /month	18.93	14.65	16.82
Property maintenance expenses, repairs and modernisation investments €/m ² /month	6.09	6.04	6.07
10-year average financial occupancy rate, %	97.5	96.4	96.9
Rent increase assumption, %	2.0	1.6	1.8
Expense increase assumption, %	2.0	2.0	2.0



Sensitivity analysis for measuring the fair value of investment properties

Properties measured at yield value	30 Sep 2021				
	-10%	-5%	0%	5%	10%
Change % (relative)					
Change, M€					
Yield requirement	759.0	359.4		-324.9	-620.1
Market rents	-855.5	-427.7		427.7	855.5
Maintenance costs	276.0	138.0		-138.0	-276.0
Change % (absolute)	-2%	-1%	0%	1%	2%
Change, M€					
Financial occupancy rate	-176.0	-88.0		88.0	176.0

Properties measured at yield value	30 Sep 2020				
	-10%	-5%	0%	5%	10%
Change % (relative)					
Change, M€					
Yield requirement	658.6	311.8		-281.9	-537.9
Market rents	-758.2	-379.1		379.1	758.2
Maintenance costs	250.0	125.0		-125.0	-250.0
Change % (absolute)	-2%	-1%	0%	1%	2%
Change, M€					
Financial occupancy rate	-155.4	-77.7		77.7	155.4

Properties measured at yield value	31 Dec 2020				
	-10%	-5%	0%	5%	10%
Change % (relative)					
Change, M€					
Yield requirement	678.2	321.1		-290.3	-553.9
Market rents	-766.5	-383.2		383.2	766.5
Maintenance costs	250.6	125.3		-125.3	-250.6
Change % (absolute)	-2%	-1%	0%	1%	2%
Change, M€					
Financial occupancy rate	-157.7	-78.8		78.8	157.7

Fair value measurement of investment property

In Kojamo's consolidated financial statements, the determination of the fair value of investment property is the key area that involves the most significant uncertainty factors arising from the estimates and assumptions that have been used. The determination of the fair value of investment property requires significant management discretion and assumptions, particularly with respect to market prices and amounts of future rental income. Estimates and assumptions are particularly related to the future development of yield requirements, vacancy rates and rent levels.

Kojamo uses valuation techniques that are appropriate under those circumstances, and for which sufficient data is available to measure fair value. Kojamo aims to maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Investment property

Investment property refers to an asset (land, building or part of a building) that Kojamo retains to earn rental income or capital

appreciation, or both. An investment property can be owned directly or through an entity. Properties used for administrative purposes are owner-occupied property and included in the balance sheet line item "Property, plant and equipment". An investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from owner-occupied property.

Kojamo's investment property portfolio consists of the completed properties, properties under construction and renovation, leased plots (right-of-use assets) and the plot reserve. Properties classified as trading properties as well as properties classified as held for sale are included in the Group's property portfolio but excluded from the balance sheet item "Investment properties". A property is reclassified from "Investment properties" under "Trading properties" in the event of a change in the use of the property, and under "Investment property held for sale", when the sale of an investment property is deemed highly probable.

An investment property is derecognised from the balance sheet on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are



expected from its disposal. Capital gains and losses on disposals are presented netted as a separate line item in the income statement.

Restrictions on investment properties

Some of the investment properties are subject to legislative divestment and usage restrictions. The so-called non-profit restrictions apply to the owning company, and the so-called property-specific restrictions apply to the investment owned. The non-profit restrictions include, among other things, permanent restrictions on the company's operations, distribution of profit, lending and provision of collateral, and the divestment of investments. The property-specific restrictions include fixed-term restrictions on the use of apartments, the selection of residents, the determination of rent and the divestment of apartments.

Measurement of investment property

Investment property is measured initially at acquisition cost, including related transaction costs, such as transfer taxes and professional fees, as well as capitalised expenditure arising from eligible modernisation. The acquisition cost also includes related borrowing costs, such as interest costs and arrangement fees, directly attributable to the acquisition or construction of an investment property. The capitalisation of borrowing costs is based on the fact that an investment property is a qualifying asset, i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The capitalisation commences when the construction of a new building or extension begins and continues until such time as the asset is substantially ready for its intended use or sale. Capitalisable borrowing costs are directly attributable costs accrued on the funds borrowed for a construction project or costs attributable to a construction project.

After initial recognition, investment property is measured at fair value and the changes in fair value are recognised through profit or loss in the period in which they are observed. Fair value gains and losses are presented netted as a separate line item in the income statement. Fair value refers to the price that would be received from selling an asset, or paid for transferring a liability, in an ordinary transaction between market participants on the measurement date. The valuation techniques used by Kojamo are described below.

The value of investment properties is assessed internally at Kojamo on a quarterly basis. The results of the assessment are reported to the Management Group, Audit Committee and Board of Directors. The measurement process, market conditions and other factors affecting the assessment of the fair value of properties are reviewed quarterly with the CEO and CFO in accordance with Kojamo's reporting schedule. Each quarter, an external independent expert issues a statement on the valuation methods applied in the valuation of rental apartments and business premises owned by Kojamo as well as on the quality and reliability of the valuation.

Fair value of investment properties by valuation method

Inputs used in determining fair values (used in the valuation techniques) are classified on three levels in the fair value hierarchy. The fair value hierarchy is based on the source of inputs.

Level 1 inputs

Quoted prices (unadjusted) in active markets for identical investment property.

Level 2 inputs

Inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly or indirectly.

Level 3 inputs

Unobservable inputs for investment property.

An investment property measured at fair value is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The fair value measurement for all of the investment property of Kojamo has been categorised as a Level 3 fair value, as observable market information for the determination of fair values has not been available.

Fair value of investment properties by valuation method

The fair values of investment properties measured by Kojamo are based on transaction value or balance sheet value (acquisition cost).

Income value (yield value)

The measurement of value is based on 10-year discounted cash flow (DCF), in which the terminal value of the property is calculated based on direct capitalisation and net yield in year 11. The discount rate is the 10-year cash flow yield requirement plus inflation.

On completion, newly developed properties are moved from balance sheet value measurement to yield value measurement in the quarter they are completed in. The development margin, if any, is recognised as income in connection with this transition.

Completed properties acquired by the Group are measured in their first quarter using the acquisition cost and subsequently using the yield value method.

The yield value method is used to measure the value of properties that are not subject to restrictions.

The yield value method is also used to measure the value of properties that can be sold as entire properties but not apartment by apartment due to restrictions stipulated by the legislation concerning state-subsidised rental housing. The disposal of such properties is only possible when the entire property is sold, and it must be sold to a party that will continue to use the property for the provision of rental housing until the restrictions expire. The rents for such properties can be set freely. The yield value method is used to measure the value of properties that belong to the following restriction groups: free of restrictions, subject to extension restrictions, 20-year interest subsidy, 10-year interest subsidy.



The yield requirements are analysed on a quarterly basis in connection with valuation. The determination of the yield requirement is based on the size of the municipality. In larger cities, several area-specific yield requirements are determined while, in smaller cities, the yield requirement is set at the municipal level. The yield requirement for terraced houses is increased by 20 basis points. Properties with a particularly large proportion of premises that are not in residential use (in excess of 40% of the total floor area) are analysed separately.

The change in yield requirement based on the age of the property is as follows: more than 15 years from completion or renovation +12.5%, more than 30 years from completion or renovation +22.5%.

Provision for modernisation investments:

Age of the property or the number of years since the completion of the most recent renovation	Provision (€/m²/month)
0-10 years	0.25
11-30 years	1.00
31-40 years	1.50
>40 years	2.00

Acquisition cost (balance sheet value)

The balance sheet value is used for the measurement of residential and commercial properties whose disposal price is restricted under the legislation governing state-subsidised rental properties, meaning that their disposal price cannot be determined freely. In addition, the setting of rents for such properties is, as a rule, based on the cost principle, which means that the rent levels cannot be determined freely.

The balance sheet value method is used to measure the value of properties that belong to the following restriction groups:

ARAVA (state-subsidised rental properties), and 40-year interest subsidy.

The fair value of property development projects, the plot reserve and shares and holdings related to investment properties is their original acquisition cost.

Business combinations and asset acquisition

Acquisitions of investment properties by Kojamo are accounted for as an acquisition of asset or a group of assets, or a business combination within the scope of IFRS 3 *Business Combinations*. Reference is made to IFRS 3 to determine whether a transaction is a business combination. This requires the management's judgment.

IFRS 3 is applied to the acquisition of investment property when the acquisition is considered to constitute an entity that is treated as a business. Usually, a single property and its rental agreement does not constitute a business entity. To constitute a business entity, the acquisition of the property should include acquired operations and people carrying out these operations, such as marketing of properties, management of tenancies and property repairs and renovation.

The consideration transferred in the business combination and the detailed assets and accepted liabilities of the acquired entity are measured at fair value on the acquisition date. Goodwill is recognised at the amount of consideration transferred, interest of non-controlling shareholders in the acquiree and previously held interest in the acquiree deducted by Kojamo's share of the fair value of the acquired net assets. Goodwill is not amortised, but it is tested for impairment at least annually.

Acquisitions that do not meet the definition of business in accordance with IFRS 3 are accounted for as asset acquisitions. In this event, goodwill or deferred taxes etc. are not recognised.



4. Property, plant and equipment

M€	30 Sep 2021	30 Sep 2020	31 Dec 2020
Carrying value, beginning of period	29.8	30.9	30.9
Increases	0.2	0.4	0.6
Decreases	-0.5	-	-
Transfer to investment properties	-	-0.5	-0.5
Depreciation for the period	-0.8	-1.2	-1.2
Carrying value, end of period	28.7	29.6	29.8

Property, plant and equipment consist of assets held and used by the company, mainly buildings and land areas, as well as

machinery and equipment. The right-of-use asset item includes car leasing agreements in accordance with IFRS 16 Leases.

Right-of-use assets included in property, plant and equipment

M€	30 Sep 2021	30 Sep 2020	31 Dec 2020
Carrying value, beginning of period	1.0	0.9	0.9
Increases/decreases	0.2	0.3	0.5
Depreciation for the period	-0.3	-0.3	-0.4
Carrying value, end of period	0.8	0.9	1.0

5. Interest-bearing liabilities

M€	30 Sep 2021	30 Sep 2020	31 Dec 2020
Non-current liabilities			
Bonds	2,036.3	1,687.6	1,688.3
Loans from financial institutions	1,058.1	1,111.1	1,046.7
Interest subsidy loans	26.6	30.9	30.8
Lease liability	69.5	59.5	66.7
Non-current liabilities total	3,190.5	2,889.0	2,832.6
Current liabilities			
Loans from financial institutions	98.2	152.5	153.3
Interest subsidy loans	4.3	34.9	7.0
Commercial papers	50.0	50.0	50.0
Other loans	6.4	8.8	8.8
Lease liability	1.7	2.4	1.6
Current liabilities total	160.6	248.6	220.7
Total interest-bearing liabilities	3,351.1	3,137.6	3,053.3



6. Derivative instruments

Fair values of derivative instruments

M€	30 Sep 2021			30 Sep 2020	31 Dec 2020
	Positive	Negative	Net	Net	Net
Interest rate derivatives					
Interest rate swaps, cash flow hedging	-	-49.9	-49.9	-72.9	-71.4
Interest rate swaps, not in hedge accounting	-	-7.7	-7.7	-9.8	-9.5
Electricity derivatives	1.7	-	1.7	0.0	-0.1
Total	1.7	-57.6	-55.9	-82.7	-81.1

Nominal values of derivative instruments

M€	30 Sep 2021	30 Sep 2020	31 Dec 2020
Interest rate derivatives			
Interest rate swaps, cash flow hedging	832.0	953.5	919.2
Interest rate swaps, not in hedge accounting	41.3	41.9	41.9
Total	873.3	995.4	961.1
Electricity derivatives, MWh	29,708	94,281	74,448

During the review period, EUR 20.6 (-13.1) million was recognised in the fair value reserve from interest rate derivatives classified as cash flow hedges. The interest rate derivatives mature between 2021 and 2035. At the end of the review period, the average maturity of interest rate swaps was 4.8 (5.1) years.

Electricity derivatives hedge against increases in electricity prices and mature between 2021 and 2022. Electricity derivatives are not included in hedge accounting. The unrealised gains and losses from their measurement are presented in the balance sheet under current and non-current assets or liabilities in the item Derivative instruments.



7. Financial assets and liabilities by valuation category

M€	30 Sep 2021				Fair value total
	Carrying value total	Level 1	Level 2	Level 3	
Financial assets					
Measured at fair value					
Electricity derivatives	1.7	1.7			1.7
Financial assets recognised at fair value through profit or loss	153.5	143.9	9.0	0.7	153.5
Measured at amortised cost					
Cash and cash equivalents	232.8		232.8		232.8
Trade receivables	4.7				4.7
Financial liabilities					
Measured at fair value					
Interest rate derivatives	57.6		57.6		57.6
Measured at amortised cost					
Other interest-bearing liabilities	1,314.8		1,318.1		1,318.1
Bonds	2,036.3	2,137.7			2,137.7
Trade payables	12.0				12.0

M€	31 Dec 2020				Fair value total
	Carrying value total	Level 1	Level 2	Level 3	
Financial assets					
Measured at fair value					
Electricity derivatives	0.1	0.1			0.1
Financial assets recognised at fair value through profit or loss	118.2	80.5	37.0	0.7	118.2
Measured at amortised cost					
Cash and cash equivalents	210.5		210.5		210.5
Trade receivables	5.5				5.5
Financial liabilities					
Measured at fair value					
Interest rate derivatives	81.0		81.0		81.0
Electricity derivatives	0.3	0.3			0.3
Measured at amortised cost					
Other interest-bearing liabilities	1,364.9		1,368.4		1,368.4
Bonds	1,688.3	1,797.7			1,797.7
Trade payables	19.1				19.1

There were no transfers between the hierarchy levels during the review period. The fair value of floating rate loans is the same as their nominal value, as the margins of the loans correspond to the margins of new loans. The fair values of bonds are based on market price quotations. The fair value of other fixed-rate liabilities is based on discounted cash flows, in which market interest rates are used as input data.

If there is no active market for the financial instrument, judgment is required to determine fair value and impairment. External mark to market valuations may be used for some interest rate derivatives. Recognition of impairment is considered if the impairment is significant or long-lasting. If the amount of impairment loss decreases during a subsequent financial year

and the decrease can be considered to be related to an event occurring after the recognition of impairment, the impairment loss will be reversed.

Financial assets and liabilities measured at fair value are classified into three fair value hierarchy levels in accordance with the reliability of the valuation technique:

Level 1:

The fair value is based on quoted prices for identical instruments in active markets.



Level 2:

A quoted market price exists in active markets for the instrument, but the price may be derived from directly or indirectly quoted market data. Fair values are measured using valuation techniques. Their inputs are based on quoted market prices, including e.g. market interest rates, credit margins and yield curves.

Level 3:

There is no active market for the instrument, the fair value cannot be reliably derived and input data used for the determination of fair value is not based on observable market data.

Level 3 reconciliation

Financial assets recognised at fair value through profit or loss

M€	30 Sep 2021	30 Sep 2020	31 Dec 2020
Beginning of period	0.7	0.7	0.7
Change	-	-	0.0
End of period	0.7	0.7	0.7

Investments measured at fair value through profit or loss on hierarchy level 3 are investments in unlisted securities and they are mainly measured at acquisition cost, as their fair value

cannot be reliably measured in the absence of an active market. For these items, the acquisition cost is evaluated to be an appropriate estimate of fair value.

8. Earnings per share

	1–9/2021	1–9/2020	1–12/2020
Profit for the period attributable to shareholders of the parent company, M€	493.1	158.5	312.9
Weighted average number of shares during the period (million)	247.1	247.1	247.1
Earnings per share			
Basic, €	2.00	0.64	1.27
Diluted, €	2.00	0.64	1.27

The company has no diluting instruments.

9. Guarantees, commitments and contingent liabilities

M€	30 Sep 2021	30 Sep 2020	31 Dec 2020
Loans covered by pledges on property and shares as collateral	876.8	1,140.0	1,048.5
Pledges given	944.5	1,169.9	1,059.7
Shares ¹⁾	156.8	194.2	173.9
Pledged collateral, total	1,101.3	1,364.1	1,233.6
Other collaterals given			
Mortgages and shares	7.8	5.9	5.9
Guarantees ²⁾	624.5	566.9	514.0
Pledged deposits	0.0	0.1	0.1
Other collateral, total	632.3	572.9	520.1

¹⁾ Pledged mortgages and shares relate in some cases to the same properties

²⁾ Guarantees given mainly relate to parent company guarantees given on behalf of Group companies' loans and some of these loans have also mortgages as collaterals



10. Non-current assets held for sale

On 30 September 2021 Kojamo had EUR 1.1 million non-current assets held for sale. The asset item in question consisted of one plot of land. On 30 September 2020 and on 31 December 2020 Kojamo had EUR 2.4 million in non-current assets held for sale. The asset item in question consisted of one plot of land that was sold to T2H Rakennus Oy on 16 March 2021.

The investment properties have been measured at fair value in the financial statements (fair value hierarchy level 3).

11. Effects of the COVID-19 pandemic

Kojamo has assessed the impact of the COVID-19 pandemic on the Group's profit, balance sheet and cash flow and determined that the pandemic did not have a significant impact on the items in question during the review period.

12. Events after the review period

After the review period on 1 November 2021, Kojamo received a notification pursuant to the Securities Markets Act from Ivar Tollefsen (Heimstaden Bostad AB). According to the notification, the holding of Heimstaden Bostad AB in the Company's

shares and votes has risen above 10 per cent on 1 November 2021. This company holds a total of 24,724,000 shares corresponding to an ownership of 10.00387 percent in Kojamo's shares and votes.



Key figures, the formulas used in their calculation, and reconciliation calculations in accordance with ESMA guidelines

	Formula	7–9/2021	7–9/2020	1–9/2021	1–9/2020	2020
Total revenue, M€		98.1	96.3	292.0	286.8	383.9
Net rental income, M€	1	72.2	68.9	196.7	193.8	257.6
Net rental income margin, %	2	73.6	71.5	67.4	67.6	67.1
Profit before taxes, M€	3	69.3	72.8	616.0	198.0	391.2
EBITDA, M€	4	83.2	87.2	656.3	240.8	447.6
EBITDA margin, %	5	84.8	90.6	224.7	84.0	116.6
Adjusted EBITDA, M€	6	65.2	61.4	171.5	167.5	222.6
Adjusted EBITDA margin, %	7	66.5	63.8	58.7	58.4	58.0
Funds From Operations (FFO), M€ ¹⁾	8	45.0	42.0	114.5	113.3	151.4
FFO margin, %	9	45.9	43.7	39.2	39.5	39.5
Funds From Operations (FFO) per share, €	10	0.18	0.17	0.46	0.46	0.61
FFO excluding non-recurring costs, M€	11	45.0	42.0	114.5	113.3	151.4
Adjusted Funds From Operations (AFFO), M€	12	42.3	32.6	106.8	93.2	124.3
Investment properties, M€ ²⁾				7,606.7	6,597.8	6,863.1
Financial occupancy rate, %	23			94.0	96.3	96.4
Interest-bearing liabilities, M€	13			3,351.1	3,137.6	3,053.3
Return on equity, % (ROE)	14			18.7	6.8	9.8
Return on investment, % (ROI)	15			13.1	5.3	7.4
Equity ratio, %	16			46.2	44.1	45.6
Loan to Value (LTV), % ³⁾	17			41.0	42.1	41.4
Unencumbered asset ratio, %	18			83.4	76.8	79.4
Coverage ratio	19			4.0	4.1	4.1
Solvency ratio	20			0.39	0.39	0.39
Secured solvency ratio	21			0.11	0.16	0.14
Earnings per share, €		0.22	0.24	2.00	0.64	1.27
Equity per share, €				15.08	12.76	13.39
Gross investments, M€	22	81.6	85.1	258.1	264.1	371.2
Number of personnel, end of the period				316	309	317

¹⁾ The formula used in the calculation was changed during the review period regarding current taxes from disposals. The comparison figures for 2020 have been adjusted to reflect the current calculation method

²⁾ Including Non-current assets held for sale

³⁾ Excluding Non-current assets held for sale

Alternative Performance Measures

Kojamo presents Alternative Performance Measures to illustrate the financial development of its business operations and improve comparability between reporting periods. The Alternative Performance Measures, i.e. performance measures that

are not based on financial reporting standards, provide significant additional information for the management, investors, analysts and other parties. The Alternative Performance Measures should not be considered substitutes for IFRS performance measures.



Formulas used in the calculation of the key figures

Alternative Performance Measures specified in accordance with ESMA Guidelines

- 1) Net rental income = Total revenue - Maintenance expenses - Repair expenses

Net rental income measures the profitability of the Group's rental business after the deduction of maintenance and repair costs.
- 2) Net rental income margin, % = $\frac{\text{Net rental income}}{\text{Total revenue}} \times 100$

This figure reflects the ratio between net rental income and total revenue.
- 3) Profit before taxes = Net rental income - Administrative expenses + Other operating income - Other operating expenses +/- Profit/loss on sales of investment properties +/- Profit/loss on sales of trading properties +/- Profit/loss on fair value of investment properties - Depreciation, amortisation and impairment losses +/- Financial income and expenses +/- Share of result from associated companies

Profit before taxes measures profitability after operative costs and financial expenses.
- 4) EBITDA = Profit for the period + Depreciation, amortisation and impairment losses -/+ Financial income and expenses -/+ Share of result from associated companies + Current tax expense + Change in deferred taxes

EBITDA measures operative profitability before financial expenses, taxes and depreciation.
- 5) EBITDA margin, % = $\frac{\text{EBITDA}}{\text{Total revenue}} \times 100$

EBITDA margin discloses EBITDA in relation to net sales.
- 6) Adjusted EBITDA = Profit for the period + Depreciation, amortisation and impairment losses -/+ Profit/loss on sales of investment properties -/+ Profit/loss on sales of trading properties -/+ Profit/loss on sales of other non-current assets -/+ Profit/loss on fair value of investment properties profit for the period -/+ Financial income and expenses -/+ Share of result from associated companies + Current tax expense + Change in deferred taxes

Adjusted EBITDA measures the profitability of the Group's underlying rental operations excluding gains/losses on sale of properties and unrealised value changes of investment properties.
- 7) Adjusted EBITDA margin, % = $\frac{\text{Adjusted EBITDA}}{\text{Total revenue}} \times 100$

Adjusted EBITDA margin discloses adjusted EBITDA in relation to total revenue.
- 8) Funds From Operations (FFO) = Adjusted EBITDA - Adjusted net interest charges - Current tax expense +/- Current taxes from disposals

FFO measures cash flow before change in net working capital. The calculation of this APM takes into account financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes.
The formula used in the calculation was changed during the review period regarding current taxes from disposals. The comparison figures for 2020 have been adjusted to reflect the current calculation method.



- 9) FFO margin, % = $\frac{\text{FFO}}{\text{Total revenue}}$ x 100
FFO margin discloses FFO in relation to total revenue.
- 10) FFO per share = $\frac{\text{FFO}}{\text{Weighted average number of shares outstanding during the financial period}}$
FFO per share illustrates FFO for an individual share.
- 11) FFO excluding non-recurring costs = FFO + non-recurring costs
FFO measures cash flow before change in net working capital. The calculation of this APM takes into account financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes and non-recurring costs.
- 12) Adjusted FFO (AFFO) = FFO - Modernisation investments
AFFO measures cash flow before change in net working capital, adjusted for modernisation investments. The calculation of this APM takes into account modernisation investments, financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes.
- 13) Interest-bearing liabilities = Non-current loans and borrowings + Current loans and borrowings
Interest-bearing liabilities measures the Group's total debt.
- 14) Return on equity, % (ROE) = $\frac{\text{Profit for the period (annualised)}}{\text{Total equity, average during the period}}$ x 100
ROE measures the financial result in relation to equity. This APM illustrates Kojamo's ability to generate a return for the shareholders.
- 15) Return on investment, % (ROI) = $\frac{(\text{Profit before taxes} + \text{Interests and other financial expenses}) \text{ (annualised)}}{(\text{Total assets} - \text{Non-interest-bearing liabilities}), \text{ average during the period}}$ x 100
ROI measures the financial result in relation to invested capital.
This APM illustrates Kojamo's ability to generate a return on the invested funds.
- 16) Equity ratio, % = $\frac{\text{Total equity}}{\text{Balance sheet total} - \text{Advances received}}$ x 100
Equity to assets is an APM for balance sheet structure that discloses the ratio of equity to total capital.
This APM illustrates the Group's financing structure.
- 17) Loan to Value (LTV), % = $\frac{\text{Interest-bearing liabilities} - \text{Cash and cash equivalents}}{\text{Investment properties}}$ x 100
Loan to value discloses the ratio of net debt to investment properties. This APM illustrates the Group's indebtedness.
- 18) Unencumbered asset ratio, % = $\frac{\text{Unencumbered assets}}{\text{Assets total}}$ x 100
This APM illustrates the amount of unencumbered assets relative to total assets.



19) Coverage ratio = $\frac{\text{Adjusted EBITDA, rolling 12 months}}{\text{Adjusted net financial expenses, rolling 12 months}}$

The ratio between EBITDA and net financial expenses. This APM illustrates the Group's ability to service its debts.

20) Solvency ratio = $\frac{\text{Interest-bearing debt* - Cash and cash equivalents}}{\text{Assets total}}$

The solvency ratio illustrates the ratio of net debt to total assets.

*For this APM, interest-bearing debt includes interest-bearing liabilities, interest-bearing debt related to non-current assets held for sale and transaction prices due after more than 90 days.

21) Secured solvency ratio = $\frac{\text{Secured interest-bearing liabilities}}{\text{Assets total}}$

This APM illustrates the ratio of secured loans to total assets

22) Gross investments = Acquisition and development of investment properties + Modernisation investments + Capitalised borrowing costs

This APM illustrates total investments including acquisitions, development investments, modernisation investments and capitalised interest.

Other performance measures

23) Financial occupancy rate, % = $\frac{\text{Rental income}}{\text{Potential rental income at full occupancy}} \times 100$



Reconciliation of key indicators

M€	7–9/2021	7–9/2020	1–9/2021	1–9/2020	2020
Profit for the period	55.4	58.4	493.1	158.5	312.9
Depreciation, amortisation and impairment losses	0.3	0.7	0.9	1.2	1.3
Profit/loss on sales of investment properties	-	0.0	-0.3	0.7	0.7
Profit/loss on sales of other non-current assets	0.0	-	-0.3	-	-
Profit/loss on fair value of investment properties	-17.9	-25.8	-484.1	-74.1	-225.8
Financial income	-1.8	-0.4	-4.9	-1.6	-1.8
Financial expenses	15.3	14.1	44.3	43.2	57.0
Share of result from associated companies	-	-	-	0.0	-0.2
Current tax expense	6.3	4.8	15.4	13.5	16.9
Change in deferred taxes	7.6	9.6	107.6	26.1	61.5
Adjusted EBITDA	65.2	61.4	171.5	167.5	222.6
Financial income and expenses	-13.6	-13.7	-39.4	-41.6	-55.3
Profit/loss on fair value measurement of financial assets	-1.4	-0.8	-3.8	1.1	1.0
Adjusted net interest charges	-15.0	-14.6	-43.2	-40.5	-54.2
Current tax expense	-6.3	-4.8	-15.4	-13.5	-16.9
Current taxes from disposals	1.1	0.0	1.5	-0.2	-0.1
FFO	45.0	42.0	114.5	113.3	151.4
FFO excluding non-recurring costs	45.0	42.0	114.5	113.3	151.4
Equity			3,726.4	3,154.1	3,309.5
Assets total			8,068.1	7,155.1	7,261.5
Advances received			-6.6	-6.5	-6.6
Equity ratio, %			46.2	44.1	45.6
Unencumbered investment properties			6,223.8	4,905.9	5,327.0
Non-current assets, other than investment properties			97.4	91.6	97.6
Current assets			409.1	500.2	342.7
Unencumbered assets total			6,730.4	5,497.6	5,767.3
Total assets			8,068.1	7,155.1	7,261.5
Unencumbered asset ratio, %			83.4	76.8	79.4
Adjusted EBITDA, rolling 12 months			226.7	217.5	222.6
Adjusted net interest charges, rolling 12 months			-56.9	-53.2	-54.2
Coverage ratio			4.0	4.1	4.1
Interest-bearing liabilities			3,351.1	3,137.6	3,053.3
Deferred purchase price due after 90 days			0.4	-	-
Cash and cash equivalents			232.8	358.4	210.5
Total indebtedness - Cash and cash equivalents			3,118.6	2,779.2	2,842.8
Total assets			8,068.1	7,155.1	7,261.5
Solvency ratio			0.39	0.39	0.39
Secured loans			876.8	1,140.0	1,048.5
Total assets			8,068.1	7,155.1	7,261.5
Secured solvency ratio			0.11	0.16	0.14