



kojamo



Interim Report
1 January–31 March 2021





Kojamo plc's Interim Report 1 January–31 March 2021

Growth continues, the fair value of investment properties is over EUR 7 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 January–March 2021

- Total revenue increased by 1.6 per cent to EUR 97.2 (95.7) million.
- Net rental income decreased by -1.0 per cent to EUR 55.5 (56.0) million. Net rental income was 57.0 (58.6) per cent of total revenue.
- Profit before taxes was EUR 177.1 (51.7) million. The profit includes EUR 143.5 (22.0) million in net gain on the valuation of investment properties at fair value and EUR 0.3 (-0.1) million in profits and losses from the sale of investment properties. Earnings per share was EUR 0.57 (0.17).
- Funds From Operations (FFO) decreased by -6.2 per cent to EUR 27.6 (29.4) million.
- The fair value of investment properties was EUR 7.1 (6.3) billion at the end of the review period.
- The financial occupancy rate was 94.9 (96.9) per cent for the review period.
- Gross investments amounted to EUR 68.0 (62.1) million, or 69.9 (64.8) per cent of total revenue.
- Equity per share was EUR 13.63 (12.30) and return on equity was 17.0 (5.4) per cent. Return on investment was 12.0 (4.8) per cent.
- EPRA NRV (Net Reinstatement Value) per share grew by 10.7 per cent to EUR 17.55 (15.86).
- There were 2,619 (1,651) Lumo apartments under construction at the end of the review period.

Kojamo owned 35,847 (35,392) rental apartments at the end of the review period. Since March of last year, Kojamo has acquired 71 (244) apartments, completed 458 (874) apartments, sold 15 (522) apartments and demolished or otherwise altered -59 (4) 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 Group's day-to-day operations have continued normally in spite of the exceptional circumstances. 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 have been 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 an effect on the Group's financial occupancy rate. Kojamo expects the impacts of the pandemic to be short-lived.

Outlook for Kojamo in 2021

Kojamo estimates that in 2021, the Group's total revenue will increase by 3–5 per cent year-on-year. In addition, Kojamo estimates that the Group's FFO for 2021 will amount to between EUR 150–163 million, excluding non-recurring items.

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 is also based on the estimate that sufficient vaccination coverage will be achieved in the summer and that migration will gradually recover to pre-pandemic levels thereafter. Migration sustains strong demand, which will increase Like-for-

Like rental income. However, due to the impacts of the pandemic on the operating environment, the Group expects the development of Like-for-Like rental income to be moderate during the first half of the year.

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

	1-3/2021	1-3/2020	Change %	2020
Total revenue, M€	97.2	95.7	1.6	383.9
Net rental income, M€ *	55.5	56.0	-1.0	257.6
Net rental income margin, % *	57.0	58.6		67.1
Profit before taxes, M€ *	177.1	51.7	242.3	391.2
EBITDA, M€ *	190.2	68.3	178.3	447.6
EBITDA margin, % *	195.6	71.4		116.6
Adjusted EBITDA, M€ *	46.4	46.4	0.0	222.6
Adjusted EBITDA margin, % *	47.7	48.5		58.0
Funds From Operations (FFO), M€ *	27.6	29.4	-6.2	151.5
FFO margin, % *	28.4	30.7		39.5
FFO excluding non-recurring costs, M€ *	27.6	29.4	-6.2	151.5
Investment properties, M€ ¹⁾	7,072.3	6,344.2	11.5	6,863.1
Financial occupancy rate, %	94.9	96.9		96.4
Interest-bearing liabilities, M€ *	3,034.2	2,745.6	10.5	3,053.3
Return on equity (ROE), % *	17.0	5.4		9.8
Return on investment (ROI), % *	12.0	4.8		7.4
Equity ratio, % *	45.5	45.3		45.6
Loan to Value (LTV), % * ²⁾	40.2	39.5		41.4
EPRA Reinstatement value (NRV), M€	4,338.5	3,920.9	10.7	4,254.6
Gross investments, M€ *	68.0	62.1	9.6	371.2
Number of personnel, end of the period	312	300		317
Key figures per share, €	1-3/2021	1-3/2020	Change %	2020
FFO per share *	0.11	0.12	-8.3	0.61
Earnings per share	0.57	0.17	235.3	1.27
EPRA NRV per share	17.55	15.86	10.7	17.21
Equity per share	13.63	12.30	10.8	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⁾ Including non-current assets held for sale

²⁾ Excluding non-current assets held for sale



CEO's review



Kojamo's total revenue grew in the first quarter, supported by the growth of the housing stock. The value of our investment properties developed favorably, with the fair value exceeding EUR 7 billion. The number of apartments under construction is high and all of our current projects under construction are located in the capital area. We are in a good position to continue our growth.

In the first quarter, maintenance costs were increased by the colder weather and higher snowfall compared to the previous year and the long-term average, and net rental income decreased slightly. Repairs and modernisation investments remained on a par with the comparison period.

The impacts of the COVID-19 pandemic are still visible in the market. Migration has temporarily slowed down due to the restrictions aimed at preventing the spread of the pandemic. The market supply of rental apartments is high, especially in Helsinki. Our financial occupancy rate decreased in the first quarter, with tenant turnover increasing particularly due to uncer-

tainties related to studying and working arising from the restrictions. This meant that the growth of Like-for-Like rental income was moderate, as anticipated. Nevertheless, we have also observed that the demand for rental apartments in central locations has remained good in spite of the pandemic and the rental of newly completed properties has progressed well, for example. Our outlook for 2021 remains unchanged.

The recovery of urbanisation depends on reaching sufficient vaccination coverage. We believe the impacts of the pandemic will be short-lived and we expect urbanisation to continue even stronger once the pandemic abates. The resumption of contact instruction in studies, for example, would quickly increase the demand for rental apartments in cities with universities.

We are a long-term operator that is focused on creating the conditions for future growth. We have set detailed criteria for our investments and I am satisfied with our strong project pipeline, which responds to the needs of urbanising Finland. We believe that growth centres will continue to serve as providers of jobs and study opportunities as well as meeting places. Combined with the decreasing average size of households, the appeal of growth centres creates demand for apartments.

It is essential for us to provide our customers with good, easy and effortless living solutions and we will continue to invest in service development. Our digital My Lumo service channel has achieved a high level of popularity amongst our customers as well as a high customer promoter score. One in ten new customers have also used the channel to order some of our paid value-added services.

Our balance sheet is strong, and our equity ratio and Loan to Value (LTV) are both in line with our strategic targets. In March, we also took a significant step on the sustainable finance front by publishing Kojamo's Green Finance Framework. It enables us to link our sustainability targets with our financing solutions and underscores our commitment to promoting sustainable development. Our goal is to become carbon-neutral in energy consumption for our entire property portfolio by 2030.

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 household sizes.

Operating environment key figures

%	2021E	2020
GDP growth	2.8	-2.8
Unemployment	7.8	7.8
Inflation	1.6	0.3
Coverage of vaccination against COVID-19 virus*	30.9	

* Coverage as at 4 May 2021

Sources: Handelsbanken Economic forecast 29 April 2021; Finnish Institute for Health and Welfare 4 May 2021

According to the Finnish Ministry of Finance's report *Construction 2021–2022*, the global economy and world trade have gradually strengthened since last summer. The distribution of COVID-19 vaccinations has begun, and a significant vaccination coverage will be achieved in developed countries within this year.

According to Handelsbanken's Economic forecast, the lifting of restrictions and the acceleration of the vaccination rollout will likely boost economic growth this year. The growth is expected to be especially robust in third quarter. Unleashing of pent-up household demand and growth in export are the main drivers of economic growth. Inflation will accelerate in Finland this year, but slower than wage growth. The unemployment rate will start to decline remarkably in 2022.

Industry operating environment

Industry key figures

	2021E	2020
Residential start-ups, units	37,000	40,900
of which non-subsidised block-of-flats	26,300	23,300
start-ups in the capital region	n/a	14,278
Building permits granted, annual, units *	40,360	37,922
Construction costs, change %	1.5	-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, February 2021

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

According to the Confederation of Finnish Construction Industries (RT) business survey, housing production will remain at a fairly high level historically thanks to both consumer and investor demand. According to the Finnish Ministry of Finance's report *Construction 2021–2022*, the growth of residential start-ups this year is expected to be concentrated in the Helsinki and Turku regions. The number of build-to-sell residential start-ups is expected to grow faster than non-subsidised rental housing start-ups this year.

According to the Confederation of Finnish Construction Industries (RT) business survey, housing production is supported by large cities, low interest rates and the resumption of economic growth. Growth in costs accelerated substantially at the start of the year. Based on the rise in the global market prices of raw materials, the increase in costs is expected to accelerate this year.



According to Pellervo Economic Research (PTT), the polarisation of the housing market is clearly evident as apartment prices in growth centres continue to rise, while the development of prices has been weaker in certain medium-sized cities.

The pandemic mitigated the rise in rents in 2020. The improved economic conditions are expected to lead to higher rents for non-subsidised housing in 2021. According to PTT, the demand for apartments will remain strong in growth centres.

Effects of urbanisation

Area	Population growth forecast, %	Share of rental household-dwelling units, %	
	2019–2030	2010	2019
Helsinki	11.7	47.1	49.3
Capital region ¹⁾	13.0	41.9	45.2
Helsinki region ²⁾	10.5	37.7	41.1
Jyväskylä	7.1	40.2	44.4
Kuopio	2.9	36.5	40.2
Lahti	0.3	37.3	40.9
Oulu	7.3	36.7	41.5
Tampere	11.7	42.2	48.8
Turku	8.5	43.0	49.1
Other areas	-6.4	23.8	25.5

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 2019, Population forecast 2019

According to the Finnish Ministry of Finance's report *Construction 2021–2022*, urbanisation slowed down in 2020 due to COVID-19 restrictions and the resulting increase in remote work, remote studying and remote meetings. According to the Confederation of Finnish Construction Industries (RT) business survey, urbanisation is nevertheless continuing in spite of slowing down last year.

According to KTI Property Information, the rental apartment market has been characterised by the growing share of small apartments in the supply, which has been supported by the decreasing average size of households as well as demand being concentrated in key locations.

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 primarily in Finnish growth centres. At the end of the review period, Kojamo's property portfolio comprised 35,847 (35,392) rental apartments. The fair value of Kojamo's investment properties at the end of the review period was EUR 7.1 (6.3) billion. Investment properties include completed apartments as well as development projects and land areas.

Measured at fair value on 31 March 2021, 97.3 per cent of Kojamo's rental apartments were located in the seven largest Finnish growth centres, 86.3 per cent in the Helsinki, Tampere and Turku regions and 73.6 per cent in the Helsinki region.

Households living in rental homes outnumber those living in owner-occupied housing in Helsinki, Tampere and Turku. The share of rental household-dwelling units has also increased in all of Finland's major urban areas. This is a strong sign of the acceleration of urbanisation on the one hand and the change in housing preferences on the other hand. For younger generations, owning a home is not as significant as it was for previous generations. Owning a home is also no longer seen as the only way to accumulate wealth. Instead, people are increasingly attracted by the freedom provided by rental housing. This will support the development of the rental housing market for a long time to come.

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 January–March 2021

Total revenue

Kojamo's total revenue in January–March 2021 increased to EUR 97.2 (95.7) million. Total revenue is generated entirely by income from rental operations.

The increase in total revenue was mainly due to the completion of rental apartments in 2020 and the Like-for-Like (LfL) growth of rental income. Like-for-Like growth is defined as the change of rental income for properties owned for two consecutive years in the past 12 months compared to the previous 12-month period.

Result and profitability

Net rental income decreased to EUR 55.5 (56.0) million, which corresponds to 57.0 (58.6) per cent of total revenue. The decrease in net rental income was mainly due to higher property maintenance costs. Heating costs, in particular, increased year-on-year due to the cold weather.

Profit before taxes was EUR 177.1 (51.7) million. The profit includes EUR 143.5 (22.0) million in net gain on the valuation of investment properties at fair value and EUR 0.3 (-0.1) 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 3.9 million.

Financial income and expenses totalled EUR -12.8 (-16.3) million. Financial income and expenses decreased by EUR 3.6 million year-on-year. Gains on the valuation of investments amounted to EUR 2.2 million and the unrealised change in the fair value of derivatives increased by EUR 3.0 million year-on-year. Interest expenses increased by EUR 1.3 million year-on-year due to the higher amount of interest-bearing liabilities.

Funds From Operations (FFO) amounted to EUR 27.6 (29.4) million. The decline in FFO was attributable to the year-on-year decrease in net rental income as well as higher interest expenses due to interest-bearing liabilities being higher than in the comparison period.

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

Balance sheet, cash flow and financing

	31 Mar 2021	31 Mar 2020	31 Dec 2020
Balance sheet total, M€	7,410.3	6,717.7	7,261.5
Equity, M€	3,367.7	3,040.2	3,309.5
Equity per share, €	13.63	12.30	13.39
Equity ratio, %	45.5	45.3	45.6
Return on equity (ROE), %	17.0	5.4	9.8
Return on investment (ROI), %	12.0	4.8	7.4
Interest-bearing liabilities, M€	3,034.2	2,745.6	3,053.3
Loan to Value (LTV), %	40.2	39.5	41.4
Average interest rate of loan portfolio, % *	1.9	1.8	1.8
Average loan maturity, years	4.5	4.4	4.5
Cash and cash equivalents, M€	189.9	237.3	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 189.9 (237.3) million and liquid financial assets at EUR 81.6 (70.9) million.

EUR 50.0 (129.9) 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.

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, which matures in 2021.

In March, Kojamo plc signed a new 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 the previous EUR 100 million revolving credit facility signed with Handelsbanken, which matures 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, which matures 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.

Real estate property and fair value

M€	31 Mar 2021	31 Mar 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)}	64.9	59.7	348.7
Modernisation investments	1.8	1.5	27.1
Disposals of investment properties	-2.4	-0.5	-4.2
Capitalised borrowing costs	1.3	0.6	3.8
Transfer from property, plant and equipment	-	-	1.2
Profit/loss on fair value of investment properties ¹⁾	143.5	22.0	225.8
Fair value of investment properties at the end of the period	7,072.3	6,344.2	6,863.1

The value of investment properties on 31 December 2020 includes EUR 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 35,847 (35,392) 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 31 March 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 178,000 floor sq.m. (193,000 floor sq.m.). The fair value of the plot and real estate development reserve (including the Metropolia properties) was EUR 147.1 (161.2) million at the end of the review period.

Rental housing

Lumo apartments	31 Mar 2021	31 Mar 2020	31 Dec 2020
Number of apartments	35,567	34,865	35,476
Average rent, €/m ² /month	16.62	16.36	16.48
Average rent, €/m ² /month, yearly average	16.53	16.21	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

%	1–3/2021	1–3/2020	1–12/2020
Financial occupancy rate	94.9	96.9	96.4
Tenant turnover rate, excluding internal turnover	8.6	8.4	32.5
Like-for-Like rental income growth *	0.2	2.9	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 94.9 (96.9) per cent at the end of the review period. The COVID-19 pandemic had a negative effect on the Group's financial occupancy rate. At the end

of the period, 288 (132) apartments were vacant due to renovations.

Kojamo's property portfolio by region as at 31 March 2021

%	Helsinki region	Tampere region	Turku region	Oulu	Jyväskylä	Kuopio region	Lahti region	Others
Distribution by apartments	58.8	10.9	5.3	6.2	4.9	4.7	4.0	5.2
Distribution by fair value	73.6	8.9	3.9	3.1	2.8	2.6	2.4	2.7

Information on the property portfolio as at 31 March 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	21,092	395	4,736.5	220	3,942	95.0
Tampere region	3,899	115	570.7	142	2,766	96.7
Turku region	1,904	20	249.4	130	2,271	97.3
Other	8,952	144	879.1	97	1,811	93.4
Total	35,847	674	6,435.6 ¹⁾	176	3,213	94.9
Other			636.6 ²⁾			
Total portfolio	35,847	674	7,072.3			

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€	31 Mar 2021	31 Mar 2020	31 Dec 2020
Acquisition of investment properties *	64.9	59.9	340.4
Modernisation investments	1.8	1.5	27.1
Capitalised borrowing costs	1.3	0.6	3.8
Total	68.0	62.1	371.2
Repair expenses	6.3	6.5	35.8

* Not including IFRS 16 Leases

Number of apartments

Units	31 Mar 2021	31 Mar 2020	31 Dec 2020
Apartments at the start of the period	35,802	35,272	35,272
Divestments	-	-3	-18
Acquisitions	-	-	71
Completed	45	119	532
Demolished or altered	-	4	-55
Apartments at the end of the period	35,847	35,392	35,802
Started during the review period	40	454	1,840
Under construction at the end of the period	2,619	1,651	2,624
Preliminary agreements for new construction	957	1,305	965

Kojamo estimates that investments in development projects will amount to EUR 370–420 million in 2021.

No apartments were acquired during the period under review.

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

- 18 January 2021: an agreement with Hausia Oy on the acquisition of two properties in Tillinmäki and Jousenpuisto, Espoo. The properties will comprise a total of 120 apartments.

Of the apartments under construction, 2,619 (1,651) are located in the Helsinki region and 0 (0) in other Finnish growth centres. A total of 45 (119) apartments were completed during the review period.

Modernisation investments during the review period amounted to EUR 1.8 (1.5) million and repair costs totalled EUR 6.3 (6.5) million.

Binding acquisition agreements for new development

M€	31 Mar 2021	31 Mar 2020	31 Dec 2020
Actual costs incurred from new construction in progress	416.4	205.0	370.0
Cost of completing new construction in progress	221.1	198.3	262.9
Total	637.5	403.3	633.0



Plots and real estate development sites owned by the company

	31 Mar 2021		31 Mar 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	46.1	75	29.3	55
Plots and existing residential building	38.8	47	29.6	40	25.0	37
Conversions	80.0	79	85.5	77	85.5	80
Total ¹⁾	147.1	178	161.2	193	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

	31 Mar 2021		31 Mar 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⁾	221.0		331.7		214.0	
Estimate of the share of plots of preliminary agreements for new development ²⁾	40.2	53	39.5	71	37.8	53
Preliminary agreements and reservations for plots ²⁾	29.9	46	36.8	60	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

	31 Mar 2021	2020	Target 2023
Annual growth of total revenue, %	1.6	2.3	4–5
Annual investments, M€	68.0	371.2	200–400
FFO/total revenue, %	28.4	39.5	>36
Loan to Value (LTV), %	40.2	41.4	<50
Equity ratio, %	45.5	45.6	>40
Net Promoter Score (NPS)	21	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 31 March 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.

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.



Share price and trading

	1–3/2021	1–3/2020	1–12/2020
Lowest price, €	15.64	13.64	13.64
Highest price, €	18.50	18.90	21.45
Average price, €	16.99	16.99	17.95
Closing price, €	16.68	17.28	18.10
Market value of share capital, end of period, M€	4,122.4	4,270.7	4,473.3
Share trading, million units	31.2	39.5	159.2
Share trading of total share stock, %	12.6	16.0	64.4
Share trading, M€	529.6	671.9	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. From 1 January to 31 March 2021, approximately 50 million (over 50 million) Kojamo shares were traded on alternative marketplaces, corresponding to approximately 60 per cent (nearly 60 per cent) of the total trading volume (source: Fidessa, Reuters).

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 12,960, including nominee-registered shareholders. The proportion of nominee-registered and direct foreign shareholders was 41.6 per cent of the company's shares at the end of the review period. The 10 largest shareholders owned in aggregate 49.2 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 (formerly the Finnish Central Securities Depository).

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

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

Kojamo did not receive any notifications pursuant to the Finnish Securities Market Act regarding changes in holdings in Kojamo shares during the review period.

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 <https://kojamo.fi/en/news>.

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.

Nomination Board

A stock exchange release was issued on 4 September 2020 announcing the composition of Kojamo plc's Nomination Board. Kojamo's three largest shareholders nominated the following members to the Shareholders' Nomination Board: Jouko Pölonen, CEO, Ilmarinen Mutual Pension Insurance

Personnel

At the end of the review period, Kojamo had a total of 312 (300) employees. The average number of personnel during the year was 311 (297).

The salaries and fees paid during the review period totalled EUR 4.6 (4.4) million.

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

Responsibility

Corporate responsibility and sustainable development are one of Kojamo's strategic focus areas. 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 cus-

tomers; Risto Murto, CEO, Varma Mutual Pension Insurance Company; and Riku Aalto, President, Finnish Industrial Union. 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.

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.

tomers 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 business growth, sustainable and responsible operations and transparent 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.

We launched a Green Finance Framework

In March 2021, we launched our Green Finance Framework, which links the Group's sustainability targets and climate actions with the Group's investments and their financing. The framework is based on our sustainability programme, which supports the implementation of our strategy and sets out the criteria for investments that can be financed or refinanced with green bonds, green loans or other green financial instruments. Cicero, a global leading independent provider of second opinions on green bonds, has provided an external second opinion on Kojamo's Green Finance Framework. Kojamo's framework received a Medium Green shading in Cicero's Shades of Green methodology and a Governance score of Excellent.

Recognition for our sustainability efforts and reporting

In January 2021, we were ranked the best among Finnish listed companies in the EWoB Gender Diversity Index survey. According to the survey, Kojamo is the most equal listed company in Finland.

We also performed well in the Global Real Estate Sustainability Benchmark (GRESB) sustainability assessment. We received a score of 70 out of 100 in our first assessment. This earned us a Green Star designation and three stars out of five.

Our sustainability reporting has also been recognised by EPRA (European Public Real Estate Association), which is an advocacy organisation for publicly listed European property investment companies.

We are continuing to focus on high-quality and transparent sustainability reporting. We published our sustainability report for 2020 in March 2021 as part of our Annual Report 2020. The report was drawn up in accordance with the Global Reporting Initiative (GRI) Core standard for the first time.

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 81% (2,872 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% (1,186 apartments). 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 Customer's Viewpoint 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 aim to continuously develop recycling and offer comprehensive recycling opportunities to our residents.

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. Our aim is to create a first-rate employee experience through good management, by investing in employee well-being and promoting equality and non-discrimination.

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. In March 2021, we launched Code of Conduct training that covers all of our personnel.

We also require our partners to operate sustainably, which is why our Supplier Code of Conduct is incorporated into all of our new partnership agreements. 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 since 2012.



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 and the potential acceleration of the pandemic could prolong the pandemic and its impacts.

The development of the Finnish economy 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. A general economic downturn may lead to unemployment, which can affect the ability of residents to pay rent and, subsequently, the company's rental income. The development of rental receivables and credit losses is actively monitored.

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.

The supply of rental apartments may increase locally in the main areas in which Kojamo operates, and the changes in

News conference as a webcast

Kojamo will hold a news conference for institutional investors, analysts and media on 12 May 2021 at 2:00 p.m. EEST as a webcast. The event will be held in English.

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-q1-results>

You can also participate in the press conference by calling:

supply and demand could have an impact on Kojamo's tenant turnover or the financial occupancy rate and, thereby, rental income.

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

The weakening of the financial markets could have a negative effect on the availability of financing or lead to a higher cost of financing.

Helsinki, 12 May 2021

Kojamo plc
Board of Directors

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Please use the following PIN code to participate in the press conference by telephone: 60113807#.



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

	1-3/2021	1-3/2020	2020
EPRA Earnings, M€	27.7	26.9	150.0
EPRA Earnings per share (EPS), €	0.11	0.11	0.61
EPRA Net Reinstatement Value (NRV), M€	4,338.5	3,920.9	4,254.6
EPRA NRV per share, €	17.55	15.86	17.21
EPRA Net Initial Yield (NIY), %	4.1	4.3	4.2
EPRA 'topped-up' NIY, %	4.1	4.3	4.2
EPRA Vacancy Rate, %	5.1	3.1	3.7
EPRA Cost Ratio (including direct vacancy costs), %	14.7	17.2	13.5
EPRA Cost Ratio (excluding direct vacancy costs), %	10.7	14.9	11.7

EPRA Earnings

M€	1-3/2021	1-3/2020	2020
Earnings per IFRS income statement	141.8	41.5	312.9
(i) Change in value of investment properties, development properties held for investment and other interests	-143.5	-22.0	-225.8
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-0.3	0.1	0.7
(iv) Tax on profits or losses on disposals	0.3	0.0	-0.1
(vi) Changes in fair value of financial instruments and associated close-out costs	-1.3	1.7	0.8
(viii) Deferred tax in respect of EPRA adjustments	30.6	5.7	61.5
EPRA Earnings	27.7	26.9	150.0
EPRA Earnings per share (EPS), €	0.11	0.11	0.61

EPRA Net Reinstatement Value

M€	1-3/2021	1-3/2020	2020
IFRS Equity attributable to shareholders	3,367.7	3,040.2	3,309.5
Diluted NAV	3,367.7	3,040.2	3,309.5
Diluted NAV at Fair Value	3,367.7	3,040.2	3,309.5
Exclude:			
(v) Deferred tax in relation to fair value gains	761.5	674.3	726.7
(vi) Fair value of financial instruments	67.9	79.5	81.1
Include:			
(xi) Real estate transfer tax	141.4	126.9	137.3
EPRA Net Reinstatement Value (NRV)	4,338.5	3,920.9	4,254.6
EPRA NRV per share	17.55	15.86	17.21



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

M€		1–3/2021	1–3/2020	2020
Investment property		7,072.3	6,344.2	6,863.1
Trading property		0.1	0.1	0.1
Developments		-612.8	-372.8	-571.3
Completed property portfolio		6,459.6	5,971.6	6,291.9
Allowance for estimated purchasers' costs		129.2	119.4	125.8
Gross up completed property portfolio valuation	B	6,588.8	6,091.0	6,417.8
Annualised cash passing rental income		392.1	386.3	395.6
Property outgoings		-125.5	-124.7	-127.4
Annualised net rents	A	266.6	261.5	268.2
Notional rent expiration of rent free periods or other lease incentives		-	-	-
Topped-up net annualised rent	C	266.6	261.5	268.2
EPRA Net Initial Yield (NIY), %	A/B	4.1	4.3	4.2
EPRA 'topped-up' NIY, %	C/B	4.1	4.3	4.2

EPRA Vacancy Rate

M€		1–3/2021	1–3/2020	2020
Estimated rental value of vacant space *	A	4.9	2.9	13.8
Estimated rental value of the whole portfolio *	B	95.8	92.9	375.4
EPRA Vacancy Rate, %	A/B	5.1	3.1	3.7

* Including rental value of apartments.

EPRA Cost Ratios

M€		1–3/2021	1–3/2020	2020
Include:				
(i) Administrative expense line per IFRS income statement		9.3	10.2	38.4
(i) Maintenance expense line per IFRS income statement		35.4	33.1	90.5
(i) Repair expense line per IFRS income statement		6.3	6.5	35.8
(ii) Net service charge costs/fees		-2.6	-2.0	-8.5
(iii) Management fees less actual/estimated profit element		0.0	0.0	-0.1
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits		-0.1	-0.1	-0.3
Exclude:				
(vii) Ground rent costs		0.0	0.0	0.0
(viii) Service charge costs recovered through rents but not separately invoiced		-40.5	-38.4	-121.7
EPRA Costs (including direct vacancy costs)	A	7.9	9.5	34.1
(ix) Direct vacancy costs		-2.1	-1.2	-4.6
EPRA Costs (excluding direct vacancy costs)	B	5.8	8.2	29.5
(x) Gross Rental Income less ground rent costs - per IFRS		94.5	93.7	374.9
(xi) Service fee and service charge costs components of Gross Rental Income		-40.5	-38.4	-121.7
Gross Rental Income	C	54.0	55.3	253.2
EPRA Cost Ratio (including direct vacancy costs), %	A/C	14.7	17.2	13.5
EPRA Cost Ratio (excluding direct vacancy costs), %	B/C	10.7	14.9	11.7



Condensed consolidated income statement

M€	Note	1–3/2021	1–3/2020	1–12/2020
Total revenue		97.2	95.7	383.9
Maintenance expenses		-35.4	-33.1	-90.5
Repair expenses		-6.3	-6.5	-35.8
Net rental income		55.5	56.0	257.6
Administrative expenses		-9.3	-10.2	-38.4
Other operating income		0.6	0.9	3.6
Other operating expenses		-0.4	-0.3	-0.2
Profit/loss on sales of investment properties		0.3	-0.1	-0.7
Profit/loss on fair value of investment properties	3	143.5	22.0	225.8
Depreciation, amortisation and impairment losses		-0.3	-0.3	-1.3
Operating profit		189.9	68.1	446.3
Financial income		1.6	0.5	1.8
Financial expenses		-14.4	-16.9	-57.0
Total amount of financial income and expenses		-12.8	-16.3	-55.3
Share of result from associated companies		-	0.0	0.2
Profit before taxes		177.1	51.7	391.2
Current tax expense		-4.7	-4.6	-16.9
Change in deferred taxes		-30.6	-5.7	-61.5
Profit for the period		141.8	41.5	312.9
Profit for the financial period attributable to shareholders of the parent company		141.8	41.5	312.9
Earnings per share based on profit attributable to shareholders of the parent company				
Basic, €		0.57	0.17	1.27
Diluted, €		0.57	0.17	1.27
Average number of shares, million	8	247.1	247.1	247.1
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Cash flow hedges		11.6	-8.6	-11.9
Deferred taxes		-2.3	1.7	2.4
Items that may be reclassified subsequently to profit or loss		9.3	-6.8	-9.6
Total comprehensive income for the period		151.2	34.6	303.3
Total comprehensive income attributable to shareholders of the parent company		151.2	34.6	303.3



Condensed consolidated balance sheet

ME	Note	31 Mar 2021	31 Mar 2020	31 Dec 2020
Assets				
Non-current assets				
Intangible assets		0.4	0.2	0.4
Investment properties	3	7,072.3	6,344.2	6,860.7
Property, plant and equipment	4	29.6	30.7	29.8
Investments in associated companies		1.1	2.4	1.1
Financial assets	7	0.7	0.7	0.7
Non-current receivables		7.8	3.1	7.7
Deferred tax assets		15.2	18.6	16.0
Total non-current assets		7,127.1	6,400.0	6,916.4
Non-current assets held for sale	10	-	-	2.4
Current assets				
Trading property		0.1	0.1	0.1
Derivatives	6, 7	0.3	0.3	0.1
Current tax assets		1.1	0.8	3.8
Trade and other receivables		10.2	8.2	10.5
Financial assets	7	81.6	70.9	117.5
Cash and cash equivalents		189.9	237.3	210.5
Total current assets		283.2	317.7	342.7
Total assets		7,410.3	6,717.7	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		-44.9	-51.5	-54.2
Invested non-restricted equity reserve		164.4	164.4	164.4
Retained earnings		3,154.3	2,833.5	3,105.5
Equity attributable to shareholders of the parent company		3,367.7	3,040.2	3,309.5
Total equity		3,367.7	3,040.2	3,309.5
Liabilities				
Non-current liabilities				
Loans and borrowings	5, 7	2,863.5	2,313.2	2,832.6
Deferred tax liabilities		776.5	692.0	744.5
Derivatives	6, 7	67.5	78.4	80.6
Provisions		0.4	0.5	0.4
Other non-current liabilities		5.0	4.9	4.6
Total non-current liabilities		3,712.9	3,089.0	3,662.7
Current liabilities				
Loans and borrowings	5, 7	170.8	432.4	220.7
Derivatives	6, 7	0.7	1.4	0.6
Current tax liabilities		1.2	0.9	2.3
Trade and other payables		157.0	153.8	65.6
Total current liabilities		329.7	588.4	289.2
Total liabilities		4,042.6	3,677.4	3,952.0
Total equity and liabilities		7,410.3	6,717.7	7,261.5



Consolidated statement of cash flows

M€	1–3/2021	1–3/2020	1–12/2020
Cash flow from operating activities			
Profit for the period	141.8	41.5	312.9
Adjustments	-97.1	3.9	-90.6
Change in net working capital			
Change in trade and other receivables	-0.5	-0.2	-2.1
Change in trade and other payables	8.0	11.3	3.6
Interest paid	-16.6	-16.0	-50.5
Interest received	0.2	0.2	0.8
Other financial items	-0.6	0.1	-6.1
Taxes paid	-3.1	-6.4	-20.3
Net cash flow from operating activities	32.2	34.4	147.7
Cash flow from investing activities			
Acquisition of investment properties	-72.4	-64.7	-378.6
Acquisition of associated companies	-	-	-0.1
Acquisition of property, plant and equipment and intangible assets	0.0	0.0	-0.4
Proceeds from sale of investment properties	2.7	0.4	3.5
Purchases of financial assets	-11.0	-29.0	-210.0
Proceeds from sale of financial assets	47.0	88.0	224.8
Non-current loans, granted	-	-	-4.8
Repayments of non-current loan receivables	0.0	0.0	0.2
Interest and dividends received on investments	0.0	0.0	1.1
Net cash flow from investing activities	-33.6	-5.3	-364.2
Cash flow from financing activities			
Non-current loans and borrowings, raised	100.0	16.4	643.5
Non-current loans and borrowings, repayments	-119.0	-25.1	-268.2
Current loans and borrowings, raised	50.0	99.9	261.8
Current loans and borrowings, repayments	-50.0	-20.0	-261.8
Repayments of lease liabilities	-0.4	-0.4	-1.6
Dividends paid	-	-	-84.0
Net cash flow from financing activities	-19.3	70.9	289.7
Change in cash and cash equivalents	-20.7	100.0	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	189.9	237.3	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			9.3			9.3	9.3
Profit for the period					141.8	141.8	141.8
Total comprehensive income for the period			9.3		141.8	151.2	151.2
Transactions with shareholders							
Share-based incentive scheme					-1.6	-1.6	-1.6
Dividend payment					-91.4	-91.4	-91.4
Total transactions with shareholders					-93.0	-93.0	-93.0
Total change in equity			9.3		48.8	58.1	58.1
Equity at 31 Mar 2021	58.0	35.8	-44.9	164.4	3,154.3	3,367.7	3,367.7

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			-6.8			-6.8	-6.8
Profit for the period					41.5	41.5	41.5
Total comprehensive income for the period			-6.8		41.5	34.6	34.6
Transactions with shareholders							
Share-based incentive scheme					-1.0	-1.0	-1.0
Dividend payment					-84.0	-84.0	-84.0
Total transactions with shareholders					-85.0	-85.0	-85.0
Total change in equity			-6.8		-43.5	-50.4	-50.4
Equity at 31 Mar 2020	58.0	35.8	-51.5	164.4	2,833.5	3,040.2	3,040.2

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 31 March 2021, Kojamo owned 35,847 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 three 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 12 May 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€	1-3/2021	1-3/2020	1-12/2020
Rental income	94.5	93.6	374.9
Water fees	2.4	1.9	8.0
Sauna fees	0.2	0.1	0.5
Other income from service sales	0.0	-	0.1
Total	97.1	95.6	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€	31 Mar 2021	31 Mar 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)}	64.9	59.7	348.7
Modernisation investments	1.8	1.5	27.1
Disposals of investment properties	-2.4	-0.5	-4.2
Capitalised borrowing costs	1.3	0.6	3.8
Transfer from property, plant and equipment	-	-	1.2
Profit/loss on fair value of investment properties ¹⁾	143.5	22.0	225.8
Fair value of investment properties at the end of the period	7,072.3	6,344.2	6,863.1

The value of investment properties on 31 December 2020 includes EUR 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€	31 Mar 2021	31 Mar 2020	31 Dec 2020
Fair value on 1 Jan	67.4	60.2	60.2
Increases/decreases	0.1	-0.2	8.3
Profit/loss on fair value of investment properties	-0.3	-0.3	-1.1
Fair value of investment properties at the end of the period	67.2	59.8	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 1.3 (0.6) million. The interest rate applied to capitalised borrowing costs was 1.9 (2.2) per cent at the end of the review period.

Fair value of investment properties by valuation method

M€	31 Mar 2021	31 Mar 2020	31 Dec 2020
Yield value *	6,321.6	5,787.8	6,157.1
Acquisition cost	683.4	496.7	638.7
Right-of-use assets	67.2	59.8	67.4
Total	7,072.3	6,344.2	6,863.1

* Including properties valued at the cash flow based valuation method (DCF) EUR 6,234.7 million and other yield-based valued items EUR 86.9 million.

Number of apartments	31 Mar 2021	31 Mar 2020	31 Dec 2020
Yield value	33,724	32,516	33,527
Acquisition cost	2,123	2,876	2,275
Total	35,847	35,392	35,802



Average valuation parameters for yield-based valued items

	31 Mar 2021		
	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement, weighted, %	3.76	4.90	4.14
Inflation assumption, %	1.5	1.5	1.5
Market rents, weighted by square metres, €/m ² /month	18.89	14.63	16.79
Property maintenance expenses, repairs and modernisation investments €/m ² /month	6.11	6.06	6.09
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

	31 Mar 2020		
	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement, weighted, %	3.85	5.05	4.25
Inflation assumption, %	1.5	1.5	1.5
Market rents, weighted by square metres, €/m ² /month	18.61	14.44	16.53
Property maintenance expenses, repairs and modernisation investments €/m ² /month	6.09	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	31 Mar 2021				
	-10%	-5%	0%	5%	10%
Change % (relative)					
Change, M€					
Yield requirement	697.0	330.0		-298.3	-569.3
Market rents	-787.5	-393.7		393.7	787.5
Maintenance costs	258.4	129.2		-129.2	-258.4
Change % (absolute)	-2%	-1%	0%	1%	2%
Change, M€					
Financial occupancy rate	-162.1	-81.0		81.0	162.1

Properties measured at yield value	31 Mar 2020				
	-10%	-5%	0%	5%	10%
Change % (relative)					
Change, M€					
Yield requirement	643.2	304.5		-275.3	-525.3
Market rents	-740.6	-370.3		370.3	740.6
Maintenance costs	244.9	122.4		-122.4	-244.9
Change % (absolute)	-2%	-1%	0%	1%	2%
Change, M€					
Financial occupancy rate	-151.8	-75.9		75.9	151.8

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. A statement on the situation as at 31 March 2021 is available on Kojamo's website.

Fair value hierarchy

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 percentage 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 +10.0%, more than 30 years from completion or renovation +20.0%.

Provision for modernisation investments:

Age of the property or the number of years since the completion of the most recent renovation	Provision (€/m ² /month)
0–10 years	0.25
11–30 years	1.00
30–40 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.

4. Property, plant and equipment

M€	31 Mar 2021	31 Mar 2020	31 Dec 2020
Carrying value, beginning of period	29.8	30.9	30.9
Increases	0.1	0.1	0.6
Transfer to investment properties	-	-	-0.5
Depreciation for the period	-0.3	-0.3	-1.2
Carrying value, end of period	29.6	30.7	29.8

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

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 minus 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.

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€	31 Mar 2021	31 Mar 2020	31 Dec 2020
Carrying value, beginning of period	1.0	0.9	0.9
Increases/decreases	0.1	0.1	0.5
Depreciation for the period	-0.1	-0.1	-0.4
Carrying value, end of period	0.9	0.9	1.0



5. Interest-bearing liabilities

M€	31 Mar 2021	31 Mar 2020	31 Dec 2020
Non-current liabilities			
Bonds	1,689.1	1,192.3	1,688.3
Loans from financial institutions	1,081.1	1,020.8	1,046.7
Interest subsidy loans	26.8	38.2	30.8
Other loans	-	2.4	-
Lease liability	66.5	59.5	66.7
Non-current liabilities total	2,863.5	2,313.2	2,832.6
Current liabilities			
Bonds	-	100.0	-
Loans from financial institutions	100.5	145.1	153.3
Interest subsidy loans	9.8	49.7	7.0
Commercial papers	50.0	129.9	50.0
Other loans	8.8	6.5	8.8
Lease liability	1.6	1.1	1.6
Current liabilities total	170.8	432.4	220.7
Total interest-bearing liabilities	3,034.2	2,745.6	3,053.3

6. Derivative instruments

Fair values of derivative instruments

M€	31 Mar 2021			31 Mar 2020	31 Dec 2020
	Positive	Negative	Net	Net	Net
Interest rate derivatives					
Interest rate swaps, cash flow hedging	-	-59.5	-59.5	-68.9	-71.4
Interest rate swaps, not in hedge accounting	-	-8.6	-8.6	-9.7	-9.5
Electricity derivatives	0.3	-0.1	0.2	-0.9	-0.1
Total	0.3	-68.2	-67.9	-79.5	-81.1

Nominal values of derivative instruments

M€	31 Mar 2021	31 Mar 2020	31 Dec 2020
Interest rate derivatives			
Interest rate swaps, cash flow hedging	850.1	964.1	919.2
Interest rate swaps, not in hedge accounting	41.7	42.3	41.9
Total	891.8	1,006.5	961.1
Electricity derivatives, MWh	58,788	120,755	74,448

During the review period, EUR 11.6 (-8.6) 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 5.2 (5.5) 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€	31 Mar 2021				Fair value total
	Carrying value total	Level 1	Level 2	Level 3	
Financial assets					
Measured at fair value					
Electricity derivatives	0.3	0.3			0.3
Financial assets recognised at fair value through profit or loss					
	82.3	80.6	1.0	0.7	82.3
Measured at amortised cost					
Cash and cash equivalents	189.9		189.9		189.9
Trade receivables	4.9				4.9
Financial liabilities					
Measured at fair value					
Interest rate derivatives	68.1		68.1		68.1
Electricity derivatives	0.1	0.1			0.1
Measured at amortised cost					
Other interest-bearing liabilities	1,345.1		1,348.5		1,348.5
Bonds	1,689.1	1,788.3			1,788.3
Trade payables	8.8				8.8

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€	31 Mar 2021	31 Mar 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. With regards to these items, it is evaluated that the acquisition cost is an appropriate estimate of fair value.

8. Earnings per share

	31 Mar 2021	31 Mar 2020	31 Dec 2020
Profit for the period attributable to shareholders of the parent company, M€	141.8	41.5	312.9
Weighted average number of shares during the period (million)	247.1	247.1	247.1
Earnings per share			
Basic, €	0.57	0.17	1.27
Diluted, €	0.57	0.17	1.27

The company has no diluting instruments.

9. Guarantees, commitments and contingent liabilities

M€	31 Mar 2021	31 Mar 2020	31 Dec 2020
Loans covered by pledges on property and shares as collateral	935.1	1,289.6	1,048.5
Pledges given	1,012.8	1,353.0	1,059.7
Shares ¹⁾	156.8	220.4	173.9
Pledged collateral, total	1,169.6	1,573.4	1,233.6
Other collaterals given			
Mortgages and shares	5.9	16.9	5.9
Guarantees ²⁾	607.2	499.3	514.0
Pledged deposits	0.0	0.1	0.1
Other collateral, total	613.2	516.2	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

Kojamo had no non-current assets held for sale on 31 March 2021 or 31 March 2020. 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

There were no significant events after the review period.



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

	Formula	1–3/2021	1–3/2020	2020
Total revenue, M€		97.2	95.7	383.9
Net rental income, M€	1	55.5	56.0	257.6
Net rental income margin, %	2	57.0	58.6	67.1
Profit before taxes, M€	3	177.1	51.7	391.2
EBITDA, M€	4	190.2	68.3	447.6
EBITDA margin, %	5	195.6	71.4	116.6
Adjusted EBITDA, M€	6	46.4	46.4	222.6
Adjusted EBITDA margin, %	7	47.7	48.5	58.0
Funds From Operations (FFO), M€	8	27.6	29.4	151.5
FFO margin, %	9	28.4	30.7	39.5
Funds From Operations (FFO) per share, €	10	0.11	0.12	0.61
FFO excluding non-recurring costs, M€	11	27.6	29.4	151.5
Adjusted Funds From Operations (AFFO), M€	12	25.8	27.9	124.4
Investment properties, M€ ¹⁾		7,072.3	6,344.2	6,863.1
Financial occupancy rate, %	23	94.9	96.9	96.4
Interest-bearing liabilities, M€	13	3,034.2	2,745.6	3,053.3
Return on equity, % (ROE)	14	17.0	5.4	9.8
Return on investment, % (ROI)	15	12.0	4.8	7.4
Equity ratio, %	16	45.5	45.3	45.6
Loan to Value (LTV), % ²⁾	17	40.2	39.5	41.4
Unencumbered asset ratio, %	18	81.7	70.9	79.4
Coverage ratio	19	4.0	4.3	4.1
Solvency ratio	20	0.38	0.37	0.39
Secured solvency ratio	21	0.13	0.19	0.14
Earnings per share, €		0.57	0.17	1.27
Equity per share, €		13.63	12.30	13.39
Gross investments, M€	22	68.0	62.1	371.2
Number of personnel, end of the period		312	300	317

¹⁾ Including non-current assets held for sale

²⁾ 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 expenses

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.
- 9) FFO margin, % = $\frac{\text{FFO}}{\text{Total revenue}} \times 100$

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) = $\frac{\text{Profit for the period (annualised)}}{\text{Total equity, average during the period}} \times 100$
- 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) = $\frac{(\text{Profit before taxes} + \text{Interests and other financial expenses}) (\text{annualised})}{(\text{Total assets} - \text{Non-interest-bearing liabilities}), \text{average during the period}} \times 100$
- 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, % = $\frac{\text{Total equity}}{\text{Balance sheet total} - \text{Advances received}} \times 100$
- 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), % = $\frac{\text{Interest-bearing liabilities} - \text{Cash and cash equivalents}}{\text{Investment properties}} \times 100$
- Loan to value discloses the ratio of net debt to investment properties. This APM illustrates the Group's indebtedness.
- 18) Unencumbered asset ratio, % = $\frac{\text{Unencumbered assets}}{\text{Assets total}} \times 100$
- 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€	1–3/2021	1–3/2020	2020
Profit for the period	141.8	41.5	312.9
Depreciation, amortisation and impairment losses	0.3	0.3	1.3
Profit/loss on sales of investment properties	-0.3	0.1	0.7
Profit/loss on fair value of investment properties	-143.5	-22.0	-225.8
Financial income	-1.6	-0.5	-1.8
Financial expenses	14.4	16.9	57.0
Share of result from associated companies	-	0.0	-0.2
Current tax expense	4.7	4.6	16.9
Change in deferred taxes	30.6	5.7	61.5
Adjusted EBITDA	46.4	46.4	222.6
Financial income and expenses	-12.8	-16.3	-55.3
Profit/loss on fair value measurement of financial assets	-1.3	3.9	1.0
Adjusted net interest charges	-14.1	-12.4	-54.2
Current tax expense	-4.7	-4.6	-16.9
FFO	27.6	29.4	151.5
FFO excluding non-recurring costs	27.6	29.4	151.5
Equity	3,367.7	3,040.2	3,309.5
Assets total	7,410.3	6,717.7	7,261.5
Advances received	-6.6	-6.6	-6.6
Equity ratio, %	45.5	45.3	45.6
Unencumbered investment properties	5,677.8	4,417.6	5,327.0
Non-current assets, other than investment properties	96.6	29.5	97.6
Current assets	283.2	317.7	342.7
Unencumbered assets total	6,057.7	4,764.8	5,767.3
Total assets	7,410.3	6,717.7	7,261.5
Unencumbered asset ratio, %	81.7	70.9	79.4
Adjusted EBITDA, rolling 12 months	222.6	214.7	222.6
Adjusted net interest charges, rolling 12 months	-55.9	-50.1	-54.2
Coverage ratio	4.0	4.3	4.1
Interest-bearing liabilities	3,034.2	2,745.6	3,053.3
Deferred purchase price due after 90 days	0.4	8.7	-
Cash and cash equivalents	189.9	237.3	210.5
Total indebtedness - Cash and cash equivalents	2,844.7	2,517.0	2,842.8
Total assets	7,410.3	6,717.7	7,261.5
Solvency ratio	0.38	0.37	0.39
Secured loans	935.1	1,289.6	1,048.5
Total assets	7,410.3	6,717.7	7,261.5
Secured solvency ratio	0.13	0.19	0.14