



7 November 2024
Erik Hjelt, Interim CEO

Interim Report 1–9/2024

Kojamo plc



Agenda

- Summary of January–September 2024
- Financial development
- Outlook and financial targets





Summary of January– September 2024



Total revenue and net rental income increased, the fair value of investment properties unchanged

- Total revenue and net rental income increased
- Financial occupancy rate decreased from the comparison period. Occupancy rate in the third quarter nevertheless improved compared to the second quarter of the year
- There is still oversupply in the market but it has turned to a decline
- FFO decreased due to the increased financial expenses and maintenance expenses
- There was no significant change in the fair value of investment properties during the third quarter
- Saving programme is progressing according to the plan
- Balance sheet has remained strong, and our liquidity situation is good. Our next financing need is for loans maturing in 2026



Operating environment

General operating environment

- Global economic uncertainty has increased particularly due to geopolitical tensions
- Strong growth in the United States continues, driven by private consumption, although the labour market is cooling down. Economic development in the euro area remains modest but economic growth has started and is expected to accelerate from next year onwards
- The Finnish economy is contracting this year, but a turn towards growth has begun
- Employment will weaken this year, but it is expected to recover next year with economic growth
- Monetary policy easing has begun in the euro area and the United States, which is reflected in declining market interest rates

Operating environment key figures

	2024E	2023
GDP growth, %	-0.2	-1.2
Unemployment, %	8.0	7.2
Inflation, %	1.8	6.2
Prices of old apartments in the whole country, change, %	0.5	-7.0
Prices of old apartments in the capital region, change, %	-1.1-1.7	-8.8-7.9
Rents of non-subsidised apartments in the whole country, change, %	2.0	1.4
Rents of non-subsidised apartments in the capital region, change, %	1.2-1.6	0.4-1.0

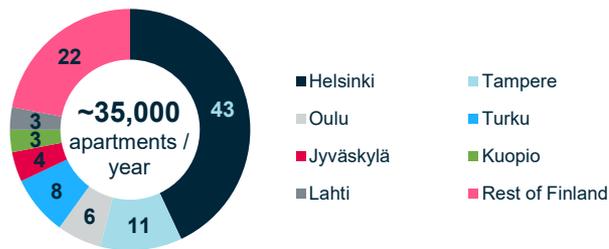
Sources: Ministry of Finance, Economic Survey, 9/2024; Pellervo Economic Research PPT, Housing 2024 forecast

Operating environment

Housing production

- Construction is recovering slowly. The number of residential start-ups this year is forecast to fall below last year's level, reaching 17,000 apartments
- Construction of non-subsidised apartments remains at a standstill, and the number of new start-ups is expected to remain at a low level in the next few years
- In the capital region, new supply coming to the market is decreasing sharply

Housing production need 2020–2040, %



Industry key figures

	2024E	2023
Residential start-ups, units	17,000	18,000
of which non-subsidised apartments	2,000	3,400
start-ups in the capital region	n/a	8,513
Building permits granted, annual, units*	16,732	21,097
Construction costs, change, %**	-0.5	1.1

Residential start-ups in Finland 2014–2024E



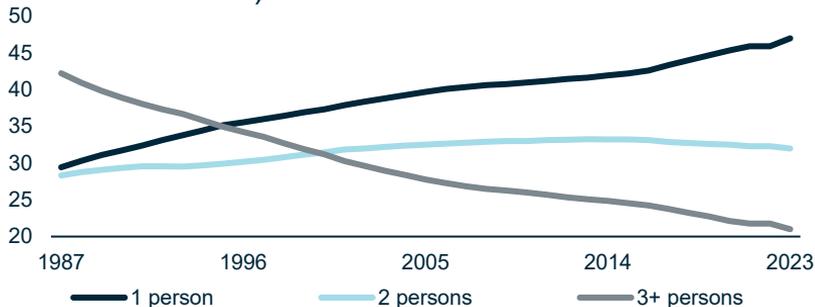
Operating environment

Rental market situation

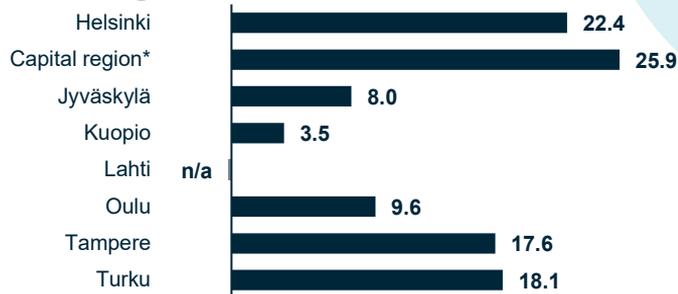
- There is still oversupply in the market, but the supply of apartments has turned to a decline
- Urbanisation and decreasing average household size support the long-term demand
- Population growth continues supported significantly by increased immigration and will be strongly concentrated in the largest cities
- Migration within the country has returned to its pre-pandemic trend, concentrating the population in major urban areas

Development of household sizes

(% of all households)



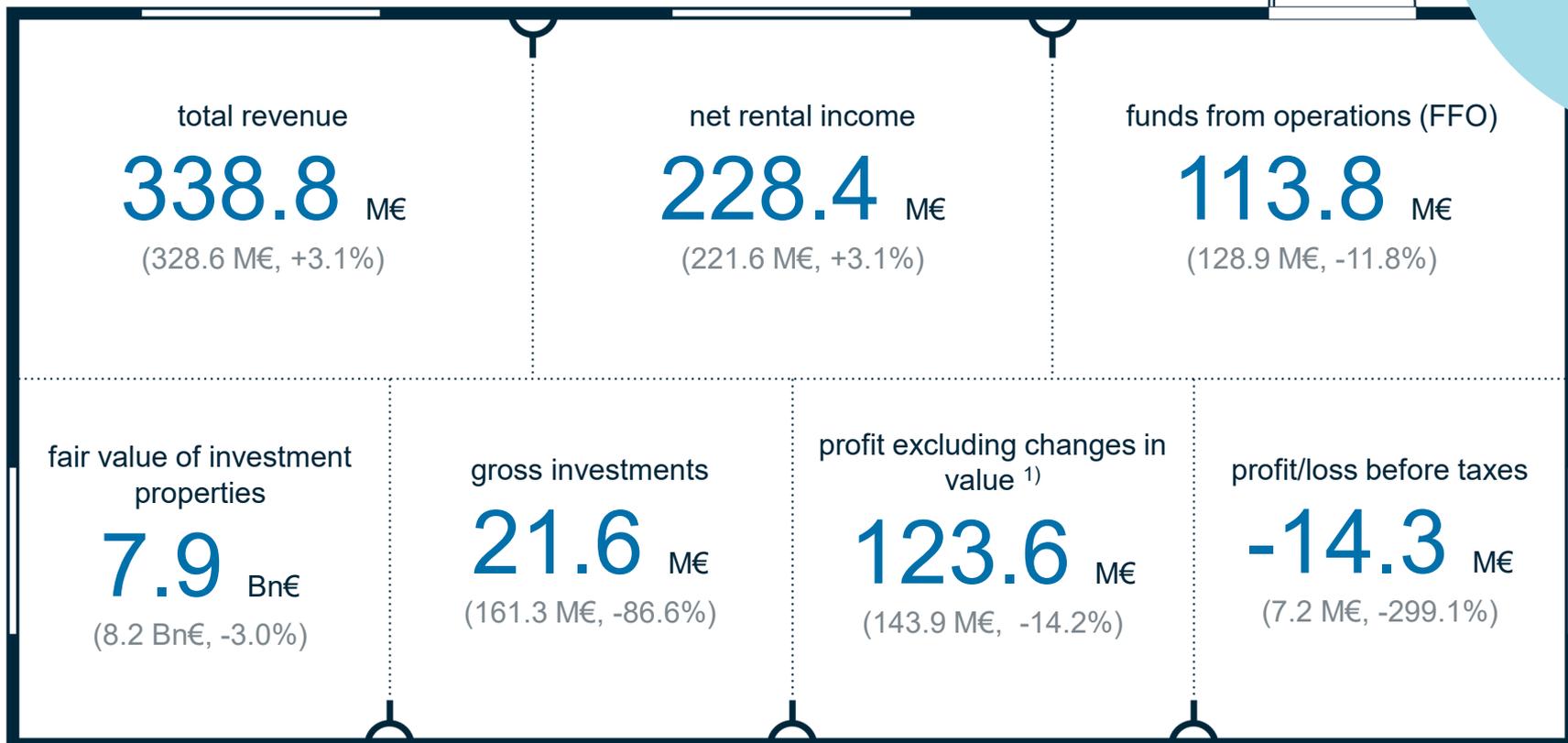
Population growth forecast 2022–2040, %



Development of rental household-dwelling units (% of all households)



Key figures 1–9/2024





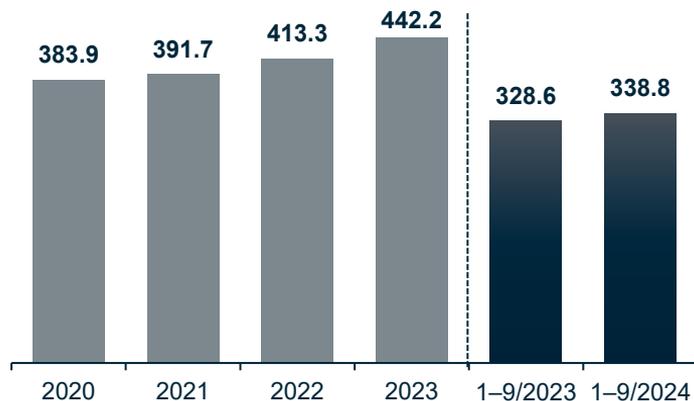
Financial development



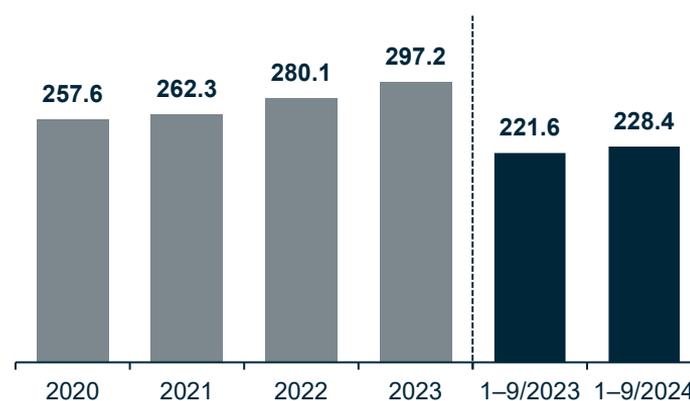
Total revenue and net rental income increased

- Total revenue increased due to the rental apartments completed at the end of last year and the beginning of the year, and it was weakened by the development of rents and the financial occupancy rate
- Net rental income was positively impacted by higher total revenue and lower repair expenses, and it was negatively impacted by increase in property maintenance expenses, which was caused by the growth of property portfolio, increased heating and water costs and the increase in property taxes

Total revenue, M€



Net rental income, M€

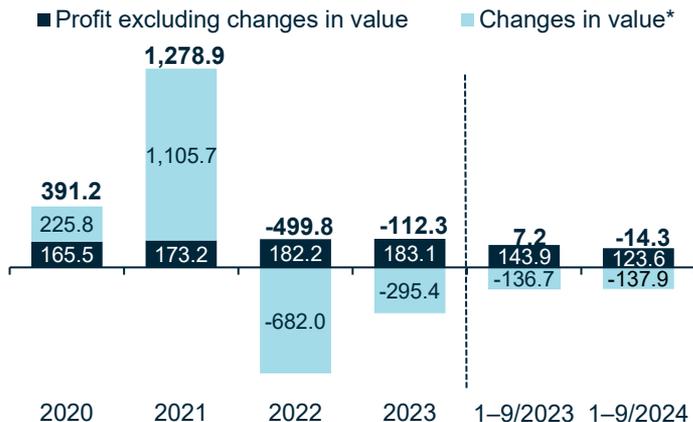




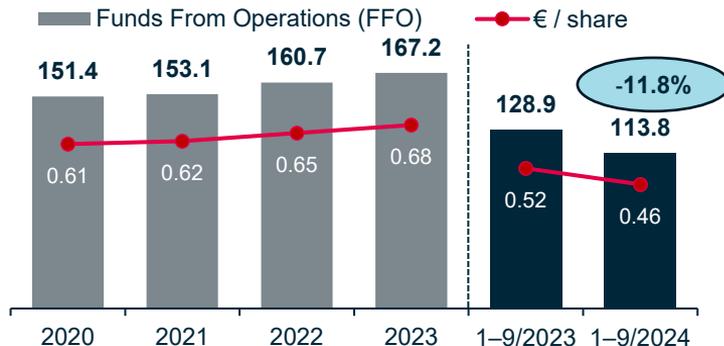
Profit before taxes and FFO

- FFO decreased from the comparison period, which was particularly affected by higher financial and maintenance expenses. Financial income of the comparison period includes a profit of EUR 8.7 million from the repurchase of bonds
- Administrative expenses and repair expenses were EUR 8.8 million lower than in the comparison period

Profit before taxes, M€



Funds From Operations (FFO), M€ and € / share



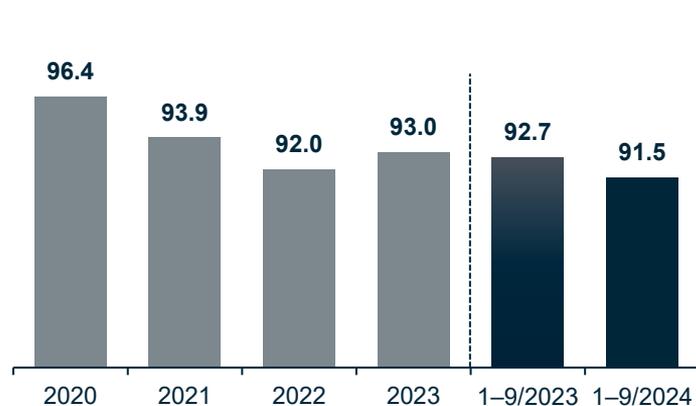
* Changes in value = Profit/loss on fair value of investment properties

The formula used in the calculation was changed in 2021 regarding current taxes from disposals. The comparison figures for 2020 have been adjusted to reflect the current calculation method

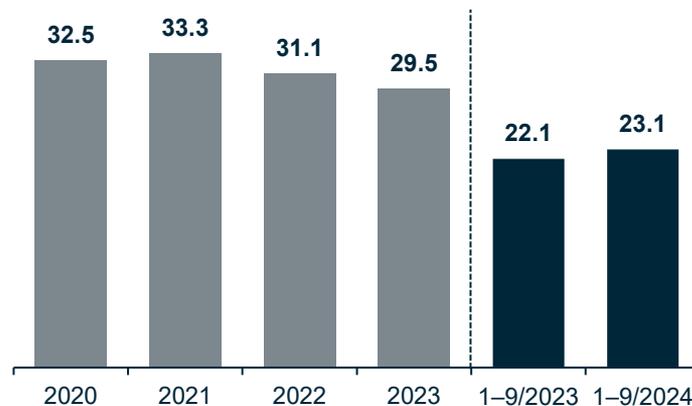
Financial occupancy rate

- Financial occupancy rate was 91.5 (92.7) per cent for the review period. Occupancy rate in the third quarter nevertheless improved compared to the second quarter of the year
- Tenant turnover increased from the previous year
- Renting was impacted by the abundant supply of rental apartments in the market

Financial occupancy rate, %



Tenant turnover, % excluding internal turnover



Financial occupancy rate = (rental income / potential rental income at full occupancy) * 100. Financial occupancy rate does not include apartments under renovation

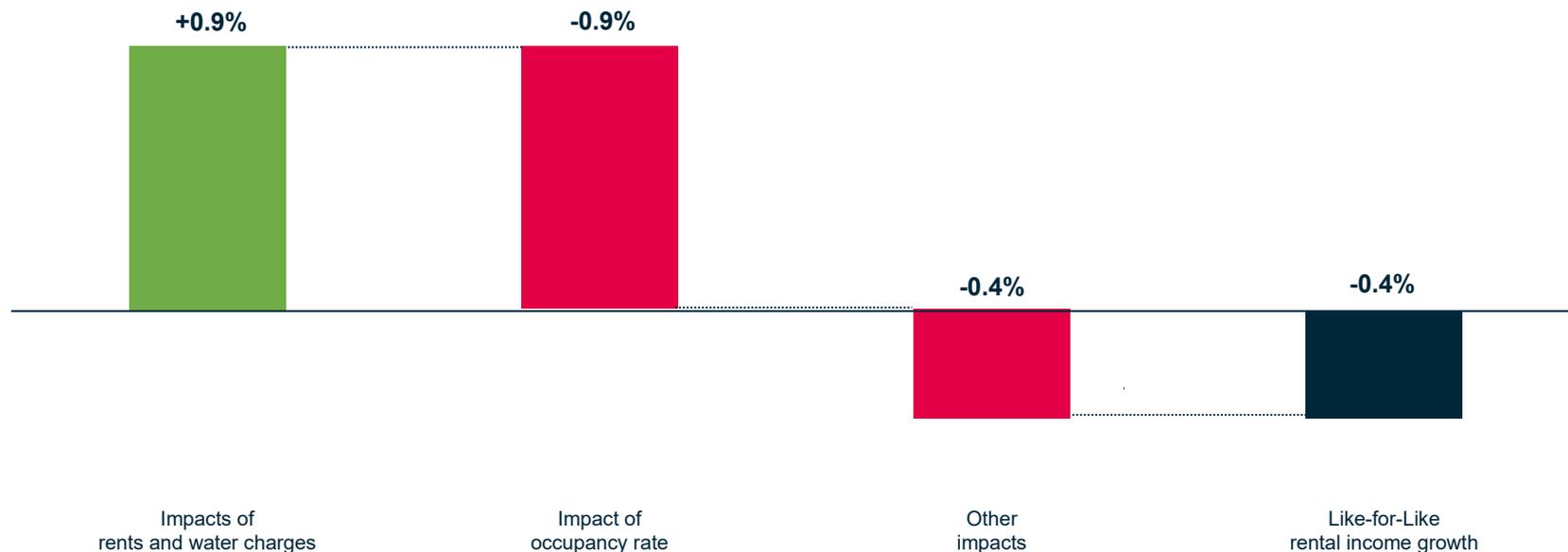
Tenant turnover = (terminated rental agreements under the period / number of apartments) * 100



Development of Like-for-Like rental income

The past 12 months compared to the previous 12-month period

Development of Like-for-Like rental income as at 30 September 2024

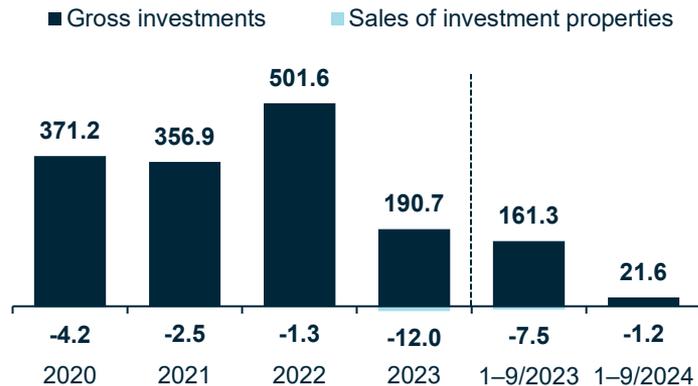




As a part of the saving programme, investments decreased significantly

- We will not make new investment decisions nor will we launch modernisation projects for the time being
- At the end of this year, we will start the construction of a project which is based on a previously signed binding preliminary agreement. 119 apartments will be completed in Helsinki in the beginning of 2026
- We will focus repairs to support renting of apartments

Gross investments and sales of investment properties, M€



Modernisation investments and repairs, M€





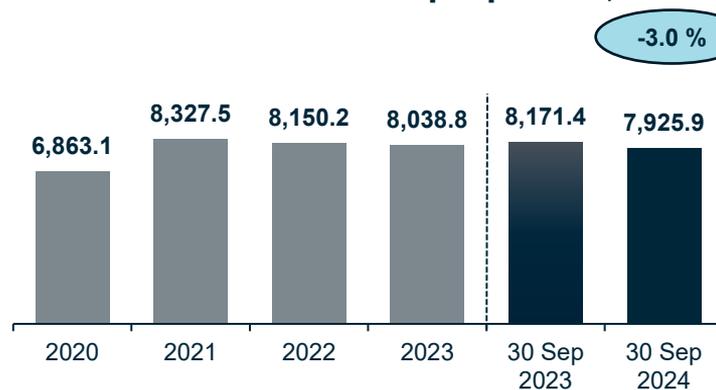
The value of investment properties was EUR 7.9 billion

- The fair values did not change significantly from the end of second quarter. The valuation yield requirements of the investment properties were not changed in the third quarter
- During the review period, the fair value change of the investment properties was EUR -137.9 million
- Net result on the valuation of the investment properties was negatively impacted by the change in yield requirements by EUR -165.9 million and the decrease in net rental income by EUR -1.3 million, and other items impacted positively by EUR 29.2 million
- From 404 apartments coming out of restrictions, there will be an expected uplift in the fair value of EUR 20–40 million by the end of 2024

Changes in fair value

M€	1–9/2024	1–9/2023
Change in yield requirement	-165.9	-154.1
Change in net rental income	-1.3	-24.9
Other	29.2	42.3
Profit/loss on fair value of investment properties	-137.9	-136.7

Fair value of investment properties, M€ *



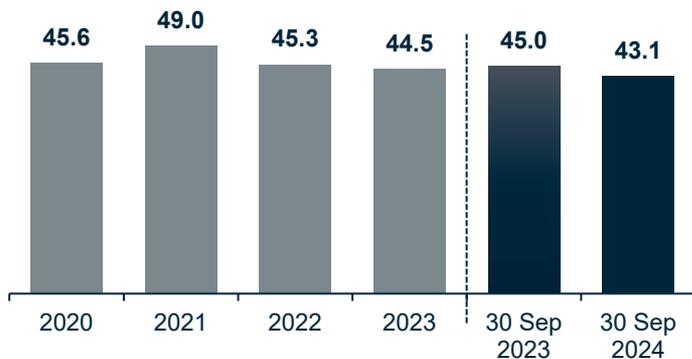
* Investment properties include completed apartments, development projects and land areas as well as investment properties held for sale



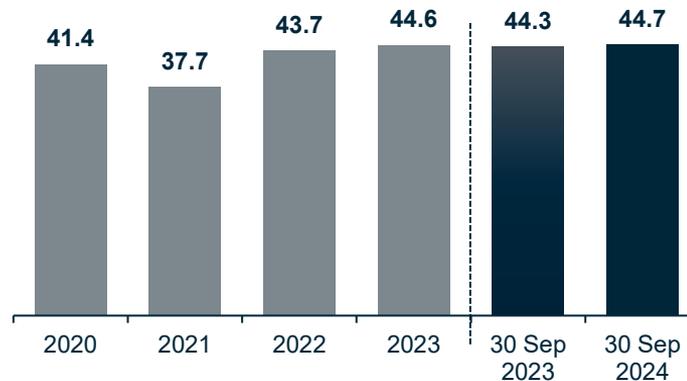
Equity ratio and Loan to Value (LTV) at a strong level

- Equity ratio and Loan to Value (LTV) have remained strong
- There's a significant buffer to LTV maximum limit of 50 per cent

Equity ratio, %



Loan to Value (LTV), %





Loans maturing in 2024 and 2025 are covered

- Following the financing arrangements made in the beginning of the year, our liquidity situation is good
- The next financing need is for loans maturing in 2026
- The average interest rate of loans decreased
- In the autumn, Moody's confirmed Kojamo's previous Baa2 (negative) credit rating

The Group's liquidity, M€



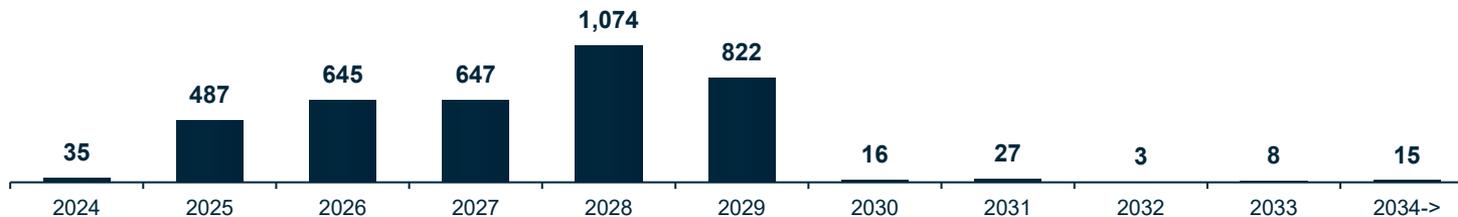
Financing key figures

	30 Sep 2024
Interest-bearing liabilities, M€	3,860.7
Hedging ratio, % ¹⁾	93
Average interest rate, % ²⁾	3.0
Coverage ratio	2.7
Average loan maturity, years	2.9
Average interest rate fixing period, years	2.7

¹⁾ Bonds maturing within 12 months are included in fixed rate loans

²⁾ Includes interest rate derivatives

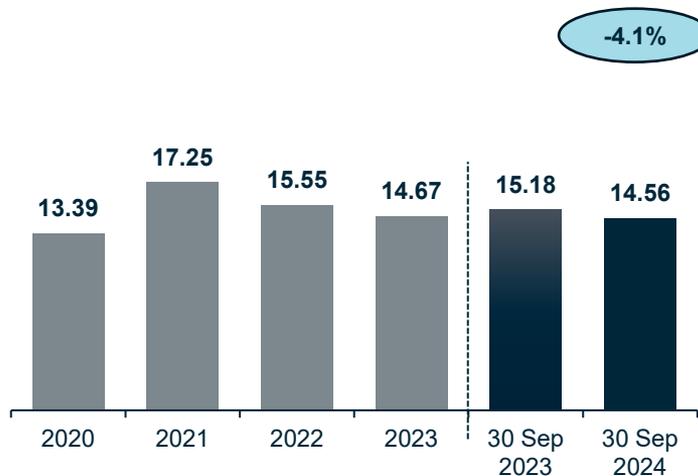
Distribution of the Group's loan maturities, M€



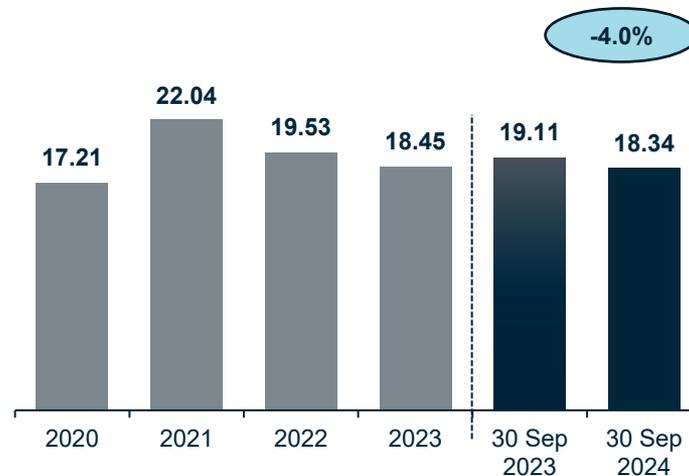
Key figures per share

- Key figures per share did not change significantly from the year-end

Equity per share, €



EPRA NRV per share, €





Outlook and financial targets



Outlook for Kojamo in 2024 unchanged

Kojamo estimates that in 2024, the Group's total revenue will increase by 2–4 per cent year-on-year. In addition, Kojamo estimates that the Group's FFO for 2024 will amount to between EUR 142–152 million, excluding non-recurring costs.

The outlook is based on the management's assessment of total revenue, property maintenance expenses and repairs, administrative expenses, financial expenses and taxes to be paid 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. The outlook does not take into account the impact of potential acquisitions or disposals on total revenue and FFO.

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.



Strategic targets

M€	1–9/2024	2023	2022	2021	2020	Target
Annual growth of total revenue, %	3.1	7.0	5.5	2.0	2.3	4–5
Annual investments, M€	21.6	190.7	501.6	356.9	371.2	200–400
FFO/total revenue, %	33.6	37.8	38.9	39.1	39.5	> 36
Loan to Value (LTV), %	44.7	44.6	43.7	37.7	41.4	< 50
Equity ratio, %	43.1	44.5	45.3	49.0	45.6	> 40
Net Promoter Score (NPS)*	54	50	45	20	36	40

* The calculation method has changed in 2022 for example including digital services in calculation. Actual for 2021 and 2020 have not been adjusted to reflect the current calculation method.



Summary

Total revenue and net rental income increased

FFO decreased due to increased financial and maintenance expenses

Financial occupancy rate decreased from the comparison period but improved in the third quarter compared to the second quarter of the year

The supply in the market has turned to a decline

Saving programme is progressing according to the plan

Balance sheet has remained strong, and our credit rating remained unchanged in the yearly review



Thank you!

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www.kojamo.fi

Financial Statements for 2024
to be published on
13 February 2025

An aerial photograph of a city waterfront, likely Boston, featuring a large bridge in the foreground, a body of water, and a city skyline with a prominent building under construction in the background. A large, dark blue, curved graphic element is positioned in the top right corner.

Appendix



Our strategy

Values



Happy to serve



Strive for success



Courage to change

Mission

We create better urban living.



Strategic focal points

- Delivering the best customer experience
- Growth
- Operational excellence
- Responsibility and sustainable development
- The most competent personnel and a dynamic workplace
- Renewal through digital solutions

Vision

We are the property market frontrunner and the number one choice for our customers.



Megatrends

Urbanisation & internationalisation

Ageing population & smaller family sizes

New technologies & digitalisation

Individuality & sense of community

Environment & sustainable development

Strategic focal points

Delivering the best customer experience

We offer easy and effortless services for our customers and create added value through services

Growth

For now, we focus on growing total revenue in the existing apartment portfolio

Operational excellence

We create competitiveness and profitability through industry-leading operating models

Responsibility and sustainable development

Responsibility is a part of our DNA and plays important role in the work of everyone at Kojamo

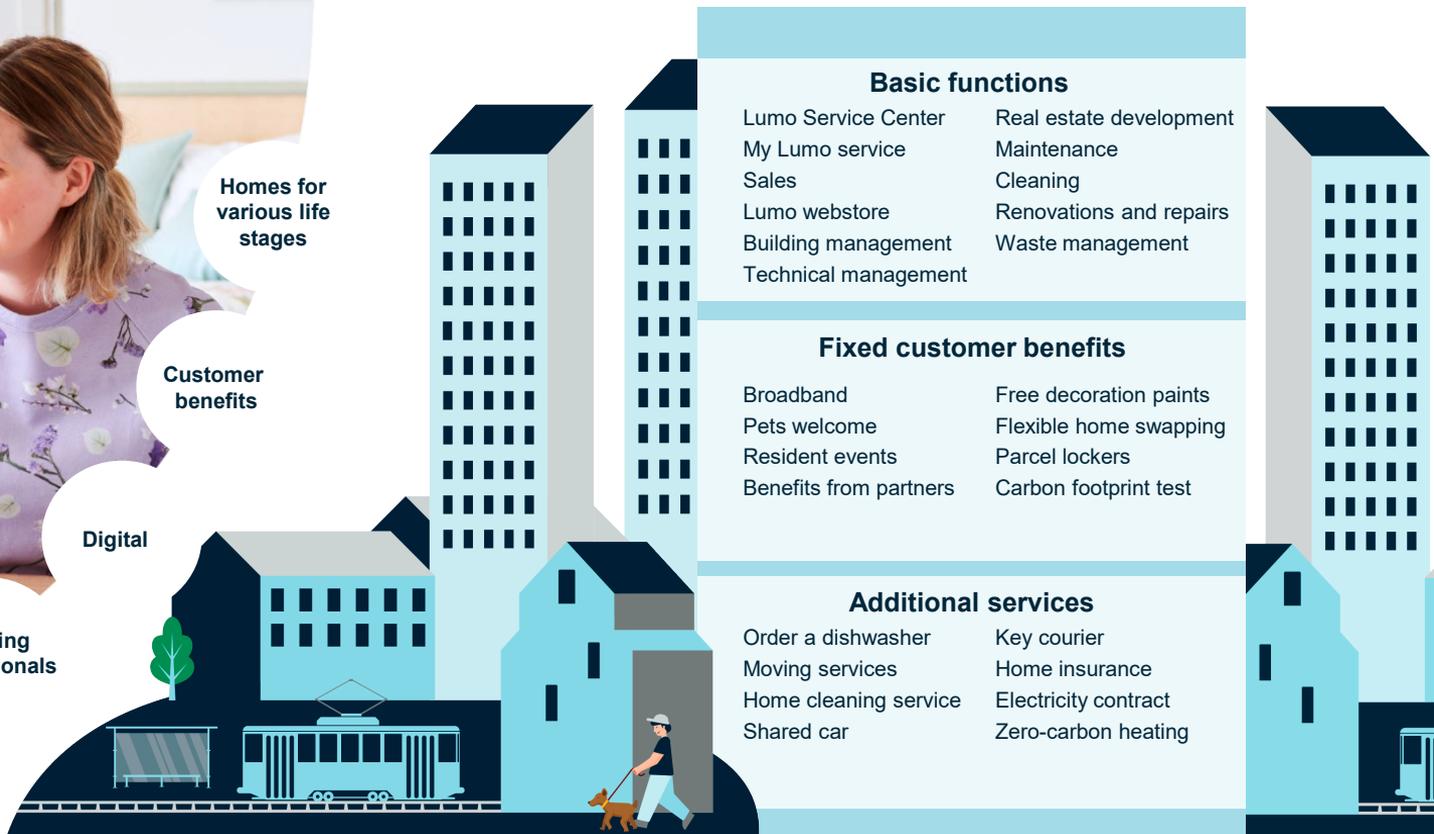
The most competent personnel and a dynamic place to work

We are known for dynamic and effective corporate culture. We ensure our future competitiveness through competence development and employee experience

Renewal through digital solutions

We improve our business and create added value to our customers by taking advantage of solutions enabled by digitalisation

Lumo – Easily best living

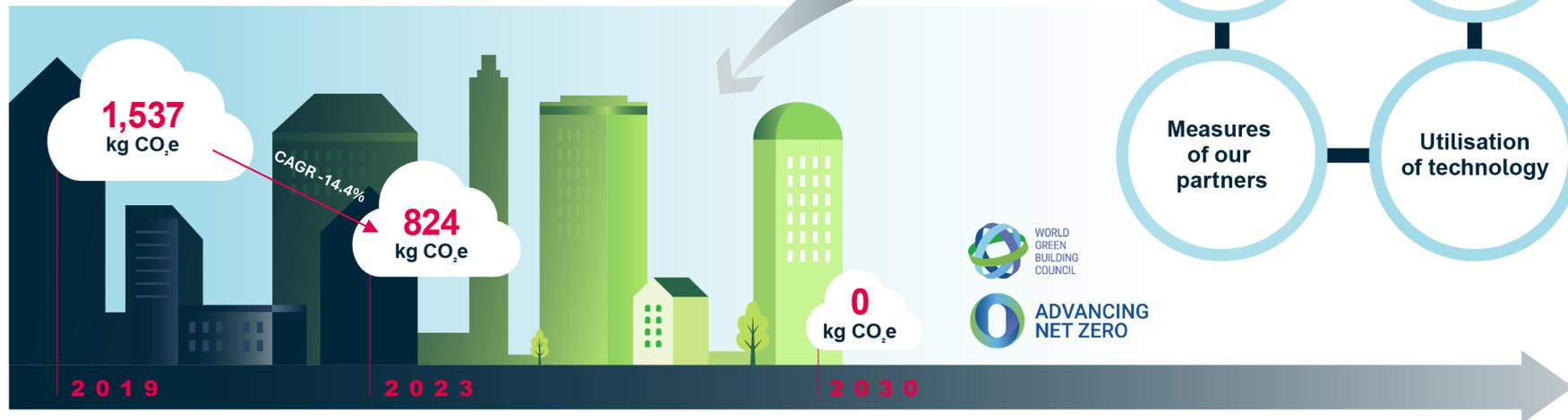




Our roadmap towards carbon neutrality

- We are committed to carbon-neutral energy use in our properties by 2030
- Our goal is to reduce carbon dioxide emissions by 5% annually until the end of 2025
- Our property electricity is 100% carbon neutral

Carbon footprint per apartment*

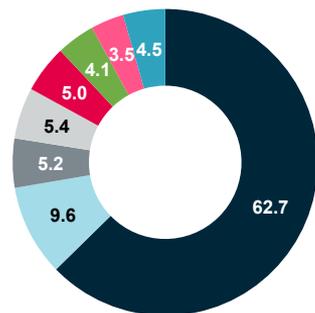


*Scope 2, market-based, kg CO₂e/apartment at the end of the year



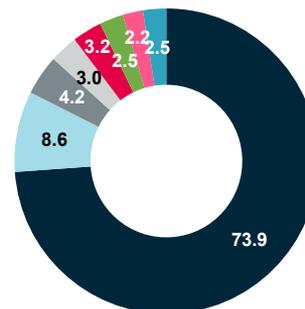
Kojamo's apartment portfolio

Apartment distribution, %



- Helsinki region
- Tampere region
- Turku region
- Oulu
- Jyväskylä
- Kuopio region
- Lahti region
- Others

Fair value distribution, %



Region	Number of apartments, units	Number of commercial and other leased premises, units	Fair value, M€	Fair value, € 1,000/unit	Fair value, €/m ²	Financial occupancy rate, % ³⁾	Share of revenue, %
Helsinki region	25,686	490	5,691	217	4,071	90.3	67
Tampere region	3,949	111	659	162	3,178	93.9	9
Turku region	2,122	25	327	153	2,873	94.5	5
Others	9,216	145	1,028	110	2,083	94.0	19
Total	40,973	771	7,705 ¹⁾	185	3,483	91.5	100
Others			221 ²⁾				
Total portfolio	40,973	771	7,926			91.5	

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

2) Fair value of ongoing projects under construction, plots owned by the group and ownership of certain assets through shares and fair value of right-of-use assets

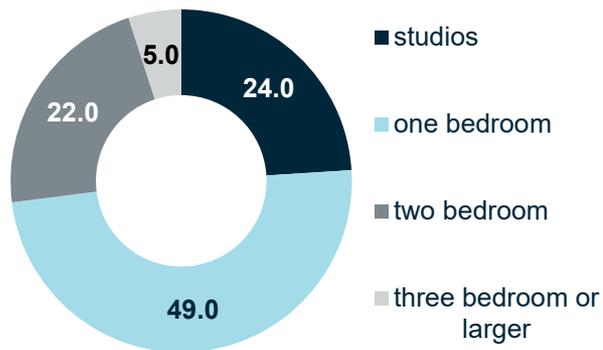
3) Financial occupancy rate does not include commercial premises and other leased premises



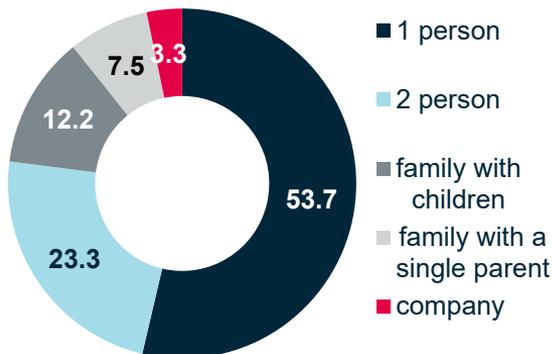
Housing stock and customer distribution

- Kojamo's housing stock meets the demand nicely
- All age groups are well represented among the tenants

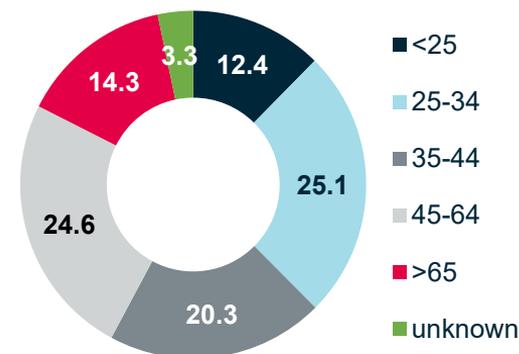
Housing stock by apartment type, %



Customers by household type, %



Customers by age group, %





Topical with our sustainability work

- In February, we updated our Green Finance Framework to align future financing activities with market best practices and standards
- We have implemented an AI-powered sustainability and energy management system which provides up-to-date information to support decision-making and enables the quicker response to consumption deviations
- We have started preparing for reporting in accordance with the EU corporate sustainability reporting directive, which will apply to Kojamo from 2025. We have conducted a double materiality analysis and worked on a gap analysis comparing our current sustainability reporting with the reporting requirements of the sustainability reporting directive
- During the summer, we visited the waste collection points of Lumo houses to ensure that our residents have up-to-date sorting instructions and sorting options that support proper recycling
- The European Public Real Estate Association (EPRA) has awarded Kojamo's financial statements and sustainability report for 2023 with the highest possible recognition, a gold award



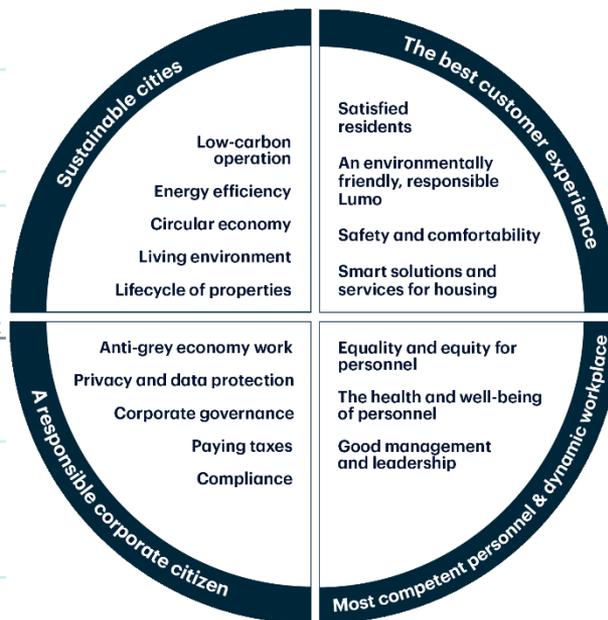


Key figures of sustainability 1–9/2024

	1-9/2024	1-9/2023	Target
CO ₂ emissions per apartment, tCO ₂ e/apartment, change % *	-18.9	-15.3	-5.0
Heat index of portfolio, weather-normalized, kWh/m ³ , change % *	3.5	n/a	-3.0
Waste recycling rate, %	27.1	30.5	55.0

* Full year estimate

	1-9/2024	1-9/2023	Target
Data protection violations or suspected misconducts, pcs	0	2	0
Reports through the whistleblowing reporting channel, pcs	0	0	n/a



	1-9/2024	1-9/2023	Target
Percentage of customers using My Lumo, %	87	85	90
NPS	54	51	48

	1-9/2024	1-9/2023	Target
eNPS (new employees)	75	83	n/a
Accident frequency (LTIF) *			
- Work accident	10.7	5.2	0.0
- Commuting accident	0.0	1.8	0.0
TR indicator	95.9	96.1	>92

* The calculation method has been specified in 2024, and the actual 2023 was changed to correspond the current method.



Sustainability is visible in our every day life

Sustainable cities

We are committed to carbon-neutral energy use at our properties by 2030.

100%

apartments under construction that entered planning phase in 2021 with an E-value of ≤ 80

100%

carbon-neutral property electricity

31,000

apartments with heating optimisation system controlling the indoor temperature

100%

of Kojamo's offices are WWF Green Office certified

3%

property heat index reduction target (kWh/m³)

0.8 (-16.9%)

carbon footprint (tCO₂e/apartment)

33%

waste recycling rate

7.5%

target to increase energy efficiency in 2017-2025 of which we have achieved

98%*

The best customer experience

50

Net Promoter Score

56%

Lumo teams, share of portfolio

86%

My Lumo service customer coverage

~72%

of Lumo residents regard their landlord as a sustainable operator



The most competent personnel and a dynamic workplace

100%

coverage of performance appraisals

60/40%

gender distribution of employees (W/M)

96.1

indicator of working conditions (TR)



A responsible corporate citizen

4,513

years indirect employment effect

3

data security breaches or incidents**

85 M€

tax footprint

50

grants to support especially children and young adults living in Lumo homes with their hobbies



Sustainability commitments and reporting

Our sustainability commitments



Our target is carbon-neutral energy use in our properties by 2030



We are committed to complying with the UN Sustainable Development Goals



We are committed to improve our energy efficiency by 7.5% during 2017–2025



Our sustainability reporting and recognitions



74/100*

GRESB
☆☆☆☆ 2023

We participated in the global GRESB sustainability assessment



We apply EPRA's Best Practice Recommendations in our reporting



We report on our sustainability work with reference to GRI Standards

* Result published after review period

Our memberships



We are a member of FIBS, the largest corporate responsibility network in the Nordic countries, accelerating sustainable and responsible business.



Dividend policy

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

The Annual General Meeting decided in the spring that no dividend be paid for the financial year 2023 as proposed by the Board of Directors in order to strengthen the company's financial position

Dividend history





Kojamo's ten largest shareholders (as at 30 September 2024)

Shareholder	Number of shares	% of shares
Nominee-registered shareholders	79,254,521	32.1
1. Heimstaden Bostad AB	49,389,283	20.0
2. Ilmarinen Mutual Pension Insurance Company	20,537,814	8.3
3. Varma Mutual Pension Insurance Company	19,362,375	7.8
4. The Finnish Industrial Union	15,788,503	6.4
5. Trade Union of Education in Finland	11,414,417	4.6
6. Trade Union PRO	4,904,150	2.0
7. Finnish Construction Trade Union	4,092,132	1.7
8. Elo Mutual Pension Insurance Company	3,824,000	1.5
9. Danske Invest Finnish Equity Fund	2,728,755	1.1
10. OP-Finland Fund	2,704,047	1.1
Other shareholders	33,144,402	13.4
Total	247,144,399	100.0

Development of the number of the shareholders



Source: Euroclear Finland



Key figures

	7–9/2024	7–9/2023	Change, %	1–9/2024	1–9/2023	Change, %	2023
Total revenue, M€	113.2	111.5	1.5	338.8	328.6	3.1	442.2
Net rental income, M€	85.7	83.1	3.1	228.4	221.6	3.1	297.2
Net rental income margin, %	75.8	74.6		67.4	67.4		67.2
Profit/loss before taxes, M€	50.6	-88.5	157.2	-14.3	7.2	-299.1	-112.3
Gross investments, M€	2.2	45.0	-95.1	21.6	161.3	-86.6	190.7
Funds From Operations (FFO), M€	45.6	48.5	-5.9	113.8	128.9	-11.8	167.2
FFO per share, €	0.18	0.20	-10.0	0.46	0.52	-11.5	0.68
Financial occupancy rate, %				91.5	92.7		93.0
Fair value of investment properties, Bn€				7.9	8.2	-3.0	8.0
Number of apartments				40,973	40,192		40,619
Number of apartments under construction				-	779		354
EPRA NRV per share, €				18.34	19.11	-4.0	18.45
Equity ratio, %				43.1	45.0		44.5
Loan to Value (LTV), %				44.7	44.3		44.6



Consolidated income statement

M€	7–9/2024	7–9/2023	1–9/2024	1–9/2023	1–12/2023
Total revenue	113.2	111.5	338.8	328.6	442.2
Maintenance expenses	-22.7	-21.4	-93.8	-85.7	-115.7
Repair expenses	-4.7	-7.0	-16.6	-21.3	-29.3
Net rental income	85.7	83.1	228.4	221.6	297.2
Administrative expenses	-8.8	-10.5	-28.3	-32.4	-45.6
Other operating income and expenses	1.0	1.2	1.6	2.6	3.7
Profit/loss on sales of investment properties	-	-	-0.8	-0.1	0.2
Profit/loss on fair value of investment properties	0.9	-141.8	-137.9	-136.7	-295.4
Depreciation, amortisation and impairment losses	-0.3	-0.3	-0.9	-0.9	-1.3
Operating profit/loss	78.6	-68.2	62.0	54.1	-41.1
Total amount of financial income and expenses	-27.9	-20.3	-76.4	-46.9	-71.3
Share of result from associated companies	-	-	-	0.0	0.1
Profit/loss before taxes	50.6	-88.5	-14.3	7.2	-112.3
Current tax expense	-4.4	-4.7	-10.8	-14.9	-16.5
Change in deferred taxes	-5.9	22.4	13.6	13.4	39.8
Profit/loss for the period	40.4	-70.8	-11.5	5.7	-89.0



Balance sheet

M€	30 Sep 2024	30 Sep 2023	31 Dec 2023
Non-current assets			
Intangible assets	0.4	0.6	0.6
Investment properties	7,924.6	8,171.4	8,038.8
Property, plant and equipment	27.6	28.1	28.0
Investments in associated companies	2.2	1.8	2.0
Financial assets	0.8	0.7	0.8
Non-current receivables	6.3	6.5	6.5
Derivatives	17.9	53.7	29.8
Deferred tax assets	6.8	2.8	4.9
Total non-current assets	7,986.6	8,265.7	8,111.4
Non-current assets held for sale	1.3	0.1	-
Current assets			
Trading properties	-	0.1	-
Derivatives	0.7	0.1	0.6
Current tax assets	1.2	6.0	11.1
Trade and other receivables	16.9	16.2	17.0
Financial assets	37.7	27.9	3.3
Cash and cash equivalents	316.9	32.4	15.0
Total current assets	373.4	82.6	46.9
TOTAL ASSETS	8,361.3	8,348.4	8,158.3



Balance sheet

M€	30 Sep 2024	30 Sep 2023	31 Dec 2023
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	-6.2	42.5	11.2
Invested non-restricted equity reserve	164.4	164.4	164.4
Retained earnings	3,345.5	3,451.1	3,356.4
Equity attributable to shareholders of the parent company	3,597.6	3,751.9	3,625.9
Total equity	3,597.6	3,751.9	3,625.9
Non-current liabilities			
Loans and borrowings	3,341.2	2,897.6	3,007.2
Deferred tax liabilities	813.2	861.5	829.3
Derivatives	26.4	0.4	17.3
Provisions	0.1	0.2	0.1
Other non-current liabilities	4.6	5.0	4.9
Total non-current liabilities	4,185.6	3,764.6	3,858.9
Current liabilities			
Loans and borrowings	519.4	752.7	593.2
Derivatives	0.0	0.0	-
Current tax liabilities	2.8	3.9	4.9
Trade and other payables	55.9	75.3	75.4
Total current liabilities	578.2	831.8	673.5
Total liabilities	4,763.7	4,596.5	4,532.4
TOTAL EQUITY AND LIABILITIES	8,361.3	8,348.4	8,158.3



Financial key figures

	30 Sep 2024	30 Jun 2024	31 Mar 2024	30 Dec 2023	30 Sep 2023
Equity ratio, %	43.1	43.0	44.3	44.5	45.0
Interest cover	2.5	2.7	3.0	3.2	3.4
Coverage ratio	2.7	2.8	3.3	3.6	3.9
Loan to Value (LTV), %	44.7	45.0	44.5	44.6	44.3
Hedging ratio, % ¹⁾	93	78	94	93	86
Average interest rate, % ²⁾	3.0	3.2	2.6	2.4	2.3
Average loan maturity, years	2.9	3.1	2.8	2.8	2.9
Average interest rate fixing period, years	2.7	2.5	2.8	2.9	2.8

¹⁾ Bonds maturing within 12 months are included in fixed rate loans

²⁾ Includes interest rate derivatives



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