



kojamo



Financial Statements Release

1 January–31 December 2020





Kojamo plc's Financial Statements Release

1 January–31 December 2020

Profitability and growth despite of exceptional year

Unless otherwise stated, the comparison figures in brackets refer to the corresponding period of the previous year. The information in the financial statements release is based on the Kojamo Plc's audited financial statements for the year 2020. The quarterly figures are unaudited.

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 Financial Statements Release the Finnish version is the official one.

Summary of October–December 2020

- Total revenue increased by 2.2 per cent to EUR 97.1 (95.1) million
- Net rental income increased by 6.2 per cent, totalling EUR 63.8 (60.1) million. Net rental income represented 65.7 (63.3) per cent of revenue
- Profit before taxes was EUR 193.2 (839.9) million. The profit includes EUR 151.7 (801.4) million in net gain on valuation of investment properties at fair value and EUR 0.0 (-0.1) million in profits and losses from the sale of investment properties. During the comparison period, the Group

adopted a yield-based valuation technique, which had a positive effect of approximately EUR 800 million on the fair value of investment properties in the comparison period. Earnings per share was EUR 0.62 (2.72)

- Funds From Operations (FFO) increased by 9.7 per cent and amounted to EUR 38.0 (34.6) million.
- Gross investments totalled EUR 107.2 (84.3) million, representing 110.3 (88.7) per cent of total revenue

Summary of January–December 2020

- Total revenue increased by 2.3 per cent to EUR 383.9 (375.3) million.
- Net rental income increased by 4.2 per cent, totalling EUR 257.6 (247.3) million. Net rental income represented 67.1 (65.9) per cent of revenue.
- Profit before taxes was EUR 391.2 (1,031.3) million. The profit includes EUR 225.8 (872.4) million in net gain on the valuation of investment properties at fair value and EUR -0.7 (0.1) million in profits and losses from the sale of investment properties. During the comparison period, the Group adopted a yield-based valuation technique, which had a positive effect of approximately EUR 800 million on the fair value of investment properties in the comparison period. Earnings per share was EUR 1.27 (3.34).
- Funds From Operations (FFO) increased by 7.7 per cent and amounted to EUR 151.5 (140.7) million.
- The fair value of investment properties was EUR 6.9 (6.3) billion at the end of the financial year.

- The financial occupancy rate stood at 96.4 (97.2) per cent during the financial year.
- Gross investments totalled EUR 371.2 (259.9) million, representing 96.7 (69.2) per cent of total revenue.
- Equity per share was EUR 13.39 (12.51) and return on equity was 9.8 (30.3) per cent. Return on investment was 7.4 (20.5) per cent.
- EPRA NRV per share (net asset value) grew by 7.6 per cent and amounted to EUR 17.21 (16.00).
- At the end of the financial year, there were 2,624 (1,316) Lumo apartments under construction.
- The Board of Directors' dividend proposal is EUR 0.37 per share.

Kojamo owned 35,802 (35,272) rental apartments at the end of the financial year. In 2020, Kojamo acquired 71 (260) apartments, completed 532 (816) apartments, sold 18 (520) apartments and demolished or otherwise altered -55 (3) 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 financial year. 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 were 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. Kojamo expects the impacts of the pandemic to be short-lived.

Outlook for 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

	10-12/2020	10-12/2019	Change%	2020	2019	Change%
Total revenue, M€	97.1	95.1	2.2	383.9	375.3	2.3
Net rental income, M€ *	63.8	60.1	6.2	257.6	247.3	4.2
Net rental income margin, % *	65.7	63.3		67.1	65.9	
Profit before taxes, M€ *	193.2	839.9	-77.0	391.2	1,031.3	-62.1
EBITDA, M€ *	206.9	851.5	-75.7	447.6	1,083.1	-58.7
EBITDA margin, % *	213.0	895.7		116.6	288.6	
Adjusted EBITDA, M€ *	55.2	50.0	10.2	222.6	210.3	5.8
Adjusted EBITDA margin, % *	56.8	52.6		58.0	56.0	
Funds From Operations (FFO), M€ *	38.0	34.6	9.7	151.5	140.7	7.7
FFO margin, % *	39.1	36.4		39.5	37.5	
FFO excluding non-recurring costs, M€ *	38.0	34.6	9.7	151.5	140.7	7.7
Investment properties, M€				6,863.1	6,260.8	9.6
Financial occupancy rate, %				96.4	97.2	
Interest-bearing liabilities, M€ *				3,053.3	2,674.2	14.2
Return on equity (ROE), % *				9.8	30.3	
Return on investment (ROI), % *				7.4	20.5	
Equity ratio, % *				45.6	46.9	
Loan to Value (LTV), % *				41.4	40.5	
EPRA Reinstatement value (NRV), M€				4,254.6	3,953.3	7.6
Gross investments, M€ *	107.2	84.3	27.1	371.2	259.9	42.9
Number of personnel, end of the period				317	296	
Key figures per share, €	10-12/2020	10-12/2019	Change%	2020	2019	Change%
FFO per share *	0.15	0.14	7.1	0.61	0.57	7.0
Earnings per share	0.62	2.72	-77.2	1.27	3.34	-62.0
EPRA NRV per share				17.21	16.00	7.6
Equity per share				13.39	12.51	7.0
Dividend per share ¹⁾				0.37	0.34	8.8

* 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 its financial statements.

¹⁾ Including non-current assets held for sale

²⁾ Excluding non-current assets held for sale or liabilities related to non-current assets held for sale.

³⁾ 2020: The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.37 per share be paid.



CEO's review



We were successful in implementing our strategy and making progress towards our key targets in 2020 in spite of the exceptional circumstances. Our total revenue, net rental income and Funds From Operations (FFO) increased. The fair value of our investment properties rose to EUR 6.9 billion and the number of apartments we own increased by more than 500 Lumo homes during the year.

We enter 2021 with confidence. We expect the strong trend of urbanisation to continue after the COVID-19 pandemic. The appeal of cities as providers of jobs and services on the one hand, and the decreasing average size of households on the other hand, create a need for new apartments in growth centres. We are making significant investments in order to respond to this demand.

The pandemic affected the housing market in 2020. The restrictions slowed down migration and students temporarily moved back in with their parents. In addition, apartments intended for short-term rentals were switched to long-term leases. A large number of new apartments were also completed in the market in 2020, which means that supply has temporarily increased relative to demand. These factors have been reflected in our occupancy rate, although we have been able to maintain it at a good level at 96.4%. While the impacts of the pandemic will still be visible in the market during the early part of the new year, we expect them to be temporary.

The past year was particularly successful for us with regard to new construction projects. We started construction on more

than 1,800 apartments. We also have preliminary agreements for the construction of nearly 1,000 apartments. We currently have 2,600 apartments under construction in central locations in the Helsinki region, close to good transport connections and services. Furthermore, our Metropolia real estate development project will see us create as many as 1,000 new homes in buildings previously occupied by educational institutions in Helsinki's central business district and other good locations.

Gross investments totalled EUR 371.2 million in 2020. Fair value of investment properties saw strong growth during the year. The fair value was increased particularly by our investments and gains from fair value measurement. Our strong balance sheet and diverse financing structure have enabled us to make investments in a challenging economic environment. We established an EMTN programme in the spring and subsequently carried out a successful EUR 500 million bond issue under the programme. Our balance sheet indicators developed in line with our strategy during the year.

In 2020, people spent more time at home, which highlighted the significance of comfort and safety. Accordingly, we have put special focus on keeping our properties tidy and comfortable. We have also put emphasis on effective and comprehensive communication, which has been helped by the My Lumo application that is already used by about 75 per cent of our customers. The application makes it quick and easy for our customers to manage all of the important aspects of their tenancy relationship. We will continue to invest in service development in 2021 in accordance with our digital roadmap.

In December, we published our sustainability programme, which brings together our long-term sustainability efforts in the form of practical targets and actions. Corporate responsibility and sustainable development are a strategic priority for Kojamo and part of the Group's DNA. In our sustainability programme, we commit to the UN Sustainable Development Goals and carbon-neutral energy use at our properties by 2030. During the year, we also participated in the real estate industry's global GRESB sustainability benchmark survey for the first time and received a Green Star award with a rating of three stars out of five. After the review period, in January, we also completed our first financing arrangement linked to our sustainability targets by signing a revolving credit facility for EUR 75 million. We will publish our Sustainability Report as part of our Annual Report.

Lastly, I want to take this opportunity to thank our customers, partners and everyone at Kojamo for good cooperation during the last year despite of exceptional circumstances.

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	2020E
GDP growth	2.5	-3.3
Unemployment	8.0	7.8
Inflation	1.0	0.3

Source: Ministry of Finance, Economic survey 12/2020

The Ministry of Finance forecasts that the global economy will recover from the deep slump caused by the COVID-19 pandemic in 2021, mainly in the second half of the year. In Finland, economic growth is expected to be slow during the early part of the year, but growth will gradually accelerate as the pandemic eases up. Service consumption is expected to recover more slowly as consumer confidence strengthens gradually. The growth of private investments will remain weak in the

early part of 2021 due to the uncertainty caused by the pandemic.

These forecasts are based on the assumption that the incidence of COVID-19 cases will be pushed to a low level through the implementation of strict restrictions. The roll-out of vaccinations during the spring will lead to the gradual resumption of normalcy in society.

Industry operating environment

Industry key figures

	2021E	2020E
Residential start-ups, units	31,000	35,000
Building permits granted, annual, units *	n/a	37,372
Construction costs, change %	0.5	0.3
Rents of non-subsidised apartments in the whole country, change, %	n/a	1.0
Rents of non-subsidised apartments in the capital region, change, %	n/a	1.3

* Rolling 12 months, November 2020

Sources: Confederation of Finnish Construction Industries, business survey November 2020; Statistics Finland, Building and dwelling production 2020,

November; Nordea Economic Outlook 1/2021

According to a business survey by the Confederation of Finnish Construction Industries RT, the number of residential start-ups decreased less than expected in 2020. The large number of projects launched before the COVID-19 crisis, construction sites remaining open and the wide-ranging stimulus measures throughout the economy supported construction during the year. According to housing production survey in November, construction companies are preparing for increased number of development start ups compared to last year. Nevertheless, residential construction is slowing down, especially outside the Helsinki Metropolitan Area. Residential construction is being

slowed down by the lower availability of financing and the continuing economic uncertainty. Residential production is expected to amount to less than 31,000 apartments in 2021, which is lower than the annual need for new apartments.

Housing sales recovered quickly from the brief decline seen in the spring, and the prices of apartments have not decreased due to the COVID-19 crisis. Investor demand is expected to remain unchanged and the growth in the supply of rental apartments will continue in growing regions.



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 KTI Property Information, the growth of large cities has supported the demand for rental apartments, and the pandemic is not expected to lead to significant changes in this trend. 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. Another aspect of this trend is that people increasingly use the shared urban space as an extension of their home. As a consequence of the COVID-19 pandemic, the use of public spaces is now seen in a new light and the significance of the home and outdoor areas has increased. Nevertheless, it appears that the crisis will not bring about major changes in the strong trend of urbanisation, and large cities still attract people.

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.

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 financial year, Kojamo's property portfolio comprised 35,802 (35,272) rental apartments. The fair value of Kojamo's investment properties amounted to EUR 6.9 (6.3) billion at the end of the financial year. Investment properties include completed apartments as well as development projects and land areas.

Measured at fair value on 30 December 2020, 98.8 per cent of Kojamo's rental apartments were located in the seven largest Finnish growth centres, 87.7 per cent in the Helsinki, Tampere and Turku regions and 73.8 per cent in the Helsinki region.

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

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



Financial development October–December 2020

Total revenue

Kojamo's total revenue increased to EUR 97.1 (95.1) million in October–December. 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 2019 and during the review period as well as the Like-for-Like (LfL) growth of rental income.

Result and profitability

Net rental income grew to EUR 63.8 (60.1) million, representing 65,7 (63,3) per cent of revenue. The increase in net rental income was mainly due to the completion of rental apartments in 2019 and during the review period as well as the Like-for-Like (LfL) growth of rental income.

Profit before taxes was EUR 193,2 (839.9) million. The profit includes EUR 151.7 (801.4) million in net gain on the valuation of investment properties at fair value and 0.0 (-0.1) million in profits and losses from the sale of investment properties. During the comparison period, the Group adopted a yield-based valuation technique, which had a positive effect of approximately EUR 800 million on the fair value of investment properties in the comparison period. Profit before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 3.1 million.

Financial income and expenses totalled EUR -13,7 (-11.5) million. Financial income and expenses include 0.1 (1.3) million in unrealised changes in the fair value of derivatives.

Funds From Operations (FFO) amounted to EUR 38.0 (34.6) million.

Financial development January–December 2020

Total revenue

Kojamo's total revenue increased to EUR 383.9 (375.3) 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 2019 and during the financial year as well as 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 grew to EUR 257.6 (247.3) million, representing 67.1 (65.9) per cent of revenue. The increase in net rental income was mainly due to the completion of rental apartments in 2019 and during the financial year as well as the Like-for-Like (LfL) growth of rental income.

Profit before taxes was EUR 391.2 (1,031.3) million. The profit includes EUR 225.8 (872.4) million in net gain on the valuation of investment properties at fair value and EUR -0.7 (0.1) million in profits and losses from the sale of investment properties. During the comparison period, the Group adopted a yield-based valuation technique, which had a positive effect of approximately EUR 800 million on the fair value of investment properties in the comparison period. Profit before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 6.6 million.

Financial income and expenses totalled EUR -55.3 (-50.8) million. Financial income and expenses include EUR -0.8 (-2.0) million in unrealised changes in the fair value of derivatives. Financial income and expenses were EUR -4.4 million larger than in the comparison period due to an increase in the amount of interest-bearing liabilities.

Funds From Operations (FFO) amounted to EUR 151.5 (140.7) million. The increase in FFO was attributable to the improvement in net rental income during the financial year as well as current tax being lower than in the comparison period.



Balance sheet, cash flow and financing

	31 Dec 2020	31 Dec 2019
Balance sheet total, M€	7,261.5	6,590.4
Equity, M€	3,309.5	3,090.6
Equity per share, €	13.39	12.51
Equity ratio, %	45.6	46.9
Return on equity (ROE), %	9.8	30.3
Return on investment (ROI), %	7.4	20.5
Interest-bearing liabilities, M€	3,053.3	2,674.2
Loan to Value (LTV), %	41.4	40.5
Average interest rate of loan portfolio, % *	1.8	1.8
Average loan maturity, years	4.5	4.7
Cash and cash equivalents, M€	210.5	137.3

* Includes interest rate derivatives

Kojamo's liquidity was excellent in the financial year. At the end of the financial year, Kojamo's cash and cash equivalents stood at EUR 210.5 (137.3) million and liquid financial assets at EUR 117.5 (132.1) million.

EUR 50.0 (50.0) million of the EUR 250 million commercial paper programme was in use at the end of the financial year. In addition, Kojamo has committed credit facilities of EUR 280 million and an uncommitted credit facility of EUR 5 million that remained unused at the end of the financial year.

In March, Kojamo plc and OP Corporate Bank signed an unsecured loan agreement of EUR 75 million. The 5.5-year loan will be used for the Group's general financing purposes. The loan was withdrawn in April.

In April, Kojamo plc and Danske Bank A/S, Finland Branch signed an unsecured loan agreement of EUR 50 million, with a maturity of two years with a one-year extension option. The loan was withdrawn in April.

In April, Lumo Kodit Oy and the European Investment Bank (EIB) signed an unsecured loan agreement of EUR 34 million. The financing is the third part of the long-term financing of EUR 204 million granted by the EIB, which will be used to fund the construction of nearly zero-energy buildings. At the end of the financial year, the loan was still unwithdrawn.

In May, Kojamo issued EUR 500 million senior unsecured notes under the EUR 2.5 billion EMTN (Euro Medium Term Notes) programme established in March. The unsecured euro-denominated bond has a maturity of seven years and it will mature on 27 May 2027. The bond carries a fixed annual coupon of 1.875 per cent.

Real estate property and fair value

M€	31 Dec 2020	31 Dec 2019
Fair value of investment properties on 1 Jan ¹⁾	6,260.8	5,093.2
Acquisition of investment properties ^{1) 2)}	348.7	288.6
Modernisation investments	27.1	30.7
Disposals of investment properties	-4.2	-26.0
Capitalised borrowing costs	3.8	1.9
Transfer from property, plant and equipment	1.2	-
Profit/loss on fair value of investment properties ¹⁾	225.8	872.4
Fair value of investment properties at the end of the period	6,863.1	6,260.8

The value of investment properties includes EUR 2.4 (0.0) 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 35,802 (35,272) rental apartments at the end of the financial year. Kojamo owned apartments in 29

(30) municipalities at the end of the financial year. The company aims to divest its apartments outside the seven major growth centres in Finland.



Kojamo shifted from a transaction-based valuation technique to a yield-based valuation technique in the valuation of investment properties from 31 December 2019 onwards. This represents a change in accounting estimates and it was not applied retrospectively. The effect of the change on the fair value of investment properties in 2019 was approximately EUR 800 million. The yield-based valuation technique makes Kojamo more comparable with its relevant international peer group.

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 December 2020. The criteria for determining fair value are presented in the Notes to the Financial Statements.

At the end of the financial year, the plot and real estate development reserve held by the Group totalled about 172,000 floor sq.m. (194,000 floor sq.m.). The fair value of the plot and real estate development reserve (including the Metropolia properties) was EUR 139.8 (159.0) million at the end of the financial year.

Rental housing

Lumo apartments	31 Dec 2020	31 Dec 2019
Number of apartments	35,476	34,677
Average rent, €/m ² /month	16.48	16.13
Average rent, €/m ² /month, yearly average	16.35	15.96

At the end of the financial year, Kojamo also had 326 (595) rental apartments under the VVO brand.

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. Our aim is to maintain a networked service platform that will enable agile innovation implementation in cooperation with other operators. Kojamo's properties serve as a platform to which the new services can easily be connected.

During the year, a significant proportion of new tenancy agreements were signed via the Lumo webstore. By the end of the year, more than 21,000 tenancy agreements had been signed at Lumo.fi. All Lumo rental apartments that become vacant are available for rent on the Lumo webstore, where customers can choose their preferred apartment.

Kojamo has adopted the practice of a separate water charge in its tenancy agreements. Previously, the water charge was included in the rent. The new practice will be implemented in all new tenancy agreements. Water charges in 2020 amounted to EUR 8.0 (6.2) million.

Rental housing key figures

%	1-12/2020	1-12/2019
Financial occupancy rate	96.4	97.2
Tenant turnover rate, excluding internal turnover	32.5	29.6
Like-for-Like rental income growth *	1.2	2.7
Rent receivables in proportion to revenue	1.2	1.3

* 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 96.4 (97.2) per cent at the end of the financial year. At year-end, 367 (101) apartments were vacant due to renovations.



Kojamo's property portfolio by region as at 31 December 2020

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	21,047	380	4,628.8	216	3,860	96.3
Tampere region	4,934	144	642.5	127	2,461	97.7
Turku region	1,904	20	231.2	120	2,105	97.8
Oulu	2,220	27	194.3	86	1,649	96.8
Jyväskylä	1,771	3	185.1	104	1,986	93.6
Kuopio region	1,674	52	164.6	95	1,793	94.8
Lahti region	1,436	12	153.3	106	1,901	96.4
Other	816	24	75.6	90	1,590	97.3
Total	35,802	662	6,275.3 ¹⁾	172	3,136	96.4
Other			587.8 ²⁾			
Total portfolio	35,802	662	6,863.1			

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

²⁾ Fair value of ongoing projects, plots owned by the group and ownership of certain assets through shares and rented plots (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 Dec 2020	31 Dec 2019
Acquisition of investment properties *	340.4	227.3
Modernisation investments	27.1	30.7
Capitalised borrowing costs	3.8	1.9
Total	371.2	259.9
Repair expenses, M€	35.8	36.9

* Not including IFRS 16 Leases

Number of apartments

Units	31 Dec 2020	31 Dec 2019
Apartments at the start of the financial year	35,272	34,713
Divestments	-18	-520
Acquisitions	71	260
Completed	532	816
Demolished or altered	-55	3
Apartments at the end of the financial year	35,802	35,272
Started during the financial year	1,840	1,066
Under construction at the end of the financial year	2,624	1,316
Preliminary agreements for new construction	965	930



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

On 2 March, Kojamo announced the signing of a cooperation agreement with SRV on the construction of 676 Lumo rental apartments. On 30 June, Kojamo also announced it had signed a cooperation agreement with Lehto on the construction of 392 apartments. The completion of individual projects specified in the agreements is subject to fulfilling the customary terms and conditions.

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

- 27 January: an agreement with Lehto on the construction of 106 apartments in Kilo, Espoo.
- 11 February: an agreement with Hausia on the construction of 45 apartments in Espoon keskus. The agreement with Hausia is part of the cooperation agreement signed by Kojamo and Hausia in August 2019 regarding the development of 378 apartments in Espoo.
- 11 March: an agreement with Skanska on the construction of 47 apartments in Leinelä, Vantaa.
- 21 April: As part of the cooperation agreement signed by Kojamo and SRV in March 2020, Kojamo signed an agreement with SRV on the construction of 291 apartments in Helsinki's Kalasatama district, in the Lumo One tower building next to the Redi shopping centre.
- 22 April: an agreement with Hausia on the construction of 59 apartments in Matinkylä, Espoo.
- 13 May: an agreement with Peab on the construction of 137 apartments in Vermonniitty, Espoo.
- 20 May: an agreement with Rakennuspetäjä on the construction of 72 apartments in Suurpelto, Espoo.
- 30 June: an agreement with SRV on the construction of 95 apartments in Matinkylä, Espoo. The agreement is part of

the cooperation agreement signed by Kojamo and SRV in August 2019 regarding the development of 527 apartments in Helsinki, Espoo, Vantaa and Kerava.

- 26 August: an agreement with JM Suomi Oy on the construction of 101 apartments in Pasila, Helsinki.
- 31 August: an agreement with Lehto on the construction of 74 apartments in Nöykkiönlaakso, Espoo, as part of the cooperation agreement signed by Kojamo and Lehto in June 2020.
- 25 September: an agreement with Lehto on the construction of 116 apartments in Niittykumpu, Espoo, as part of the cooperation agreement signed by Kojamo and Lehto in June 2020.
- 13 October: an agreement with Fira on the construction of 157 apartments in Myyrmäki, Vantaa.
- 30 October: an agreement with Jatke Uusimaa Oy on the construction of 77 apartments in Kontula, Helsinki.
- 16 November: an agreement with Pakrak Oy on the construction of 153 apartments in Lippajärvi, Espoo.
- 25 November: an agreement with Pohjola Rakennus on the construction of 54 apartments in Kannelmäki, Helsinki.

In addition, on 16 December, Kojamo acquired 26 apartments in Vantaa and, on 30 June, Kojamo announced it had acquired 45 apartments in Vuosaari, Helsinki.

Of the apartments under construction, 2,624 (1,260) are located in the Helsinki region and 0 (56) in other Finnish growth centres. A total of 532 (816) apartments were completed in 2020.

Modernisation investments during the financial year amounted to EUR 27.1 (30.7) million and repair costs totalled EUR 35.8 (36.9) million.

Binding acquisition agreements for new development

M€	31 Dec 2020	31 Dec 2019
Actual costs incurred from new construction in progress	370.0	166.8
Cost of completing new construction in progress	262.9	148.2
Total	633.0	314.9

Plots and real estate development sites owned by the company

	31 Dec 2020		31 Dec 2019	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Plots	29.3	55	45.9	75
Plots and existing residential building	25.0	37	27.6	42
Conversions	85.5	80	85.5	77
Total *	139.8	172	159.0	194

* 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 Dec 2020		31 Dec 2019	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Preliminary agreements for new construction ¹⁾	214.0		208.9	
Estimate of the share of plots of preliminary agreements for new development ²⁾	37.8	53	32.4	53
Preliminary agreements and reservations for plots ²⁾	35.4	52	42.1	68

¹⁾ Including plots

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

Progress of strategy implementation and targets

Strategic targets 2020–2023

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

Digital roadmap

In the early summer, we completed our Digital Roadmap 2023, which specifies development actions that support the execution of Kojamo's strategy. Kojamo is recognised as a pioneer

in the use of a webstore in the rental housing market. Going forward, we will strengthen our position through the digital transformation of the urban housing experience and services throughout the customer path. We will support these efforts by using NPS as an indicator of the customer experience. We will take advantage of technology and revise our operating models to achieve operational excellence. The employee experience will be included in our performance indicators in this area.

Shares and shareholders

Issued shares and share capital

Kojamo's share capital on 31 December 2020 was EUR 58,025,136 and the number of shares at the end of the financial year was 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

	2020	2019	2018
Lowest price, €	13.64	8,00	8.11
Highest price, €	21.45	16,48	9.75
Average price, €	17.95	13,48	8.65
Closing price, €	18.10	16,20	8.11
Market value of share capital, 31 Dec, M€	4,473.3	4,003.7	2,003.1
Share trading, million units	159.2	51.1	68.14
Share trading of total share stock, %	64.4	20.7	27.6
Share trading, M€	2,858.1	688.7	589.8

* Including the sale of shares related to the listing in 2018

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 December 2020, approximately 300 million (more than 60 million) Kojamo shares were traded on alternative marketplaces, corresponding to approximately 40 per cent (more than 50 per cent) of the total trading volume (Source: 2020, Reuters; 2019, Fidessa).

Own shares

Kojamo did not hold any of its own shares during or at the end of the financial year.

Dividend

In accordance with the Board of Directors' proposal, the Annual General Meeting on 12 March 2020 decided that a dividend of EUR 0.34 per share, or EUR 84,029,095.66 in total, be paid for the financial year and that EUR 304,567,729.26 be retained in unrestricted equity. The dividend payment date was 2 April 2020.

The Board of Directors' authorisations

Kojamo's Annual General Meeting on 12 March 2020 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 2021.

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 2021.

The Board has not use authorisations

Flagging notifications

Flagging notification 24 September 2020

On 23 September 2020, Kojamo received a notification pursuant to Chapter 9, Section 5 of the Securities Market Act from PGGM Vermogensbeheer B.V. According to the notification, PGGM Vermogensbeheer B.V.'s holdings of Kojamo plc's shares and votes fell below the threshold of 5 per cent on 21 September 2020. Following the transaction, PGGM Vermogensbeheer B.V.'s holdings in Kojamo plc amounted to 11,608,439 shares, corresponding to 4.697 per cent of Kojamo plc's shares and votes.

Flagging notification 10 September 2020

On 10 September 2020, Kojamo received a notification pursuant to Chapter 9, Section 5 of the Securities Market Act from Ilmarinen Mutual Pension Insurance Company. According to the notification, Ilmarinen Mutual Pension Insurance Company's holdings of Kojamo plc's shares and votes fell below the threshold of 10 per cent on 9 September 2020. Following the transaction, Ilmarinen Mutual Pension Insurance Company's holdings in Kojamo plc amounted to 20,537,814 shares, corresponding to 8.31 per cent of Kojamo plc's shares and votes.

Flagging notification 10 September 2020

On 10 September 2020, Kojamo received a notification pursuant to Chapter 9, Section 5 of the Securities Market Act from Varma Mutual Pension Insurance Company. According to the notification, Varma Mutual Pension Insurance Company's holdings of Kojamo plc's shares and votes fell below the threshold of 10 per cent on 10 September 2020. Following the transaction, Varma Mutual Pension Insurance Company's holdings in Kojamo plc amounted to 19,362,375 shares, corresponding to 7.83 per cent of Kojamo plc's shares and votes.

Flagging notification 24 August 2020

On 24 August 2020, Kojamo received a notification pursuant to Chapter 9, Section 5 of the Securities Market Act from the Trade Union for the Public and Welfare Sectors JHL. According to the notification, Trade Union for the Public and Welfare Sectors JHL's holdings of Kojamo plc's shares and votes fell below the threshold of 5 per cent on 21 August 2020. Following the transaction, Trade Union for the Public and Welfare



Sectors JHL's holdings in Kojamo plc amounted to 12,300,000 shares, corresponding to 4.9768 per cent of Kojamo plc's shares and votes.

Flagging notification 24 February 2020

On 24 February 2020, Kojamo received a notification pursuant to Chapter 9, Section 5 of the Securities Market Act from Rakennusliitto ry. According to the notification, Rakennusliitto ry's holdings of Kojamo plc's shares and votes fell below the threshold of 5 per cent on 21 February 2020. Following the transaction, Rakennusliitto ry's holdings in Kojamo plc amounted to 12,316,660 shares, corresponding to 4.9835 per cent of Kojamo plc's shares and votes.

Governance

Annual General Meeting

Kojamo's Annual General Meeting on 12 March 2020 adopted the financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2019. The AGM also elected the members of the Board of Directors and decided on their remuneration. 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, Heli Puura and Reima Rytsölä. 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 Heli Puura 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

Personnel

At the end of 2020, Kojamo had a total of 317 (296) employees, of whom 282 (267) were on permanent contracts and 35

Managers' transactions and shareholdings

Managers' transactions at Kojamo in 2020 have been published as stock exchange releases and they are available on the Kojamo website at <https://kojamo.fi/en/news>.

The members of the Board of Directors or corporations over which they exercise control owned a total of 41,044 (34,809) shares and share-based rights in the company or in companies belonging to the same Group as the company. The members of the Management Team or corporations over which they exercise control owned a total of (123,536) 127,230 shares and share-based rights in the company or in companies belonging to the same Group as the company. These shares represent 0.07 (0.07) per cent of the company's entire share capital.

Board. Kojamo's three largest shareholders nominated the following members to the Shareholders' Nomination Board: Jouko Pölönen, CEO, Ilmarinen Mutual Pension Insurance Company; Risto Murto, CEO, Varma Mutual Pension Insurance Company; and Riku Aalto, President, Finnish Industrial Union (Chairman of the Nomination Board). 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.

The proposals of the Nomination Board to the Annual General Meeting were published as a stock exchange release on 15 December 2020.

CEO

Jani Nieminen, M.Sc. (Tech.), MBA was the 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.

(29) were on temporary contracts. The average number of personnel during the year was 315 (305). The average length of service was 9.3 (9.9) years. Personnel turnover in 2020 was



9.8 (14.6) per cent. The company hired nearly 50 summer employees in 2020.

The salaries and fees paid during the financial year totalled EUR 17.3 (16.4) 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

ongoing at the end of the financial year: 2018–2020, 2019–2021, 2020–2022.

On 13 February 2020, Kojamo's Board of Directors resolved on the long-term incentive plan's performance period of 2020–2022. 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 102,242 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 312,345 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 and Kojamo's website.

Sustainability

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. This is reflected on various levels of our operations, including our business operations, working conditions and the customer interface. We emphasise responsibility towards customers, our obligations as a contractor as well as clear communication to our shareholders about the Kojamo's corporate and social responsibility efforts and their progress. We are committed to developing new and modern construction solutions, housing services and ecological innovations related to energy-efficient housing solutions. We operate openly and ethically and also require our partners to operate responsibly.

Sustainability programme

We published our sustainability programme implementing our strategy on 2 December 2020. With our sustainability programme we create added value to our business, improve our risk management by integrating sustainability topics even tighter as part of our operations and strengthen the co-operation with our stakeholders. The sustainability programme includes our sustainability priorities and objectives until 2030. Our sustainability programme is based on a materiality analysis we carried out in June 2020. Based on the materiality analysis, four priorities were selected for our sustainability programme: sustainable urban development, delivering the best customer experience, the most competent personnel and a dynamic place to work, and a responsible corporate citizen.

Our sustainability priorities consist of sustainability topics creating added value to our business as well as short- and long-term goals and actions and key performance indicators. The important cornerstones of our sustainability programme are securing long-term profitability and growth of our business, sustainable and responsible operations, and transparent responsibility communications and reporting.

With our sustainability program, we are committed to complying with the UN Sustainable Development Goals and aim to use carbon-neutral energy in our properties by 2030. As part of our goal of becoming carbon-neutral, we have joined the Net

Zero Carbon Buildings Commitment of the World Green Building Council.

Recognitions on sustainability work and reporting

We received a good result of 70 points out of 100 from our first GRESB Sustainability Assessment. With the result, we exceeded the average result (55.8) of our comparison group (Northern Europe, Residential, Multi-family) and were placed the fourth highest in the group. We earned a Green Star designation and three stars out of a possible five. We also participated in GRESB's separate Public Disclosure Assessment which measures the transparency and comprehensiveness of publicly available information. In this assessment, we achieved the best A-level and were the best in our comparison group (Northern Europe Residential).

GRESB Sustainability Assessment provides an extensive framework for our sustainability work and a globally comparable result. The GRESB Assessment extensively covers a wide range of areas of sustainability on both the company and asset level: company-level management of sustainability, policies and principles, reporting, risk management, sustainability of the supply chain, environmental performance of the asset portfolio and stakeholder cooperation.

EPRA (European Public Real Estate Association), an advocacy organisation for publicly listed European property investment companies, recognised Kojamo's financial statements for 2019 with a gold award for the second consecutive year and Kojamo's sustainability report for 2019 with a silver award. Kojamo also received a Most Improved award for developing its sustainability reporting.

We are continuing to focus on high-quality transparent sustainability reporting. We will publish a sustainability report as part of Annual Report 2020.



Sustainable cities

Since 2016, we have implemented all of our new construction projects using our own plot reserves as nearly zero-energy buildings in accordance with the nZEB principles. At the end of the review period, nearly zero-energy buildings represented 80 per cent (2,267 apartments) of all Kojamo projects completed since 2016. Of the properties under construction at the end of the period, nearly zero-energy buildings represented 88 per cent (2,307 apartments).

Continuous improvement of energy efficiency

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 2015 as the baseline (28,944 MWh/a in total). During the first three years of the period, 2017–2019, our energy efficiency measures have amounted to 21,255 MWh/a in total, which means that we had achieved 73% of our 2025 VAETS target (by the end of 2019). Our energy efficiency measures have included Leanheat energy optimisation, new elevators and windows, the installation of low-consumption water fittings and adjustments to ventilation systems.

We focus on managing the energy consumption of the buildings in our property portfolio and use an AI-driven IoT solution by Leanheat Oy to control the temperature of 29,000 apartments owned by Kojamo.

All of our new projects are located in growth centres close to good transportation connections. In 2020, the heating energy consumption index (kWh/rm³) of our property portfolio decreased by -3.4 (-1.4)%. The relative consumption of property electricity decreased by -6.5 (-0.0)%. Specific water consumption (l/m³) increased by 6.4 (1.2)%. The carbon footprint of our property portfolio was 50 881 (53 896) kg CO_{2e} in 2020 and it decreased by -6.5% compared to previous year. The waste recycling rate in our property portfolio was 37 (35)% in 2020.

Lumo, a responsible and environmentally friendly landlord

We want to offer our customers the best customer experience. We want to create safe and comfortable homes offering sense of community, sustainable living and services that make living easier. Co-operation with our customers is central in creating better urban living.

Through the Customers' Eyes operating model launched in 2019 has established as our way of working in 2020. There

Near-term risks and uncertainties

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.

were almost 500 Lumo teams consisting of active tenants in 2020. Over 2,700 tenants replied to our stakeholder survey in 2020.

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. In 2020, carbon-neutral district heating was introduced at 79 properties. We offer all residents of Lumo homes the opportunity to use shared vehicles. We aim to continuously develop recycling and offer comprehensive recycling opportunities to our residents.

We also focus on developing the environmental responsibility of our own operations. All Kojamo offices are WWF Green Office certified.

Social responsibility and being a responsible employer

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. The basis of our corporate culture is our values: Happy to serve, strive for success and courage to change. Our aim is to create a first-class employee experience through good management, by investing in employee well-being and promoting equality and non-discrimination.

The Kojamo Culture Compass project we launched in spring 2020 provided us with valuable input for our continued efforts to develop our corporate culture and employee experience. In September, we started using Virta, a new learning platform that we will use to build an inspiring and impactful culture of lifelong learning around our strategy. The Culture Compass as well as survey related to remote working conducted for our employees provided us with lots of ideas to improve our operations and supporting the wellbeing of our personnel. We didn't conduct a separate employee satisfaction survey in 2020.

Kojamo's sponsorship and grant programme provides financial support for young talents. The programme covers not only individual sports but also team sports. Personal grants are awarded to athletes aged 12–20 to encourage them in their sporting careers. Those living in Lumo and VVO homes are given priority. Grants have been awarded since 2012. In 2020 we granted 150 grants and continued the sponsorships of seven athletes.

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 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.

Proposal by the Board of Directors for the distribution of profits

The parent company Kojamo plc's distributable unrestricted equity on 31 December 2020 was EUR 356,022,296.62, of which the profit for the financial year amounted to EUR 52,406,266.95. No significant changes have taken place in the company's financial position since the end of the financial year.

The Board of Directors proposes to the Annual General Meeting that the distributable funds be used as follows: a dividend of EUR 0.37 per share to be paid, totalling EUR 91,443,427.63, and EUR 264,578,868.99 to be retained in unrestricted equity.

Helsinki, 18 February 2021

Kojamo plc
Board of Directors

Further information:

Maija Hongas, Manager, Investor Relations, Kojamo plc, tel. +358 20 508 3004

Erik Hjelt, CFO, Kojamo plc, tel. +358 20 508 3225

News conference as a webcast

Kojamo will hold a news conference for institutional investors, analysts and media on 18 February 2021 at 10:00 a.m. 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 streamed online at <https://kojamo.videosync.fi/2020-q4-results>

You can also participate in the press conference by calling:

FI: +358 981 710 310

SE: +46 856 642 651

UK: +44 333 300 0804

US: +1 631 913 1422

Please use the following PIN code to participate in the press conference by telephone: 58882215#



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 quality 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.

In accordance with EPRA's new best practice recommendations, Kojamo will adopt revised net asset valuation metrics starting from the 2020 financial statements. The new metrics are EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV). Of these, EPRA Net Reinstatement Value (NRV) illustrates Kojamo's business the best, and Kojamo will use NRV as its primary indicator for net assets. The revised indicators replace EPRA Net Asset Value (NAV) and EPRA Triple Net Asset Value (NNNAV).

	10-12/2020	10-12/2019	2020	2019
EPRA Earnings, M€	38.1	34.6	150.0	144.0
EPRA Earnings per share (EPS), €	0.15	0.14	0.61	0.58
EPRA Net Asset Value (NAV), M€			4,117.3	3,828.0
EPRA NAV per share, €			16.66	15.49
EPRA Triple Net Asset Value (NNNAV), M€			3,219.2	3,030.1
EPRA NNNAV per share, €			13.03	12.26
EPRA Net Reinstatement Value (NRV), M€			4,254.6	3,953.3
EPRA NRV per share, €			17.21	16.00
EPRA Net Tangible Assets (NTA), M€			4,253.8	3,953.1
EPRA NTA per share, €			17.21	16.00
EPRA Net Disposal Value (NDV), M€			3,219.2	3,030.1
EPRA NDV per share, €			13.03	12.26
EPRA Net Initial Yield (NIY), %			4.2	4.2
EPRA 'topped-up' NIY, %			4.2	4.2
EPRA Vacancy Rate, %			3.7	2.8
EPRA Cost Ratio (including direct vacancy costs), %	12.9	15.8	13.5	15.0
EPRA Cost Ratio (excluding direct vacancy costs), %	11.1	14.3	11.7	13.6

EPRA Earnings

M€	10-12/2020	10-12/2019	2020	2019
Earnings per IFRS income statement	154.4	672.1	312.9	825.2
(i) Change in value of investment properties, development properties held for investment and other interests	-151.7	-801.4	-225.8	-872.4
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interest	-	0.1	0.7	-0.1
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-	-0.1	-	-0.2
(iv) Tax on profits or losses on disposals	0.2	0.1	-0.1	3.3
(vi) Changes in fair value of financial instruments and associated close-out costs	-0.1	-1.3	0.8	2.0
(viii) Deferred tax in respect of EPRA adjustments	35.4	165.1	61.5	186.2
EPRA Earnings	38.1	34.6	150.0	144.0
EPRA Earnings per share (EPS), €	0.15	0.14	0.61	0.58



EPRA Net Asset Values

M€	2020	2019
NAV per the financial statements	3,309.5	3,090.6
(iv) Fair value of financial instruments	81.1	69.5
(v.a) Deferred tax	726.7	667.9
EPRA Net Asset Value (NAV)	4,117.3	3,828.0
EPRA Net Asset Value per share	16.66	15.49

M€	2020	2019
EPRA Net Asset Value (NAV)	4,117.3	3,828.0
(i) Fair value of financial instruments	-81.1	-69.5
(ii) Fair value of debt *	-90.3	-60.5
(iii) Deferred tax	-726.7	-667.9
EPRA Triple Net Asset Value (NNNAV)	3,219.2	3,030.1
EPRA NNNAV per share, €	13.03	12.26

* Balance sheet at amortised cost and the fair value of interest-bearing loans and borrowings

M€	2020			2019		
	NRV	NTA	NDV	NRV	NTA	NDV
IFRS Equity attributable to shareholders	3,309.5	3,309.5	3,309.5	3,090.6	3,090.6	3,090.6
Diluted NAV	3,309.5	3,309.5	3,309.5	3,090.6	3,090.6	3,090.6
Diluted NAV at fair value	3,309.5	3,309.5	3,309.5	3,090.6	3,090.6	3,090.6
Exclude:						
(v) Deferred tax in relation to fair value gains	726.7	726.4		667.9	667.9	
(vi) Fair value of financial instruments	81.1	81.1		69.5	69.5	
(vii.b) Intangibles as per the IFRS balance sheet		-0.4			-0.2	
Include:						
(ix) Fair value of fixed interest rate debt *			-90.3			-60.5
(xi) Real estate transfer tax	137.3	137.3		125.2	125.2	
Net Asset Value	4,254.6	4,253.8	3,219.2	3,953.3	3,953.1	3,030.1
NAV per share	17.21	17.21	13.03	16.00	16.00	12.26

* Balance sheet at amortised cost and the fair value of interest-bearing loans and borrowings



Bridge to EPRA Net assets values

M€	2020	2019	M€	2020	2019
EPRA NRV	4,254.6	3,953.3	EPRA NRV	4,254.6	3,953.3
Real estate transfer tax	-137.3	-125.2	Real estate transfer tax	-137.3	-125.2
			Fair value of fixed interest rate debt	-90.3	-60.5
			Fair value of financial instruments	-81.1	-69.5
			Deferred tax	-726.7	-667.9
EPRA NAV	4,117.3	3,828.0	EPRA NNNAV	3,219.2	3,030.1
EPRA NTA	4,253.8	3,953.1	EPRA NTA	4,253.8	3,953.1
Difference in deferred tax adjustment	0.3	-	Deferred tax	-726.4	-667.9
Intangibles as per the balance sheet	0.4	0.2	Intangibles as per the balance sheet	0.4	0.2
Real estate transfer tax	-137.3	-125.2	Real estate transfer tax	-137.3	-125.2
			Fair value of fixed interest rate debt	-90.3	-60.5
			Fair value of financial instruments	-81.1	-69.5
EPRA NAV	4,117.3	3,828.0	EPRA NNNAV	3,219.2	3,030.1
EPRA NDV	3,219.2	3,030.1	EPRA NDV	3,219.2	3,030.1
Fair value of fixed interest rate debt	90.3	60.5			
Fair value of financial instruments	81.1	69.5			
Deferred tax	726.7	667.9			
EPRA NAV	4,117.3	3,828.0	EPRA NNNAV	3,219.2	3,030.1

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

M€		2020	2019
Investment property		6,863.1	6,260.8
Trading property		0.1	0.1
Developments		-571.3	-334.9
Completed property portfolio		6,291.9	5,926.1
Allowance for estimated purchasers' costs		125.8	118.5
Gross up completed property portfolio valuation	B	6,417.8	6,044.6
Annualised cash passing rental income		395.6	385.3
Property outgoings		-127.4	-128.9
Annualised net rents	A	268.2	256.4
Notional rent expiration of rent free periods or other lease incentives		-	-
Topped-up net annualised rent	C	268.2	256.4
EPRA Net Initial Yield (NIY), %	A/B	4.2	4.2
EPRA 'topped-up' NIY, %	C/B	4.2	4.2

EPRA Vacancy Rate

M€		2020	2019
Estimated rental value of vacant space *	A	13.8	10.2
Estimated rental value of the whole portfolio *	B	375.4	365.2
EPRA Vacancy Rate, %	A/B	3.7	2.8

* Including rental value of apartments.



EPRA Cost Ratios

M€		10-12/2020	10-12/2019	2020	2019
Include:					
(i) Administrative expense line per IFRS income statement		9.4	10.4	38.4	38.7
(i) Maintenance expense line per IFRS income statement		22.4	22.1	90.5	91.1
(i) Repair expense line per IFRS income statement		10.9	12.8	35.8	36.9
(ii) Net service charge costs/fees		-2.4	-1.9	-8.5	-6.9
(iii) Management fees less actual/estimated profit element		0.0	0.0	-0.1	0.0
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits		-0.1	-0.1	-0.3	-0.4
Exclude:					
(vii) Ground rent costs		0.0	0.0	0.0	0.1
(viii) Service charge costs recovered through rents but not separately invoiced		-32.1	-34.0	-121.7	-122.7
EPRA Costs (including direct vacancy costs)	A	8.1	9.3	34.1	36.8
(ix) Direct vacancy costs		-1.2	-0.9	-4.6	-3.6
EPRA Costs (excluding direct vacancy costs)	B	6.9	8.5	29.5	33.3
(x) Gross Rental Income less ground rent costs - per IFRS		94.6	93.0	374.9	368.0
(xi) Service fee and service charge costs components of Gross Rental Income		-32.1	-34.0	-121.7	-122.7
Gross Rental Income	C	62.5	59.0	253.2	245.3
EPRA Cost Ratio (including direct vacancy costs), %	A/C	12.9	15.8	13.5	15.0
EPRA Cost Ratio (excluding direct vacancy costs), %	B/C	11.1	14.3	11.7	13.6



Condensed consolidated income statement

M€	Note	10–12/2020	10–12/2019	1–12/2020	1–12/2019
Total revenue		97.1	95.1	383.9	375.3
Maintenance expenses		-22.4	-22.1	-90.5	-91.1
Repair expenses		-10.9	-12.8	-35.8	-36.9
Net rental income		63.8	60.1	257.6	247.3
Administrative expenses		-9.4	-10.4	-38.4	-38.7
Other operating income		1.0	0.5	3.6	2.2
Other operating expenses		-0.2	-0.2	-0.2	-0.5
Profit/loss on sales of investment properties		-	-0.1	-0.7	0.1
Profit/loss on sales of trading properties		-	0.1	-	0.2
Profit/loss on fair value of investment properties	3	151.7	801.4	225.8	872.4
Depreciation, amortisation and impairment losses		-0.2	-0.3	-1.3	-1.1
Operating profit		206.7	851.2	446.3	1,081.9
Financial income		0.1	0.4	1.8	2.6
Financial expenses		-13.8	-11.9	-57.0	-53.4
Total amount of financial income and expenses		-13.7	-11.5	-55.3	-50.8
Share of result from associated companies		0.2	0.2	0.2	0.2
Profit before taxes		193.2	839.9	391.2	1,031.3
Current tax expense		-3.4	-2.7	-16.9	-19.9
Change in deferred taxes		-35.4	-165.1	-61.5	-186.2
Profit for the period		154.4	672.1	312.9	825.2
Profit for the financial period attributable to shareholders of the parent company		154.4	672.1	312.9	825.2
Earnings per share based on profit attributable to shareholders of the parent company					
Basic, €		0.62	2.72	1.27	3.34
Diluted, €		0.62	2.72	1.27	3.34
Average number of shares, million	8	247.1	247.1	247.1	247.1
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Cash flow hedges		1.1	20.6	-11.9	-26.0
Deferred taxes		-0.2	-4.1	2.4	5.2
Items that may be reclassified subsequently to profit or loss		0.9	16.5	-9.6	-20.8
Total comprehensive income for the period		155.3	688.5	303.3	804.4
Total comprehensive income attributable to shareholders of the parent company		155.3	688.5	303.3	804.4



Condensed consolidated balance sheet

M€	Note	31 Dec 2020	31 Dec 2019
Assets			
Non-current assets			
Intangible assets		0.4	0.2
Investment properties	3	6,860.7	6,260.8
Property, plant and equipment	4	29.8	30.9
Investments in associated companies		1.1	2.4
Financial assets	7	0.7	0.7
Non-current receivables		7.7	3.2
Derivatives	6, 7	0.0	0.2
Deferred tax assets		16.0	14.4
Total non-current assets		6,916.4	6,312.8
Non-current assets held for sale	3	2.4	-
Current assets			
Trading property		0.1	0.1
Derivatives	6, 7	0.1	0.3
Current tax assets		3.8	0.1
Trade and other receivables		10.5	7.7
Financial assets	7	117.5	132.1
Cash and cash equivalents		210.5	137.3
Current assets total		342.7	277.6
Total assets		7,261.5	6,590.4
Shareholders' equity and liabilities			
Equity attributable to shareholders of the parent company			
Share capital		58.0	58.0
Share issue premium		35.8	35.8
Fair value reserve		-54.2	-44.7
Invested non-restricted equity reserve		164.4	164.4
Retained earnings		3,105.5	2,877.0
Equity attributable to shareholders of the parent company		3,309.5	3,090.6
Total equity		3,309.5	3,090.6
Liabilities			
Non-current liabilities			
Loans and borrowings	5, 7	2,832.6	2,429.3
Deferred tax liabilities		744.5	683.8
Derivatives	6, 7	80.6	69.8
Provisions		0.4	0.5
Other non-current liabilities		4.6	5.1
Total non-current liabilities		3,662.7	3,188.4
Current liabilities			
Loans and borrowings	5, 7	220.7	244.9
Derivatives		0.6	0.2
Current tax liabilities	6, 7	2.3	2.0
Trade and other payables		65.6	64.3
Current liabilities total		289.2	311.4
Total liabilities		3,952.0	3,499.8
Total equity and liabilities		7,261.5	6,590.4



Consolidated statement of cash flows

M€	1–12/2020	1–12/2019
Cash flow from operating activities		
Profit for the period	312.9	825.2
Adjustments	-90.6	-614.5
Change in net working capital		
Change in trade and other receivables	-2.1	0.6
Change in trading properties	0.0	0.3
Change in trade and other payables	3.6	-0.8
Interest paid	-50.5	-48.6
Interest received	0.8	0.8
Other financial items	-6.1	0.0
Taxes paid	-20.3	-22.2
Net cash flow from operating activities	147.7	140.8
Cash flow from investing activities		
Acquisition of investment properties	-378.6	-273.9
Acquisition of associated companies	-0.1	0.0
Acquisition of property, plant and equipment and intangible assets	-0.4	-0.2
Proceeds from sale of investment properties	3.5	26.1
Proceeds from sale of property, plant and equipment and intangible assets	-	0.0
Purchases of financial assets	-210.0	-111.1
Proceeds from sale of financial assets	224.8	152.5
Non-current loans, granted	-4.8	0.0
Repayments of non-current loan receivables	0.2	0.4
Interest and dividends received on investments	1.1	0.3
Net cash flow from investing activities	-364.2	-206.0
Cash flow from financing activities		
Non-current loans and borrowings, raised	643.5	289.8
Non-current loans and borrowings, repayments	-268.2	-164.0
Current loans and borrowings, raised	261.8	139.9
Current loans and borrowings, repayments	-261.8	-139.9
Repayments of lease liabilities	-1.6	-1.6
Dividends paid	-84.0	-71.7
Net cash flow from financing activities	289.7	52.4
Change in cash and cash equivalents	73.2	-12.8
Cash and cash equivalents at the beginning of the period	137.3	150.1
Cash and cash equivalents at the end of the period	210.5	137.3



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 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

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 2019	58.0	35.8	-23.9	164.4	2,123.7	2,358.1	2,358.1
Comprehensive income							
Cash flow hedging			-20.8			-20.8	-20.8
Profit for the period					825.2	825.2	825.2
Total comprehensive income for the period			-20.8		825.2	804.4	804.4
Transactions with shareholders							
Share-based incentive scheme					-0.3	-0.3	-0.3
Dividend payment					-71.7	-71.7	-71.7
Total transactions with shareholders					-71.9	-71.9	-71.9
Total change in equity			-20.8		753.3	732.5	732.5
Equity at 31 Dec 2019	58.0	35.8	-44.7	164.4	2,877.0	3,090.6	3,090.6



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 December 2020, Kojamo owned 35,802 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. A copy of the consolidated financial statements is available at www.kojamo.fi/en or the parent company's head office.

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 Financial Statements Release for publication at its meeting on 18 February 2021. Kojamo's Financial Statements and the Report of the Board of Directors as well as Corporate Governance Statement and Remuneration Report 2020 will be published as a stock exchange release on 18 February 2021, since when the documents are available at Kojamo's website at www.kojamo.fi/en

2. Revenue

Specification of revenue from contracts with customers

M€	1–12/2020	1–12/2019
Rental income	374.9	367.9
Water fees	8.0	6.2
Sauna fees	0.5	0.6
Other income from service sales	0.1	-
Total	383.5	374.8

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.

1. Accounting policies

Basis for preparation

This financial statements release was 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 financial statements release have not been audited.

The figures for 2020 are based on Kojamo plc's audited financial statements for 2020. The bracketed figures refer to the corresponding period in 2019, and the comparison period is the corresponding period the year before, unless otherwise stated.

The preparation of financial statements release 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 accounting policies of the Group. Actual results may differ from the estimates and assumptions used. The most significant items of this financial statements release 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 which create a significant risk of change in the carrying amounts of Kojamo's assets and liabilities within the next financial year, 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.



3. Investment properties

Change in valuation method

Kojamo shifted from a transaction-based valuation technique to a yield-based valuation technique in the valuation of investment properties from 31 December 2019 onwards. This repre-

sents a change in accounting estimates. The change is not applied retrospectively. The effect of the change on the fair value of investment properties was approximately EUR 800 million in the 2019 financial statements. The yield-based valuation technique makes Kojamo more comparable with its relevant international peer group.

M€	31 Dec 2020	31 Dec 2019
Fair value of investment properties on 1 Jan ¹⁾	6,260.8	5,093.2
Acquisition of investment properties ^{1) 2)}	348.7	288.6
Modernisation investments	27.1	30.7
Disposals of investment properties	-4.2	-26.0
Capitalised borrowing costs	3.8	1.9
Transfer from property, plant and equipment	1.2	-
Profit/loss on fair value of investment properties ¹⁾	225.8	872.4
Fair value of investment properties at the end of the period	6,863.1	6,260.8

The value of investment properties includes EUR 2.4 (0.0) 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 Dec 2020	31 Dec 2019
Fair value on 1 Jan	60.2	60.5
Increases/decreases	8.3	0.8
Profit/loss on fair value of investment properties	-1.1	-1.1
Fair value of investment properties at the end of the period	67.4	60.2

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 3.8 (1.9 million). The interest rate applied to capitalised borrowing costs was 2.1 (2.2) per cent.

Kojamo acquired a total of 71 rental apartments in 2020, all of which in the capital region.

Kojamo acquired a total of 260 rental apartments in 2019. This figure includes 143 rental apartments acquired from Valio Pension Fund and Valio Mutual Pension Insurance Fund.

Fair value of investment properties by valuation method

M€	31 Dec 2020	31 Dec 2019
Yield value *	6,157.1	5,740.7
Acquisition cost	638.7	459.9
Right-of-use assets	67.4	60.2
Total	6,863.1	6,260.8

* Including properties valued at the cash flow based valuation method (DCF) EUR 6.059.5 million and other yield-based valued items EUR 97.6 million.

Number of apartments	31 Dec 2020	31 Dec 2019
Yield value	33,527	32,286
Acquisition cost	2,275	2,986
Total	35,802	35,272



Kojamo has used the following average parameters when applying yield-based valuation method:

Average valuation parameters

	31 Dec 2020		Group total
	Capital region	Other regions of Finland	
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

	31 Dec 2019		Group total
	Capital region	Other regions of Finland	
Unobservable inputs:			
Yield requirement, weighted, %	3.84	5.05	4.25
Inflation assumption, %	1.5	1.5	1.5
Market rents, weighted by square metres, €/m ² /month	18.70	14.48	16.58
Property maintenance expenses, repairs and modernisation investments €/m ² /month	6.11	6.07	6.09
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

Sensitivity analysis for measuring the fair value of investment properties

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

Properties measured at yield value	31 Dec 2019				
	-10%	-5%	0%	5%	10%
Change % (relative)					
Change, M€					
Yield requirement	636.6	301.6		-273.8	-521.7
Market rents	-734.2	-366.7		365.9	732.6
Maintenance costs	242.4	121.1		-122.0	-243.6
Change % (absolute)	-2%	-1%	0%	1%	2%
Change, M€					
Financial occupancy rate	-151.0	-75.3		75.0	149.8



Fair value measurement of investment properties

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. 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 properties

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 either 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 Team, 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. The statement on the situation on 31 December 2019 is available at 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.

Valuation techniques effective from 31 December 2019

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

Yield value

The measurement of value is based on 10-year discounted cash flow (DCF) calculations, in which the terminal value of the property is calculated based on direct primary ownership 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 valued in their first quarter using the acquisition cost and subsequently using the yield value method.

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

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

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

Change in yield requirement based on the age of the property is the following: 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.

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.



4. Property, plant and equipment

M€	31 Dec 2020	31 Dec 2019
Carrying value, beginning of period	30.9	30.5
Increases	0.6	1.5
Decreases	-	-0.1
Transfer to investment properties	-0.5	-
Depreciation for the period	-1.2	-1.0
Carrying value, end of period	29.8	30.9

Property, plant and equipment consist of assets held and used by the company, mainly buildings and land areas, as well as machinery and equipment. The right-of-use asset includes car

leasing agreements in accordance with IFRS 16 Leases. These agreements are itemised below:

M€	31 Dec 2020	31 Dec 2019
Carrying value, beginning of period	0.9	1.0
Increases/decreases	0.5	0.3
Depreciation for the period	-0.4	-0.5
Carrying value, end of period	1.0	0.9

5. Interest-bearing liabilities

M€	31 Dec 2020	31 Dec 2019
Non-current liabilities		
Bonds	1,688.3	1,191.8
Loans from financial institutions	1,046.7	1,135.8
Interest subsidy loans	30.8	39.2
Other loans	-	2.4
Lease liabilities	66.7	60.0
Non-current liabilities total	2,832.6	2,429.3
Current liabilities		
Bonds	-	100.0
Loans from financial institutions	153.3	37.5
Interest subsidy loans	7.0	49.9
Commercial papers	50.0	50.0
Other loans	8.8	6.5
Lease liabilities	1.6	1.1
Current liabilities total	220.7	244.9
Total interest-bearing liabilities	3,053.3	2,674.2

As a result of Kojamo's adoption of IFRS 16 Leases on 1 January 2019, land lease contracts previously treated as operating leases have been recognised as an increase in the value of

the Group's investment properties and interest-bearing liabilities.



6. Derivative instruments

Fair values of derivative instruments

M€	31 Dec 2020			31 Dec 2019
	Positive	Negative	Net	Net
Interest rate derivatives				
Interest rate swaps, cash flow hedging	-	-71.4	-71.4	-60.6
Interest rate swaps, not in hedge accounting	-	-9.5	-9.5	-9.3
Electricity derivatives	0.1	-0.3	-0.1	0.5
Total	0.1	-81.2	-81.1	-69.5

Nominal values of derivative instruments

M€	31 Dec 2020	31 Dec 2019
Interest rate derivatives		
Interest rate swaps, cash flow hedging	919.2	970.0
Interest rate swaps, not in hedge accounting	41.9	42.6
Total	961.1	1,012.6
Electricity derivatives, MWh	74,448	135,960

During the financial year, EUR -11.9 (-26.0) million was recognised in the fair value reserve from interest rate derivatives classified as cash flow hedges. A total of EUR 1.1 (1.1) million was transferred from cash flow hedging to be recognised through profit or loss.

The interest rate derivatives mature between 2021 and 2035. At the balance sheet date, the average maturity of interest rate swaps was 5.1 (5.7) years. The electricity derivatives mature between 2021 and 2022.



7. Financial assets and liabilities by valuation category

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

M€	31 Dec 2019				Fair value total
	Carrying value total	LEVEL 1	LEVEL 2	LEVEL 3	
Financial assets					
Measured at fair value					
Electricity derivatives	0.5	0.5			0.5
Financial assets recognised at fair value through profit or loss					
	132.8	129.6	2.5	0.7	132.8
Measured at amortised cost					
Cash and cash equivalents	137.3		137.3		137.3
Trade receivables	5.7				5.7
Financial liabilities					
Measured at fair value					
Interest rate derivatives	70.0		70.0		70.0
Electricity derivatives	0.0	0.0			0.0
Measured at amortised cost					
Other interest-bearing liabilities	1,382.4		1,385.2		1,385.2
Bonds	1,291.8	1,349.5			1,349.5
Trade payables	15.6				15.6

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 Dec 2020	31 Dec 2019
Beginning of period	0.7	0.6
Change	0.0	0.0
End of period	0.7	0.7

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

	1-12/2020	1-12/2019
Profit for the period attributable to shareholders of the parent company, M€	312.9	825.2
Weighted average number of shares during the period (million)	247.1	247.1
Earnings per share		
Basic, €	1.27	3.34
Diluted, €	1.27	3.34

The company has no diluting instruments.

9. Guarantees, commitments and contingent liabilities

M€	31 Dec 2020	31 Dec 2019
Loans covered by pledges on property and shares as collateral	1,048.5	1,298.1
Pledges given	1,059.7	1,401.1
Shares ¹⁾	173.9	220.4
Pledged collateral, total	1,233.6	1,621.5
Other collaterals given		
Mortgages and shares	5.9	16.9
Guarantees ²⁾	514.0	500.2
Pledged deposits	0.1	0.1
Other collateral, total	520.1	517.1

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 these loans are also given mortgages as collaterals.



10. Non-current assets held for sale

Kojamo's non-current assets held for sale totalled EUR 2.4 (0.0) million at the end of the financial year. This asset item consists of one plot of land.

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

11. Impacts of COVID-19

Kojamo has assessed the impacts 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 financial year.

12. Events after the period

On 7 January 2021, Kojamo plc signed a new committed EUR 75 million revolving credit facility linked to the targets of the sustainability programme with Danske Bank A/S, Finland Branch. The revolving credit facility is unsecured and has a maturity of three years with two one-year options. The revolving credit facility will be used for the Group's general financing needs and it replaces the EUR 55 million revolving credit facility signed with Danske Bank, maturing in 2021.



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

	Formula	10–12/2020	10–12/2019	2020	2019
Total revenue, M€		97.1	95.1	383.9	375.3
Net rental income, M€	1	63.8	60.1	257.6	247.3
Net rental income margin, %	2	65.7	63.3	67.1	65.9
Profit before taxes, M€	3	193.2	839.9	391.2	1,031.3
EBITDA, M€	4	206.9	851.5	447.6	1,083.1
EBITDA margin, %	5	213.0	895.7	116.6	288.6
Adjusted EBITDA, M€	6	55.2	50.0	222.6	210.3
Adjusted EBITDA margin, %	7	56.8	52.6	58.0	56.0
Funds From Operations (FFO), M€	8	38.0	34.6	151.5	140.7
FFO margin, %	9	39.1	36.4	39.5	37.5
Funds From Operations (FFO) per share, €	10	0.15	0.14	0.61	0.57
FFO excluding non-recurring costs, M€	11	38.0	34.6	151.5	140.7
Adjusted Funds From Operations (AFFO), M€	12			124.4	110.0
Investment properties, M€ ¹⁾				6,863.1	6,260.8
Financial occupancy rate, %	26			96.4	97.2
Interest-bearing liabilities, M€	13			3,053.3	2,674.2
Return on equity, % (ROE)	14			9.8	30.3
Return on investment, % (ROI)	15			7.4	20.5
Equity ratio, %	16			45.6	46.9
Loan to Value (LTV), % ²⁾	17			41.4	40.5
Unencumbered asset ratio, %	18			79.4	69.8
Coverage ratio	19			4.1	4.2
Solvency ratio	20			0.39	0.39
Secured solvency ratio	21			0.14	0.20
Earnings per share, €		0.62	2.72	1.27	3.34
Equity per share, €				13.39	12.51
Dividend/share, € ³⁾				0.37	0.34
Dividend/earnings, %	22			29.1	10.2
Price/Earnings ratio (P/E)	23			14.3	4.9
Effective dividend yield, %	24			2.0	2.1
Gross investments, M€	25	107.2	84.3	371.2	259.9
Number of personnel, end of the period				317	296

¹⁾ Contains Non-current assets held for sale

²⁾ Does not include non-current assets held for sale

³⁾ 2020: The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.37 per share be paid

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 (APM) based on 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.

Net rental income - Administrative expenses + Other operating income - Other operating expenses +/- Profit/loss on sales of investment properties +/- profit/loss on sales of trading
- 3) Profit before taxes = 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.

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

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

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

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

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

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) = $\frac{\text{Profit for the period}}{\text{Total equity, average during the period}} \times 100$
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) = $\frac{\text{Profit before taxes + Interests and other financial expenses}}{\text{Total assets - Non-interest-bearing liabilities (average during the period)}} \times 100$
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, % = $\frac{\text{Total equity}}{\text{Balance sheet total - Advances received}} \times 100$
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), % = $\frac{\text{Interest-bearing liabilities - Cash and cash equivalents}}{\text{Investment properties}} \times 100$
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) Dividend/earnings, % = $\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
- Dividend/earnings measures the ratio of dividends to earnings. This APM illustrates how large a proportion of its earnings the Group distributes to its shareholders.
- 23) Price/Earnings ratio (P/E) = $\frac{\text{Closing price of the share}}{\text{Earnings per share}}$
- The P/E ratio illustrates the ratio between the share price and earnings per share. This APM illustrates the share's payback period based on the closing price and current earnings.
- 24) Effective dividend yield, % = $\frac{\text{Dividend per share}}{\text{Closing price of the share}} \times 100$
- Effective dividend yield illustrates the ratio between earnings per share and the share price.
- 25) 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

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



Reconciliation of key indicators

Reconciliation of key indicators

M€	10–12/2020	10–12/2019	2020	2019
Profit for the period	154.4	672.1	312.9	825.2
Depreciation, amortisation and impairment losses	0.2	0.3	1.3	1.1
Profit/loss on sales of investment properties	-	0.1	0.7	-0.1
Profit/loss on sales of trading properties	-	-0.1	-	-0.2
Profit/loss on fair value of investment properties	-151.7	-801.4	-225.8	-872.4
Financial income	-0.1	-0.4	-1.8	-2.6
Financial expenses	13.8	11.9	57.0	53.4
Share of result from associated companies	-0.2	-0.2	-0.2	-0.2
Current tax expense	3.4	2.7	16.9	19.9
Change in deferred taxes	35.4	165.1	61.5	186.2
Adjusted EBITDA	55.2	50.0	222.6	210.3
Financial income and expenses	-13.7	-11.5	-55.3	-50.8
Profit/loss on fair value measurement of financial assets	-0.1	-1.3	1.0	1.1
Adjusted net interest charges	-13.8	-12.7	-54.2	-49.7
Current tax expense	-3.4	-2.7	-16.9	-19.9
FFO	38.0	34.6	151.5	140.7
FFO excluding non-recurring costs	38.0	34.6	151.5	140.7
Equity			3,309.5	3,090.6
Assets total			7,261.5	6,590.4
Advances received			-6.6	-6.7
Equity ratio, %			45.6	46.9
Unencumbered investment properties			5,327.0	4,296.3
Non-current assets, other than investment properties			97.6	25.6
Current assets			342.7	277.6
Unencumbered assets total			5,767.3	4,599.6
Total assets			7,261.5	6,590.4
Unencumbered asset ratio, %			79.4	69.8
Adjusted EBITDA, rolling 12 months			222.6	210.3
Adjusted net interest charges, rolling 12 months			-54.2	-49.7
Coverage ratio			4.1	4.2
Interest-bearing liabilities			3,053.3	2,674.2
Deferred purchase price due after 90 days			-	8.7
Cash and cash equivalents			210.5	137.3
Total indebtedness- Cash and cash equivalents			2,842.8	2,545.6
Total assets			7,261.5	6,590.4
Solvency ratio			0.39	0.39
Secured loans			1,048.5	1,298.1
Total assets			7,261.5	6,590.4
Secured solvency ratio			0.14	0.20