



kojamo



**Financial Statements Release**  
**1 January–31 December 2022**



# Kojamo plc's Financial Statements Release 1 January–31 December 2022

## Total revenue, net rental income and FFO increased; the fair value of investment properties EUR 8.2 billion

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 2022. 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 2022

- Total revenue increased by 8.3 per cent to EUR 107.9 (99.6) million.
- Net rental income increased by 10.5 per cent totalling EUR 72.4 (65.5) million. Net rental income represented 67.1 (65.8) per cent of revenue.
- Result before taxes was EUR -748.3 (662.9) million. The result includes EUR -792.8 (621.6) million in net gain on the valuation of investment properties at fair value. Earnings per share was EUR -2.42 (2.15).
- Funds From Operations (FFO) increased by 5.5 per cent and amounted to EUR 40.7 (38.6) million.
- Gross investments totalled EUR 85.1 (98.7) million, representing 78.9 (99.1) per cent of total revenue.

## Summary of January–December 2022

- Total revenue increased by 5.5 per cent to EUR 413.3 (391.7) million.
- Net rental income increased by 6.8 per cent, totalling EUR 280.1 (262.3) million. Net rental income represented 67.8 (67.0) per cent of revenue.
- Result before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 9.0 million, and it was EUR 182.2 (173.2) million.
- Result before taxes was EUR -499.8 (1,278.9) million. The result includes EUR -682.0 (1,105.7) million in net gain/loss on the valuation of investment properties at fair value and EUR 0.2 (0.3) million in profits from the sale of investment properties. Earnings per share was EUR -1.62 (4.14).
- Funds From Operations (FFO) increased by 5.0 per cent and amounted to EUR 160.7 (153.1) million.
- The fair value of investment properties was 8.2 (8.3) billion at the end of the financial year, including EUR 0.0 (1.1) million in Investment properties held for sale.
- The financial occupancy rate stood at 92.0 (93.9) per cent during the financial year.
- Gross investments totalled EUR 501.6 (356.9) million, representing 121.4 (91.1) per cent of total revenue.
- Equity per share was EUR 15.55 (17.25) and return on equity was -9.9 (27.0) per cent. Return on investment was -5.7 (19.2) per cent.
- EPRA NRV per share (net reinstatement value) decreased by -11.4 per cent and amounted to EUR 19.53 (22.04).
- At the end of the financial year, there were 1,804 (2,675) Lumo apartments under construction.
- The Board of Directors' dividend proposal is EUR 0.39 (0.38) per share.

Kojamo owned 39,231 (36,897) rental apartments at the end of the financial year. In 2022, Kojamo acquired 985 (0) apartments, completed 1,348 (1,282) apartments and demolished or otherwise altered 1 (-187) apartments.



## Effects of Russia's war of aggression in Ukraine and the COVID-19 pandemic on Kojamo

Russia's continued war of aggression in Ukraine has weakened the economic outlook in Finland, and economic uncertainty continues. The war has increased energy prices in particular, which has also accelerated price increases in other consumer goods and services. The impact of higher energy prices on Kojamo's maintenance costs has been moderate, although electricity and heating costs have increased.

The COVID-19 pandemic has had an impact on the housing market and the operating environment. Removal of COVID-restrictions has increased demand of rental apartments. The supply of rental apartments has declined. The pandemic has had a substantial effect on the Group's financial occupancy rate. The pandemic did not have a significant impact on the Group's profit, balance sheet or cash flow.

## Outlook for 2023

Kojamo estimates that in 2023, the Group's total revenue will increase by 7–10 per cent year-on-year. In addition, Kojamo estimates that the Group's FFO for 2023 will amount to between EUR 153–165 million, excluding non-recurring items.

The outlook is based on the management's assessment of total revenue, property maintenance costs and repairs, 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 or disposals on total revenue and FFO, nor the impact on FFO of potential premature funding of the Eurobond due in 2024.

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

	10-12/2022	10-12/2021	Change %	2022	2021	Change %
Total revenue, M€	107.9	99.6	8.3	413.3	391.7	5.5
Net rental income, M€ *	72.4	65.5	10.5	280.1	262.3	6.8
Net rental income margin, % *	67.1	65.8		67.8	67.0	
Profit/loss before taxes, M€ *	-748.3	662.9	-212.9	-499.8	1,278.9	-139.1
EBITDA, M€ *	-732.3	678.5	-207.9	-441.3	1,334.8	-133.1
EBITDA margin, % *	-678.7	681.1		-106.8	340.8	
Adjusted EBITDA, M€ *	60.6	57.0	6.3	240.4	228.5	5.2
Adjusted EBITDA margin, % *	56.2	57.2		58.2	58.3	
Funds From Operations (FFO), M€ *	40.7	38.6	5.5	160.7	153.1	5.0
FFO margin, % *	37.8	38.7		38.9	39.1	
FFO excluding non-recurring costs, M€ *	40.7	38.6	5.5	160.7	153.1	5.0
Investment properties, M€ <sup>1)</sup>				8,150.2	8,327.5	-2.1
Financial occupancy rate, %				92.0	93.9	
Interest-bearing liabilities, M€ *				3,678.2	3,334.5	10.3
Return on equity (ROE), % *				-9.9	27.0	
Return on investment (ROI), % *				-5.7	19.2	
Equity ratio, % *				45.3	49.0	
Loan to Value (LTV), % * <sup>2)</sup>				43.7	37.7	
EPRA Reinstatement value (NRV), M€				4,825.9	5,447.9	-11.4
Gross investments, M€ *	85.1	98.7	-13.8	501.6	356.9	40.6
Number of personnel, end of the period				304	325	

Key figures per share, €	10-12/2022	10-12/2021	Change %	2022	2021	Change %
FFO per share *	0.16	0.16	0.0	0.65	0.62	4.8
Earnings per share	-2.42	2.15	-212.6	-1.62	4.14	-139.1
EPRA NRV per share				19.53	22.04	-11.4
Equity per share				15.55	17.25	-9.9
Dividend per share <sup>3)</sup>				0.39	0.38	2.6

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

<sup>1)</sup> Including Non-current assets held for sale

<sup>2)</sup> Excluding Non-current assets held for sale

<sup>3)</sup> 2022: The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.39 per share to be paid



## CEO's review



We achieved our strategic targets last year in terms of both growth and profitability. Total revenue, net rental income and FFO increased, and our financial position has remained strong. The value of our investment properties decreased due to the higher yield requirements in the market.

As we anticipated, COVID-19 pandemic had only a temporary effect on the migration towards the biggest growth centres. The demand in the rental market improved after the prolonged uncertainty caused by the pandemic began to dissipate, and urbanisation continued. Our occupancy rate turned to growth in the second half of the year, and it was 93 % in the fourth quarter. Also, tenant turnover began to decrease. In smaller municipalities, our occupancy rate has almost returned to the pre-pandemic level. In the capital region, the trend turned positive with a slight delay.

Our investments for the year were the second largest in the history of the company, over 500 million euros. We began construction of 477 apartments and, at the end of the year, we had 1,804 apartments under construction. A total of 1,348 apartments were completed during the year. We managed to significantly expand our apartment portfolio also by acquiring a total of 985 apartments in the summer.

In addition to our investments in new construction, we have ongoing conversion projects to transform Metropolia's former premises into apartments. The first Metropolia conversion project to begin was the former chemistry laboratory and teaching facilities located on Bulevardi in Helsinki, known as Uusi kemia and Vanha kemia, where construction started at the beginning of last year. We also completed Lumo One, Finland's first residential skyscraper in Helsinki's Kalasatama district, built above the shopping centre Redi. At a height of 120 metres, the tower building has 291 apartments on 31 floors, and very versatile common areas enabling, for example, remote work, studying or parties with amazing views.

The changes that took place in the operating environment in the second half of the year, including a sharp rise in interest rates, record-high inflation and increased economic uncertainty, began to be reflected more clearly in construction volumes. In response to the reduced visibility, we decided that we will not make new investment decisions for the time being. However, the ongoing projects have progressed according to plans.

A strong and well-managed balance sheet and a diverse financing structure have always been vital elements in the implementation of our strategy. Their significance was further underscored as uncertainty increased in the financial markets last year. In addition to issuing our second green bond in the early part of the year, we concluded a number of financing arrangements with banks to ensure that our liquidity will remain strong. Our high hedging ratio reduces the impact of rising interest rates on our financial costs.

We expanded our range of additional services for residents in 2022. As online shopping continues to grow, we have significantly expanded the network of parcel lockers available to our residents. We have also added new local service partners to MyLumo service in several locations to provide residents installation and cleaning services among other things.

We have continued to work in accordance with our sustainability programme. In addition to measures aimed at energy efficiency and emission reductions, our key initiatives in 2022 included the launch of a new Zero-carbon heating service and a carbon footprint test for residents. We have also participated in the national Down a Degree campaign and conducted an extensive communications campaign to encourage our residents reduce their electricity consumption by providing them with practical tips.

In December, we announced an organisational change that entered into effect at the turn of the year. We established a new customer experience, marketing and communications function, and our aim is to manage the customer experience and its development more cohesively. Incorporating customer insight and customer experience more deeply into our day-to-day work and the activities of our partners will enable us to create an even better Lumo customer experience.

We performed well last year in a challenging environment, and I want to take this opportunity to thank our employees for their excellent contribution. I also want to thank all of our customers, cooperation partners and shareholders for their trust in Kojamo.

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

%	2023E	2022E
GDP growth	-0.2	1.9
Unemployment	7.0	6.8
Inflation	4.0	7.0

Sources: Ministry of Finance, Economic survey 12/2022

According to the economic survey published by the Ministry of Finance in December, the outlook for the global economy is bleak as the Russian invasion of Ukraine and Europe's energy crisis continue. Inflation in the United States has slowed since its peak in the summer, thanks to a rapidly tightened monetary policy. The outlook for the euro area is dark due to consumer confidence hitting a record low and declining economic growth. The tightening of monetary policies is likely to continue in the short term.

Finland's economic growth slowed down last year and it is predicted that Finland will slip into a mild recession in 2023. Last year, consumer prices rose faster than they have in decades. This year, price increases will slow down, but inflation is expected to remain high. Rising prices and interest rates will reduce the purchasing power of households and consumption will decrease in 2023. Nevertheless, the employment situation remains good, and consumption is expected to recover towards the end of the year as real income turns upwards.

### Industry operating environment

#### Industry key figures

	2023E	2022E
Residential start-ups, units	36,000	40,800
of which non-subsidised block-of-flats	16,600	22,200
Building permits granted, annual, units *	n/a	38,796
Construction costs, change %	n/a	5.3

\* Rolling 12 months, November 2022

Sources: Confederation of Finnish Construction Industries, business survey October 2022

Statistics Finland, Building and dwelling production 2022, October; OP Housing market review 2022/Q4

In October, Etila published an industry review, according to which residential construction grew strongly in the first half of 2022 due to the large number of housing projects started in the previous year. However, the number of permits granted for both residential and non-residential construction has fallen sharply. This is reflected in the new construction projects that were started, and the number of these projects decreased last year. The stricter monetary policy and the weakening of the economic cycle were reflected in the demand for housing, and the volumes of new housing loans raised by households decreased strongly last year.

According to CFCI's October housing production survey, production was clearly reduced towards the end of the year. The increase in costs and the decrease in demand had a negative impact on the launch of new projects. The fall in profitability, the rise in interest rates and the cost of plots also hamper production. According to the survey, housing production will decrease in the current year.



## Effects of urbanisation

Area	Population growth forecast, %	Share of rental household-dwelling units, %	
	2021–2040	2010	2021
Helsinki	19.9	47.1	49.9
Capital region <sup>1)</sup>	21.7	41.9	46.1
Helsinki region <sup>2)</sup>	n/a	37.7	42.1
Jyväskylä	4.6	40.2	45.7
Kuopio	0.0	36.5	41.7
Lahti	n/a	37.3	41.0
Oulu	5.5	36.7	43.1
Tampere	11.1	42.2	50.6
Turku	12.4	43.0	51.0
Other areas	n/a	23.8	27.0

<sup>1)</sup> Helsinki, Espoo, Kauniainen, Vantaa

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

Sources: Statistics Finland, Dwellings and Housing Conditions 2021; MDI population forecast 2040

According to the population forecast published by MDI in September 2022, urbanisation continues, the significance of the traditional growth triangle further strengthens and regional differences increase. Nevertheless, regional divergence and differentiation are accelerating rather than levelling off, and the importance of micro-location and hubs is emphasised in everything.

The new forecast presents four growth scenarios. The population of the capital region is predicted to grow by 11–22 per cent during the period 2021–2040 in the four scenarios. Turku and

Tampere will also grow by more than 10 per cent in all four scenarios.

According to Nordea's housing market review, published in December, some signs of recovery can be seen in the rental demand and the number of rental ads has decreased. The increase in interest rates is also reflected in the expenses of owner-occupiers and the relative increase in the cost of owner-occupied housing supports rental demand.

## 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 39,231 (36,897) rental apartments. The fair value of Kojamo's investment properties amounted to EUR 8.2 (8.3) 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 31 December 2022, 97.7 per cent of Kojamo's rental apartments were located in the seven largest Finnish growth centres, 88.1 per cent in the Helsinki, Tampere and Turku regions and 76.1 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 2022

### Total revenue

Kojamo's total revenue increased to EUR 107.9 (99.6) million. Total revenue is generated entirely by income from rental operations.

The completion of rental apartments in 2021 and 2022, properties acquired in summer 2022, and the development of rents and the financial occupancy rate had a positive impact on the total revenue.

### Result and profitability

Net rental income increased to EUR 72.4 (65.5) million, which corresponds to 67.1 (65.8) per cent of total revenue. The growth of total revenue and the decrease of repair costs had a

positive impact and higher property maintenance costs had a negative impact on the net rental income.

Result before taxes was EUR -748.3 (662.9) million. The result includes EUR -792.8 (621.6) million in net gain on the valuation of investment properties at fair value. Profit before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 3.2 million.

Financial income and expenses totalled EUR -15.9 (-15.5) million. Financial income and expenses include EUR 0.2 (-0.5) million in unrealised changes in the fair value of derivatives.

Funds From Operations (FFO) amounted to EUR 40.7 (38.6) million. The increase in FFO was attributable to the improvement in net rental income during the review period.

## Financial development January–December 2022

### Total revenue

Kojamo's total revenue increased to EUR 413.3 (391.7) million. Total revenue is generated entirely by income from rental operations.

The completion of rental apartments in 2021 and 2022, properties acquired in summer 2022 and rental growth had a positive impact to revenue during the second half of the year, and the decrease of financial occupancy rate in the beginning of the year had a negative impact on the total revenue.

### Result and profitability

Net rental income increased to EUR 280.1 (262.3) million, which corresponds to 67.8 (67.0) per cent of revenue. The growth of total revenue and the decrease of repair costs had a positive impact and higher property maintenance costs had a negative impact on the net rental income. Electricity and heating costs, in particular, increased year-on-year.

The result before taxes was EUR -499.8 (1,278.9) million. The result includes EUR -682.0 (1,105.7) million in net gain on the valuation of investment properties at fair value and EUR 0.2 (0.3) million in profit from the sale of investment properties. The net gain on the valuation of investment properties at fair

value was mainly attributable to yield increase. No significant transactions were made in the market during the fourth quarter. The yield requirements are based on the opinion of an external expert. Profit before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 9.0 million.

Financial income and expenses totalled EUR -57.4 (-54.9) million. Financial income and expenses increased EUR 2.5 million year-on-year. Gain/loss on the valuation of investments amounted to EUR -1.4 (0.1) million and the unrealised change in the fair value of derivatives EUR 6.8 (3.0) million. Interest expenses increased by EUR 5.7 million year-on-year due to the higher amount of interest-bearing liabilities.

Funds From Operations (FFO) amounted to EUR 160.7 (153.1) million. The increase in FFO was attributable to the improvement in net rental income during the financial year.

Kojamo has assessed the impact of Russia's war of aggression in Ukraine and COVID-19 pandemic on the Group's result, cash flow and profitability and determined that the Russia's war of aggression in Ukraine and the pandemic did not have a significant impact on these items during the review period.



## Balance sheet, cash flow and financing

	31 Dec 2022	31 Dec 2021
Balance sheet total, M€	8,482.3	8,716.8
Equity, M€	3,842.7	4,263.3
Equity per share, €	15.55	17.25
Equity ratio, %	45.3	49.0
Return on equity (ROE), %	-9.9	27.0
Return on investment (ROI), %	-5.7	19.2
Interest-bearing liabilities, M€	3,678.2	3,334.5
Loan to Value (LTV), %	43.7	37.7
Average interest rate of loan portfolio, % *	1.9	1.8
Average loan maturity, years	3.5	4.3
Cash and cash equivalents, M€	119.4	197.0

\* Includes interest rate derivatives

Kojamo's liquidity was good in the financial year. At the end of the financial year, Kojamo's cash and cash equivalents stood at EUR 119.4 (197.0) million and liquid financial assets at EUR 104.0 (128.8) million.

EUR 30.9 (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 300 million and an uncommitted credit facility of EUR 5 million that were unused at the end of the financial year.

The following financing arrangements were made during the financial year:

In March, Kojamo plc signed a committed EUR 100 million Revolving Credit Facility with Swedbank AB (publ). The Revolving Credit Facility is unsecured and has a maturity of three years with two one-year extension options, and its margin is linked to Kojamo's sustainability targets related to the energy efficiency of new buildings and to the reduction of carbon footprint of the property portfolio. The credit facility will be used for general corporate purposes and it replaced EUR 100 million unsecured Revolving Credit Facility from Swedbank, maturing in 2022.

In March, Kojamo plc completed the issuance of EUR 300 million senior unsecured green bond. The maturity of the euro-denominated Notes is 4 years, and the maturity date is 31 March 2026. The Notes carry a fixed annual coupon of 2.0 per cent. This is the second green bond issued by the company. The Notes were issued under Kojamo plc's EUR 2,500,000,000 EMTN programme Base Prospectus dated 16 March 2022.

In October, Kojamo plc signed a new EUR 100 million credit agreement with OP Corporate Bank. The credit agreement is unsecured and has a maturity of six years. The credit facility will be used for general corporate purposes.

In December, Kojamo plc signed a new EUR 50 million credit agreement with Danske Bank A/S, Finland Branch. The margin of the credit facility is linked to Kojamo's key sustainability targets related to the energy efficiency of new buildings as well as to the reduction of carbon footprint of the property portfolio. The credit agreement is unsecured and has a maturity of three years with two one-year extension options. The loan was used to refinance a EUR 50 million credit agreement with Danske maturing in spring 2023.

Kojamo's unsecured financing agreements include financial covenants. They are described in more detail in note 4.6.



## Real estate property and fair value

M€	31 Dec 2022	31 Dec 2021
Fair value of investment properties on 1 Jan <sup>1)</sup>	8,327.5	6,863.1
Acquisition of investment properties <sup>1) 2)</sup>	478.9	343.7
Modernisation investments	22.5	11.9
Disposals of investment properties	-1.3	-2.5
Capitalised borrowing costs	4.6	5.4
Profit/loss on fair value of investment properties <sup>1)</sup>	-682.0	1,105.7
<b>Fair value of investment properties at the end of the period</b>	<b>8,150.2</b>	<b>8,327.5</b>

The value of investment properties includes EUR 0.0 (1.1) million in Investment properties held for sale.

<sup>1)</sup> Includes leases for plots of land. The net result on the valuation of investment properties at fair value was mainly attributable to changes in yields.

<sup>2)</sup> Includes the existing apartment stock and the acquisition costs of new projects under construction

Kojamo owned a total of 39,231 (36,897) rental apartments at the end of the financial year.

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 2022. The criteria for determining fair value are presented in the Notes to the Financial Statements.

At the end of the review period, the plot and real estate development reserve held by the Group totalled about 184,000 floor sq.m (162,000 floor sq.m). The fair value of the plot and real estate development reserve (including the Metropolia properties) was EUR 152.7 (131.1) million at the end of the financial year.

## Rental housing

Apartments	31 Dec 2022	31 Dec 2021
Number of apartments	39,231	36,897
Average rent, €/m <sup>2</sup> /month	17.55	16.95
Average rent, €/m <sup>2</sup> /month, yearly average	17.30	16.74

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

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

### Rental housing key figures

%	1-12/2022	1-12/2021
Financial occupancy rate	92.0	93.9
Tenant turnover rate, excluding internal turnover	31.1	33.3
Like-for-Like rental income growth *	0.3	-0.3
Rent receivables in proportion to revenue	1.5	1.2

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

The financial occupancy rate (cumulative) was 92.0 (93.9) per cent at the end of the financial year. The financial occupancy rate turned to growth in the second half of the year, and it was

93.0 per cent in the last quarter. The COVID-19 pandemic had a substantial effect on the Group's financial occupancy rate. At



year-end, 274 (223) apartments were vacant due to renovations.

### Kojamo's property portfolio by region as at 31 Dec 2022

%	Helsinki region	Tampere region	Turku region	Oulu	Jyväskylä	Kuopio region	Lahti region	Others
Distribution by number of apartments	61.3	9.9	5.2	5.7	5.3	4.3	3.7	4.7
Distribution by fair value	76.1	8.0	3.9	2.7	2.8	2.2	2.0	2.3

### Information on the property portfolio as at 31 Dec 2022

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 <sup>2</sup>	Financial occupancy rate, % <sup>3)</sup>
Helsinki region	24,043	457	5,813.6	237	4,387	90.5
Tampere region	3,899	113	611.7	152	2,974	96.7
Turku region	2,047	27	301.5	145	2,703	95.7
Other	9,242	149	908.9	97	1,836	94.4
<b>Total</b>	<b>39,231</b>	<b>746</b>	<b>7,635.6</b> <sup>1)</sup>	<b>191</b>	<b>3,572</b>	<b>92.0</b>
Other			514.5 <sup>2)</sup>			
<b>Total portfolio</b>	<b>39,231</b>	<b>746</b>	<b>8,150.2</b>			

<sup>1)</sup> The figures reflect income-generating portfolio assets, which excludes new projects under constructions, plots owned by the company and ownership of certain assets through shares

<sup>2)</sup> Fair value of ongoing projects under constructions, plots owned by the company and ownership of certain assets through shares and IFRS 16 right-of-use assets

<sup>3)</sup> The financial occupancy rate does not include commercial premises and other leased premises



## Investments, divestments and real estate development

### Investments

M€	31 Dec 2022	31 Dec 2021
Acquisition of investment properties *	474.5	339.5
Modernisation investments	22.5	11.9
Capitalised borrowing costs	4.6	5.4
<b>Total</b>	<b>501.6</b>	<b>356.9</b>
Repair expenses, M€	30.2	32.4

\* Not including leases for plots of land.

### Number of apartments

Units	31 Dec 2022	31 Dec 2021
Apartments at the start of the financial year	36,897	35,802
Acquisitions	985	-
Completed	1,348	1,282
Demolished or altered	1	-187
<b>Apartments at the end of the financial year</b>	<b>39,231</b>	<b>36,897</b>
Started during the financial year	477	1,333
Under construction at the end of the financial year	1,804	2,675
Preliminary agreements for new construction	230	636

A total of 985 (0) apartments were acquired during the financial year.

During the financial year, Kojamo announced agreements on the acquisition of the following properties:

- 23 June 2022: an agreement with a fund managed by NREP on the purchase of 942 rental apartments in Finnish growth centres.
- 27 June 2022: an agreement on the purchase of 43 rental apartments in Töölö, Helsinki.

During the financial year, Kojamo signed agreements on the construction of the following projects:

- 8 February 2022: an agreement with Marvea Oy on the construction of 49 new rental apartments in the centre of Tampere.
- 22 February 2022: an agreement with Jatke Länsi-Suomi Oy on the construction of 84 new rental apartments in Vasaramäki, Turku.

- 15 March 2022: an agreement with Jatke Toimitilat Oy on the construction of 77 new rental apartments on Bulevardi 31, Helsinki.
- 25 April 2022: an agreement with Hausia on the construction of 178 new rental apartments in Finnöö, Espoo.
- 27 June 2022: an agreement with Varte Oy on the construction of 98 apartments in Pähkinärinne, Vantaa.

Of the apartments under construction, 1,671 (2,626) are located in the Helsinki region and 133 (49) in other Finnish growth centres. A total of 1,348 (1,282) apartments were completed during the financial year.

Modernisation investments during the financial year amounted EUR 22.5 (11.9) million and repair costs totalled EUR 30.2 (32.4) million.

Kojamo estimates that investments in development projects will amount to EUR 160–190 million in 2023.



## Binding acquisition agreements for new development

M€	31 Dec 2022	31 Dec 2021
Actual costs incurred from new construction in progress	293.6	392.1
Cost of completing new construction in progress	145.1	267.6
<b>Total</b>	<b>438.7</b>	<b>659.6</b>

## Plots and real estate development sites owned by the company

	31 Dec 2022		31 Dec 2021	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Plots	35.6	59	29.5	52
Plots and existing residential building	44.4	57	21.6	32
Conversions	72.8	68	80.0	78
<b>Total <sup>1)</sup></b>	<b>152.7</b>	<b>184</b>	<b>131.1</b>	<b>162</b>

<sup>1)</sup> 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 2022		31 Dec 2021	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Preliminary agreements for new construction <sup>1)</sup>	48.7		122.9	
Estimate of the share of plots of preliminary agreements for new development <sup>2)</sup>	8.5	12	20.9	30
Preliminary agreements and reservations for plots <sup>2)</sup>	31.0	44	23.8	39

<sup>1)</sup> Including plots

<sup>2)</sup> The management's estimate of the fair value and building rights of the plots

## Progress of strategy implementation and targets

### Strategic targets 2020–2023

	2022	2021	2020	Target
Annual growth of total revenue, %	5.5	2.0	2.3	4–5
Annual investments, M€	501.6	356.9	371.2	200–400
FFO/total revenue, %	38.9	39.1	39.5	> 36
Loan to Value (LTV), %	43.7	37.7	41.4	< 50
Equity ratio, %	45.3	49.0	45.6	> 40
Net Promoter Score (NPS) *	45	20	36	40

\* The calculation method has changed during the review period for example including digital services in calculation. Target and actual for years 2021 and 2020 have not been adjusted to reflect the current calculation method.

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



## Shares and shareholders

### Issued shares and share capital

Kojamo's share capital on 31 December 2022 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 ISIN code FI4000312251.

### Trading in the company's share

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

### Share price and trading

	2022	2021	2020
Lowest price, €	11.62	15.64	13.64
Highest price, €	22.10	21.42	21.45
Average price, €	16.98	18.97	17.95
Closing price, €	13.80	21.24	18.10
Market value of share capital, end of period, M€	3,410.6	5,249.3	4,473.3
Share trading, million units	86.5	125.0	159.2
Share trading of total share stock, %	35.0	50.6	64.4
Share trading, M€	1,471.8	2,370.9	2,858.1

In addition to the Nasdaq Helsinki stock exchange, Kojamo shares were traded on other marketplaces. From 1 January to 31 December 2022, more than 185 million (more than 135 million) Kojamo shares were traded on alternative marketplaces, corresponding to almost 70 per cent (over 50 per cent) of the total trading volume (Source: Monitor Finance).

### 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 16 March 2022 decided that a dividend of EUR 0.38 per share, or EUR 93,914,871.62 in total, be paid for the financial year and that EUR 214,511,245.73 be retained in unrestricted equity. The dividend payment date was 5 April 2022.

### The Board of Directors' authorisations

Kojamo's Annual General Meeting on 16 March 2022 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 2023.

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 2023.

Furthermore, the Annual General Meeting authorized the Board of Directors to resolve in its discretion on the payment of dividend as follows:

The amount dividend to be paid based on the authorization shall not exceed EUR 1.00 per share. The authorization was valid until 31 December 2022.

The Board has not used authorisations.

### Shareholders

At the end of the review period, the number of registered shareholders was 12,047, including nominee-registered shareholders. The proportion of nominee-registered and direct foreign shareholders was 53.8 per cent of the company's shares at the end of the financial year. The 10 largest shareholders owned in aggregate 38.6 per cent of Kojamo's shares at the end of the financial year.



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

## Flagging notifications

Kojamo received one flagging notification pursuant to Chapter 9, Section 5 of the Securities Market Act. The notice is available on Kojamo's website <https://kojamo.fi/en/investors/shareholders/flaggings/>.

## Managers' transactions and shareholdings

Managers' transactions at Kojamo in 2022 have been published as stock exchange releases and they are available on the Kojamo website at [www.kojamo.fi/en/news](http://www.kojamo.fi/en/news).

## Governance

### Annual General Meeting

Kojamo's Annual General Meeting (AGM) of 16 March 2022 adopted the financial statements for the financial year 2021 and discharged the members of the Board of Directors and the CEO from liability. The AGM also decided on dividend payment, the number of members of the Board of Directors, the Board of Director's remuneration and composition and the election and remuneration of the auditor. The AGM approved the Remuneration Report for the members of the Board of Directors, the CEO and the Deputy CEO. The AGM authorised the Board of Directors to resolve on one or more share issues or the issuance of special rights entitling to shares, as referred to in Chapter 10, Section 1 of the Companies Act. The minutes of the AGM are available at [www.kojamo.fi/agm](http://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, Kari Kauniskangas, Reima Rytyslä and Catharina Stackelberg-Hammarén. The company's auditor is KPMG Oy Ab, with Authorised Public Accountant Esa Kailiala as the auditor with principal responsibility.

### Board committees

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

### Nomination Board

A stock exchange release was issued on 16 September 2022 announcing the composition of Kojamo plc's Nomination Board. Kojamo's three largest shareholders nominated the following members to the Shareholders' Nomination Board: Arve

The members of the Board of Directors or corporations over which they exercise control owned a total of 55,754 (51,741) 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 190,033 (159,768) shares and share-based rights in the company or in companies belonging to the same Group as the company. These shares represent 0.10 (0.09) per cent of the company's entire share capital.

Regland, CFO, Fredensborg AS; Jouko Pölönen, CEO, Ilmarinen Mutual Pension Insurance Company; and Risto Murto, CEO, Varma Mutual Pension Insurance Company. In addition, the Chairman of Kojamo's Board of Directors serves as an expert member of the Nomination Board.

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

### CEO

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

Marketing and Communications Director Irene Kantor resigned in October and she continued in her position until the end of the year. At the same time, the position of Marketing and Communications Director ceased and the position of Chief Experience Officer (CXO) was established, to which Tiina Kuusisto (KTM) was appointed.

### Description of corporate governance

The description of Kojamo's administration and the Corporate Governance Statement are publicly available on Kojamo's website at [www.kojamo.fi/en](http://www.kojamo.fi/en).



## Personnel

At the end of 2022, Kojamo had a total of 304 (325) employees, of who 270 (284) were on permanent contracts and 8 (41) were on temporary contracts. The average number of personnel during the year was 316 (321). The average length of service was 9.3 (9.4) years. Personnel turnover in 2022 was 17.6 (10.9) per cent. The company hired nearly 50 summer employees in 2021.

The salaries and fees paid during the financial year totalled EUR 17.8 (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

## Responsibility

Responsibility and sustainable development are among Kojamo's strategic focus areas. Sustainability is integral to Kojamo's operations and corporate culture, and it plays an important role in the work of everyone at Kojamo.

### Our sustainability programme

Our sustainability programme 2020–2023 documents the focus areas and goals of our sustainability efforts: sustainable urban development, delivering the best customer experience, the most competent personnel and a dynamic place to work, and a responsible corporate citizen. The focus areas of the sustainability programme consist of sustainability themes that create added value in our business as well as related short-term and long-term targets and actions along with key performance indicators. The key cornerstones of our sustainability programme are ensuring long-term profitability and growth, sustainable and responsible operations and transparent sustainability communications and reporting.

In our sustainability programme, we commit to the UN Sustainable Development Goals and carbon-neutral energy consumption throughout our property portfolio by 2030.

### Development of sustainability reporting

We have continued to focus on high-quality and transparent sustainability reporting. We report in accordance with the GRI and EPRA (European Public Real Estate Association) Sustainability Best Practice Recommendations frameworks. In 2022, we started reporting on our climate-related risks using the TCFD framework.

In 2022, we participated in the Global Real Estate Sustainability Benchmark (GRESB) survey for the third time. We received a score of 72/100 and two stars out of five. Our score decreased by five points from the previous year. Our score was

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: 2020–2022, 2021–2023 and 2022–2024.

On 17 February 2022, Kojamo's Board of Directors resolved on the long-term incentive plan's performance period of 2022–2024. 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 104,934 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 309,453 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 2022 and Kojamo's website.

affected by higher energy consumption due to weather conditions as well as a change in the scoring method concerning the energy consumption of residents. We once again exceeded the average score (68) of our comparison group (Europe, Listed Residential Multi-Family) and placed third in the group.

The quality of our sustainability reporting was also recognised by EPRA, which is an advocacy organisation for publicly listed European property investment companies. EPRA recognised our sustainability report for 2022 with a Silver award for the third consecutive year.

### A builder of sustainable cities

Since 2016, we have implemented nearly all of our new construction projects using our own plot reserves as near-zero energy buildings in accordance with the nZEB principles. At the end of the financial year, near zero-energy buildings represented 84% of all Kojamo projects completed since 2016. Of the residential development projects under construction using our own plot reserve and whose planning started before 2021, 88% were near-zero energy buildings. We have updated our target effective from 2021 to aim for an energy efficiency figure (E figure) of  $\leq 80$  for apartments under construction using our own plot reserve. Of the projects under construction in 2022, 100% were in line with that target.

Kojamo has joined the Rental Property Action Plan (VAETS II) for the period 2017–2025. Our target under this action plan is to enhance the efficiency of energy consumption by 7.5 per cent during the period in question, using 2016 as the baseline. We invest in managing the energy consumption of the buildings in our property portfolio and use an optimization solution to control the temperature of 29,000 apartments owned by Kojamo. In addition, nearly all of our properties are connected to a remote monitoring system for energy and water consumption, which enables a quick response and repairs in the event of a leak, for example. In 2022, we started the conversion of



seven properties from district heating to geothermal heating. Heat recovery technology will also be installed in four of the properties. The property electricity of our entire property portfolio – meaning the electricity used for shared premises and outdoor areas – was produced by using 100% carbon-neutral energy sources in 2022.

All Kojamo offices are WWF Green Office certified.

## Delivering the best customer experience

We want to deliver the best customer experience in housing for our customers. We create safe and comfortable homes that provide our customers with a strong sense of community, sustainable housing and services that make life easier. The “Through the Customer’s Eyes” operating model has become an established practice for us. In 2022, there were nearly 400 operational Lumo teams consisting of active residents.

We continued to invest in the development of our range of sustainable housing services in 2022. We now offer all residents of Lumo homes with the opportunity to use shared cars. All of our properties have at least 50 Mbit/s internet connections included in the rent. Our residents can also purchase higher speed internet services from DNA at special prices. We launched a Zero-carbon heating service. We also launched a digital carbon footprint test that enables our residents to assess the sustainability of their lifestyle. Residents who complete the test are provided with personalised tips for more sustainable housing and living.

## The most competent personnel and a dynamic place to work

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

During the year under review, we continued to focus on the theme of leadership development, with an emphasis on leadership through our corporate culture and taking a coaching approach to leadership. We launched a series of training activities focused on inspiration and renewal to build stronger change competencies among our personnel. The training activities provided us with new insights on topics such as data-driven management, the use of artificial intelligence and modern learning methods.

## Near-term risks and uncertainties

The overall average score of the personnel satisfaction survey decreased slightly from the previous year and came to 3.96/5. The response rate was 79%. Our investments in leadership development were reflected in the results, and we received positive feedback on supervisory work, for example. One development area highlighted in the survey was internal communication, and we will create new operating models to strengthen that aspect of our operations in 2023.

New Kojamo employees are satisfied with their orientation processes; the eNPS was 75.

## A responsible corporate citizen

Our Code of Conduct is based on Kojamo’s values. It is the foundation for our operating practices and applies to everyone at Kojamo. The Code of Conduct includes the Group’s business practices and requirements related to responsible and legally compliant operations, conflicts of interest, combating the grey economy, competing activities, responsibility for employees, bribery and corruption, sponsorship, environmental responsibility and the protection of assets and data.

Responsibility in our procurement activities is guided by Kojamo’s Code of Conduct, compliance with the Contractor’s Obligations Act and Kojamo’s other procurement principles and guidelines. We require all of our partners and subcontractors to comply with laws and regulations, to join the Reliable Partner service maintained by Vastuu Group Oy and fulfil the related reporting obligations throughout the term of each agreement. Our Supplier Code of Conduct is incorporated into all of our new partnership agreements. We promote a safe workplace culture and, to ensure a high standard of occupational safety, we also monitor occupational safety at construction sites by means of an indicator of working conditions (TR indicator). Our target value for the indicator is over 90 and the result for 2022 was 96.

Maintaining a high standard of data protection is at the core of Kojamo’s corporate responsibility and we have a zero tolerance policy concerning data protection violations. We have comprehensive and clear data protection policies that include answers to frequently asked questions. Our target is for everyone at Kojamo to complete data protection training in the online learning environment each year. In 2022, this target was achieved at a rate of 99 per cent.

In 2022, the development of internal processes and the administrative model related to the processing of personal data included a sharpening of responsibilities, the review and clarification of data protection processes and increasing the entire personnel’s understanding of the topic. We also complemented our data protection efforts by starting partner audits as a new activity during the year.

During the year under review, we developed our customer communications concerning data protection rights and the collection of data to make the communications more user-friendly. We made our policies and guidelines more easily understandable and made the key points easier to find by placing them at the top of the data protection pages on our website.



Kojamo estimates that the most significant near-term risks and uncertainties are caused by Russia's war of aggression in Ukraine and its impact on the development of the economy. Russia's war of aggression in Ukraine has caused economic uncertainty and weakened Finland's economic growth prospects. The war has pushed consumer prices up, as a result of which consumer purchasing power weakened and economic growth slowed down. The rise has been particularly sharp in the prices of energy and raw materials.

The continuing war will also cause uncertainty in the coming months, which can have impacts on the housing market and property market, including apartment prices, rents and yield requirements as well as on the operations of the construction companies. In addition, the economic sanctions and their extent may have an impact on the availability and prices of building materials. If inflation remains high, costs will generally increase, which could affect Kojamo's result and cash flow as well as the fair value of apartments. Rising construction costs may have an impact on the profitability of new development projects and thereby slow down development investments.

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 downturn may lead to unemployment and reduce household purchasing power, which can affect the ability of residents to pay rent and, subsequently, the company's rental income.

The weakening of the financial markets could have a negative effect on the availability of financing or lead to a higher cost of financing. In addition, tightening monetary policy may increase financing costs.

Urbanisation is expected to continue in the longer term. 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.

## Proposal by the Board of Directors for the distribution of profits

The parent company Kojamo plc's distributable unrestricted equity on 31 Dec 2022 was EUR 251,059,319.00, of which the profit for the financial year amounted to EUR 37,110,542.36. 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 0.39 per share to be paid, totalling EUR 96,386,315.61, and EUR 154,673,003.39 to be retained in unrestricted equity.

## News conference and webcast

Kojamo will hold a news conference for institutional investors, analysts and media on 15 Feb 2022 at 10.00 a.m. EET at the company's head office at Mannerheimintie 168A, Helsinki. The event will be held in English. After the event, the media has a possibility to ask questions also in Finnish.

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

The news conference can be followed online at <https://kojamo.videosync.fi/q4-results>.

It is also possible to join the news conference via phone. Accessing the teleconference requires registration by clicking the following link: <http://palvelu.flik.fi/teleconference/?id=10010184>. After the registration you will be provided phone numbers and a conference ID to access the conference.



## EPRA performance measures

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

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

### EPRA performance measures

	10-12/2022	10-12/2021	2022	2021
EPRA Earnings, M€	41.5	38.3	158.2	151.9
EPRA Earnings per share (EPS), €	0.17	0.16	0.64	0.61
EPRA Net Reinstatement Value (NRV), M€			4,825.9	5,447.9
EPRA NRV per share, €			19.53	22.04
EPRA Net Initial Yield (NIY), %			3.7	3.5
EPRA 'topped-up' NIY, %			3.7	3.5
EPRA Vacancy Rate, %			8.0	6.2
EPRA Cost Ratio (including direct vacancy costs), %	15.9	12.6	12.5	11.9
EPRA Cost Ratio (excluding direct vacancy costs), %	12.3	9.0	8.6	8.8

### EPRA Earnings

M€	10-12/2022	10-12/2021	2022	2021
Earnings per IFRS income statement	-598.8	530.3	-399.8	1,023.4
(i) Change in value of investment properties, development properties held for investment and other interests	792.8	-621.6	682.0	-1,105.7
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-	0.0	-0.2	-0.6
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	0.0	-	0.0	-
(iv) Tax on profits or losses on disposals	-	0.0	0.2	1.1
(vi) Changes in fair value of financial instruments and associated close-out costs	-0.2	0.5	-6.8	-3.0
(viii) Deferred tax in respect of EPRA adjustments	-152.4	129.1	-117.2	236.7
<b>EPRA Earnings</b>	<b>41.5</b>	<b>38.3</b>	<b>158.2</b>	<b>151.9</b>
<b>EPRA Earnings per share (EPS), €</b>	<b>0.17</b>	<b>0.16</b>	<b>0.64</b>	<b>0.61</b>

### EPRA Net Reinstatement Value

M€	2022	2021
IFRS Equity attributable to shareholders	3,842.7	4,263.3
Diluted NAV	3,842.7	4,263.3
Diluted NAV at Fair Value	3,842.7	4,263.3
Exclude:		
(v) Deferred tax in relation to fair value gains	872.8	970.3
(vi) Fair value of financial instruments	-52.6	47.7
Include:		
(xi) Real estate transfer tax	163.0	166.6
<b>EPRA Net Reinstatement Value (NRV)</b>	<b>4,825.9</b>	<b>5,447.9</b>
<b>EPRA NRV per share, €</b>	<b>19.53</b>	<b>22.04</b>



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

M€		2022	2021
Investment property		8,150.2	8,327.5
Trading property		0.1	0.1
Developments		-395.2	-559.9
<b>Completed property portfolio</b>		<b>7,755.1</b>	<b>7,767.7</b>
Allowance for estimated purchasers' costs		155.1	155.4
<b>Gross up completed property portfolio valuation</b>	<b>B</b>	<b>7,910.2</b>	<b>7,923.1</b>
Annualised cash passing rental income		438.9	407.9
Property outgoings		-148.9	-131.6
<b>Annualised net rents</b>	<b>A</b>	<b>290.0</b>	<b>276.3</b>
Notional rent expiration of rent-free periods or other lease incentives		-	-
<b>Topped-up net annualised rent</b>	<b>C</b>	<b>290.0</b>	<b>276.3</b>
<b>EPRA Net Initial Yield (NIY), %</b>	<b>A/B</b>	<b>3.7</b>	<b>3.5</b>
<b>EPRA 'topped-up' NIY, %</b>	<b>C/B</b>	<b>3.7</b>	<b>3.5</b>

## EPRA Vacancy Rate

M€		2022	2021
Estimated rental value of vacant space *	A	33.7	24.2
Estimated rental value of the whole portfolio *	B	419.8	390.5
<b>EPRA Vacancy Rate, %</b>	<b>A/B</b>	<b>8.0</b>	<b>6.2</b>

\* Including rental value of apartments

## EPRA Cost Ratios

M€		10-12/2022	10-12/2021	2022	2021
Include:					
(i) Administrative expense line per IFRS income statement		13.4	9.9	43.1	37.3
(i) Maintenance expense line per IFRS income statement		26.8	25.2	103.1	96.9
(i) Repair expense line per IFRS income statement		8.6	8.9	30.2	32.4
(ii) Net service charge costs/fees		-3.8	-3.1	-13.8	-11.3
(iii) Management fees less actual/estimated profit element		0.0	-0.1	-0.2	-0.2
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits		-0.1	-0.1	-0.3	-0.3
Exclude:					
(vii) Ground rent costs		-0.1	0.0	0.0	0.0
(viii) Service charge costs recovered through rents but not separately invoiced		-33.9	-32.7	-128.3	-124.6
<b>EPRA Costs (including direct vacancy costs)</b>	<b>A</b>	<b>11.1</b>	<b>8.0</b>	<b>33.8</b>	<b>30.4</b>
(ix) Direct vacancy costs		-2.5	-2.3	-10.7	-8.0
<b>EPRA Costs (excluding direct vacancy costs)</b>	<b>B</b>	<b>8.6</b>	<b>5.7</b>	<b>23.1</b>	<b>22.3</b>
(x) Gross Rental Income less ground rent costs - per IFRS		103.7	96.3	398.5	379.6
(xi) Service fee and service charge costs components of Gross Rental Income		-33.9	-32.7	-128.3	-124.6
<b>Gross Rental Income</b>	<b>C</b>	<b>69.9</b>	<b>63.6</b>	<b>270.3</b>	<b>255.1</b>
<b>EPRA Cost Ratio (including direct vacancy costs), %</b>	<b>A/C</b>	<b>15.9</b>	<b>12.6</b>	<b>12.5</b>	<b>11.9</b>
<b>EPRA Cost Ratio (excluding direct vacancy costs), %</b>	<b>B/C</b>	<b>12.3</b>	<b>9.0</b>	<b>8.6</b>	<b>8.8</b>



## Condensed consolidated income statement

M€	Note	10–12/2022	10–12/2021	1–12/2022	1–12/2021
Total revenue		107.9	99.6	413.3	391.7
Maintenance expenses		-26.8	-25.2	-103.1	-96.9
Repair expenses		-8.6	-8.9	-30.2	-32.4
<b>Net rental income</b>		<b>72.4</b>	<b>65.5</b>	<b>280.1</b>	<b>262.3</b>
Administrative expenses		-13.4	-9.9	-43.1	-37.3
Other operating income		1.6	1.7	3.8	4.6
Other operating expenses		0.0	-0.4	-0.3	-0.7
Profit/loss on sales of investment properties		-	-	0.2	0.3
Profit/loss on fair value of investment properties	3	-792.8	621.6	-682.0	1,105.7
Depreciation, amortisation and impairment losses		-0.3	-0.3	-1.2	-1.2
<b>Operating profit/loss</b>		<b>-732.6</b>	<b>678.2</b>	<b>-442.5</b>	<b>1,333.7</b>
Financial income		1.3	-0.1	9.6	4.8
Financial expenses		-17.2	-15.4	-67.0	-59.7
<b>Total amount of financial income and expenses</b>		<b>-15.9</b>	<b>-15.5</b>	<b>-57.4</b>	<b>-54.9</b>
Share of result from associated companies		0.1	0.1	0.1	0.1
<b>Profit/loss before taxes</b>		<b>-748.3</b>	<b>662.9</b>	<b>-499.8</b>	<b>1,278.9</b>
Current tax expense		-2.8	-3.5	-17.3	-18.8
Change in deferred taxes		152.4	-129.1	117.2	-236.7
<b>Profit/loss for the period</b>		<b>-598.8</b>	<b>530.3</b>	<b>-399.8</b>	<b>1,023.4</b>
<b>Profit/loss for the financial period attributable to shareholders of the parent company</b>		<b>-598.8</b>	<b>530.3</b>	<b>-399.8</b>	<b>1,023.4</b>
<b>Other comprehensive income</b>					
Items that may be reclassified subsequently to profit or loss					
Cash flow hedges		3.5	8.4	92.4	29.1
Deferred taxes		-0.7	-1.7	-18.5	-5.8
<b>Items that may be reclassified subsequently to profit or loss</b>		<b>2.8</b>	<b>6.7</b>	<b>74.0</b>	<b>23.3</b>
<b>Total comprehensive income for the period</b>		<b>-596.0</b>	<b>537.1</b>	<b>-325.8</b>	<b>1,046.7</b>
<b>Total comprehensive income attributable to shareholders of the parent company</b>		<b>-596.0</b>	<b>537.1</b>	<b>-325.8</b>	<b>1,046.7</b>
<b>Earnings per share based on profit attributable to shareholders of the parent company</b>					
Basic, €		-2.42	2.15	-1.62	4.14
Diluted, €		-2.42	2.15	-1.62	4.14
Average number of shares, million	8	247.1	247.1	247.1	247.1



## Condensed consolidated balance sheet

M€	Note	31 Dec 2022	31 Dec 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets		0.7	0.8
Investment properties	3	8,150.2	8,326.4
Property, plant and equipment	4	28.4	28.8
Investments in associated companies		1.5	1.5
Financial assets	7	0.7	0.7
Non-current receivables		6.7	6.9
Derivatives	6, 7	53.8	-
Deferred tax assets		1.5	10.1
<b>Total non-current assets</b>		<b>8,243.4</b>	<b>8,375.2</b>
<b>Non-current assets held for sale</b>	<b>10</b>	<b>-</b>	<b>1.1</b>
<b>Current assets</b>			
Trading property		0.1	0.1
Derivatives	6, 7	0.2	0.4
Current tax assets		4.0	5.2
Trade and other receivables		11.1	8.9
Financial assets	7	104.0	128.8
Cash and cash equivalents		119.4	197.0
<b>Total current assets</b>		<b>238.9</b>	<b>340.5</b>
<b>Total assets</b>		<b>8,482.3</b>	<b>8,716.8</b>
<b>Shareholders' equity and liabilities</b>			
<b>Equity attributable to shareholders of the parent company</b>			
Share capital		58.0	58.0
Share issue premium		35.8	35.8
Fair value reserve		43.0	-31.0
Invested non-restricted equity reserve		164.4	164.4
Retained earnings		3,541.4	4,036.0
<b>Equity attributable to shareholders of the parent company</b>		<b>3,842.7</b>	<b>4,263.3</b>
<b>Total equity</b>		<b>3,842.7</b>	<b>4,263.3</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	5, 7	3,330.5	3,234.8
Deferred tax liabilities		873.7	981.0
Derivatives	6, 7	1.4	47.9
Provisions		0.3	0.4
Other non-current liabilities		5.0	5.1
<b>Total non-current liabilities</b>		<b>4,210.9</b>	<b>4,269.3</b>
<b>Current liabilities</b>			
Loans and borrowings	5, 7	347.7	99.7
Derivatives	6, 7	0.0	0.3
Current tax liabilities		2.5	5.5
Trade and other payables		78.5	78.7
<b>Total current liabilities</b>		<b>428.7</b>	<b>184.2</b>
<b>Total liabilities</b>		<b>4,639.6</b>	<b>4,453.5</b>
<b>Total equity and liabilities</b>		<b>8,482.3</b>	<b>8,716.8</b>



## Consolidated statement of cash flows

M€	1–12/2022	1–12/2021
<b>Cash flow from operating activities</b>		
Profit for the period	-399.8	1,023.4
Adjustments	639.4	-795.7
Change in net working capital		
Change in trade and other receivables	-1.6	0.5
Change in trade and other payables	-2.2	0.0
Interest paid	-58.4	-56.6
Interest received	1.1	0.8
Other financial items	-0.4	-4.0
Taxes paid	-19.0	-17.1
<b>Net cash flow from operating activities</b>	<b>159.0</b>	<b>151.4</b>
<b>Cash flow from investing activities</b>		
Acquisition of investment properties	-504.9	-344.4
Acquisition of associated companies	-0.1	-0.3
Acquisition of property, plant and equipment and intangible assets	-0.3	-0.7
Proceeds from sale of investment properties	1.1	2.8
Proceeds from sale of property, plant and equipment and intangible assets	-	0.8
Purchases of financial assets	-140.9	-95.6
Proceeds from sale of financial assets	164.4	84.5
Non-current loans, granted	-0.1	-
Repayments of non-current loan receivables	0.2	0.9
Interest and dividends received on investments	0.4	0.2
<b>Net cash flow from investing activities</b>	<b>-480.2</b>	<b>-351.8</b>
<b>Cash flow from financing activities</b>		
Non-current loans and borrowings, raised	450.0	534.0
Non-current loans and borrowings, repayments	-91.6	-254.2
Current loans and borrowings, raised	205.8	200.0
Current loans and borrowings, repayments	-225.2	-200.0
Repayments of lease liabilities	-1.6	-1.4
Dividends paid	-93.9	-91.4
<b>Net cash flow from financing activities</b>	<b>243.5</b>	<b>186.9</b>
<b>Change in cash and cash equivalents</b>	<b>-77.6</b>	<b>-13.5</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>197.0</b>	<b>210.5</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>119.4</b>	<b>197.0</b>



## 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
<b>Equity at 1 Jan 2022</b>	<b>58.0</b>	<b>35.8</b>	<b>-31.0</b>	<b>164.4</b>	<b>4,036.0</b>	<b>4,263.3</b>	<b>4,263.3</b>
Comprehensive income							
Cash flow hedging			74.0			74.0	74.0
Profit for the period					-399.8	-399.8	-399.8
<b>Total comprehensive income for the period</b>			<b>74.0</b>		<b>-399.8</b>	<b>-325.8</b>	<b>-325.8</b>
Transactions with shareholders							
Share-based incentive scheme					-0.9	-0.9	-0.9
Dividend payment					-93.9	-93.9	-93.9
<b>Total transactions with shareholders</b>					<b>-94.8</b>	<b>-94.8</b>	<b>-94.8</b>
Total change in equity			74.0		-494.6	-420.6	-420.6
<b>Equity at 31 Dec 2022</b>	<b>58.0</b>	<b>35.8</b>	<b>43.0</b>	<b>164.4</b>	<b>3,541.4</b>	<b>3,842.7</b>	<b>3,842.7</b>

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
<b>Equity at 1 Jan 2021</b>	<b>58.0</b>	<b>35.8</b>	<b>-54.2</b>	<b>164.4</b>	<b>3,105.5</b>	<b>3,309.5</b>	<b>3,309.5</b>
Comprehensive income							
Cash flow hedging			23.3			23.3	23.3
Profit for the period					1,023.4	1,023.4	1,023.4
<b>Total comprehensive income for the period</b>			<b>23.3</b>		<b>1,023.4</b>	<b>1,046.7</b>	<b>1,046.7</b>
Transactions with shareholders							
Share-based incentive scheme					-1.5	-1.5	-1.5
Dividend payment					-91.4	-91.4	-91.4
<b>Total transactions with shareholders</b>					<b>-92.9</b>	<b>-92.9</b>	<b>-92.9</b>
Total change in equity			23.3		930.5	953.8	953.8
<b>Equity at 31 Dec 2021</b>	<b>58.0</b>	<b>35.8</b>	<b>-31.0</b>	<b>164.4</b>	<b>4,036.0</b>	<b>4,263.3</b>	<b>4,263.3</b>



# 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 2022, Kojamo owned 39,231 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/](http://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 four other bonds are listed on the official list of the Irish Stock Exchange. The Group has chosen Finland as its home state for the disclosure of periodic information pursuant to Chapter 7, Section 3 of the Finnish Securities Market Act.

Kojamo plc's Board of Directors approved this Financial Statement Release for publication at its meeting on 15 Feb 2022. Kojamo's Financial Statements and the Report of the Board of Directors as well as Corporate Governance Statement and Remuneration Report 2022 will be published as a stock exchange release on 15 Feb 2022, since when the documents are available at Kojamo's website at [www.kojamo.fi/en/](http://www.kojamo.fi/en/).

## 1. Accounting policies

### Basis for preparation

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

The figures for 2022 are based on Kojamo plc's audited financial statements for 2022. The figures in brackets refer to the corresponding period in 2021, and the comparison period is the corresponding period the year before, unless otherwise stated.

The preparation of the 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 Group's accounting policies. Actual results may differ from the estimates and assumptions used. The most significant items of this financial statements where judgement has been applied by management, as well as the assumptions about the future and other key uncertainty factors in estimates at the end of the reporting period that create a significant risk of change in the carrying amounts of Kojamo's assets and liabilities within the next financial year, are the same as those presented in the consolidated financial statements for the 2022 financial year. Of these, the most important are the determination of the fair values of investment properties and financial instruments. The COVID-19 pandemic may affect the housing and financial markets in exceptional ways. These factors may have an impact on Kojamo's profit and cash flow as well as the fair value of apartments.

## 2. Revenue

### Specification of revenue from contracts with customers

M€	1-12/2022	1-12/2021
Rental income	398.5	379.7
Water fees	13.2	10.7
Sauna fees	0.6	0.6
Other income from service sales	0.2	0.2
<b>Total</b>	<b>412.5</b>	<b>391.1</b>

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



### 3. Investment properties

M€	31 Dec 2022	31 Dec 2021
Fair value of investment properties on 1 Jan <sup>1)</sup>	8,327.5	6,863.1
Acquisition of investment properties <sup>1) 2)</sup>	478.9	343.7
Modernisation investments	22.5	11.9
Disposals of investment properties	-1.3	-2.5
Capitalised borrowing costs	4.6	5.4
Profit/loss on fair value of investment properties <sup>1)</sup>	-682.0	1,105.7
<b>Fair value of investment properties at the end of the period</b>	<b>8,150.2</b>	<b>8,327.5</b>

The value of investment properties includes EUR 0.0 (1.1) million in Investment properties held for sale.

<sup>1)</sup> Includes leases for plots of land. The net result on the valuation of investment properties at fair value was mainly attributable to changes in yields.

<sup>2)</sup> 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 (plots of land)

M€	31 Dec 2022	31 Dec 2021
Fair value on 1 Jan	70.6	67.4
Increases/decreases	4.3	4.2
Profit/loss on fair value of investment properties	-1.1	-1.0
<b>Fair value at the end of the period</b>	<b>73.8</b>	<b>70.6</b>

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

Capitalised borrowing costs totalled EUR 4.6 (5.4) million. The interest rate applied to capitalised borrowing costs was 1.8 (1.8) per cent.

#### Fair value of investment properties by valuation method

M€	31 Dec 2022	31 Dec 2021
Yield value *	7,535.3	7,610.3
Acquisition cost	541.0	646.5
Right-of-use assets (plots of land)	73.8	70.6
<b>Total</b>	<b>8,150.2</b>	<b>8,327.5</b>

\* 31 December 2022 including properties valued at the cash flow based valuation method (DCF) EUR 7,496.4 million and other yield-based valued items EUR 39.0 million

Number of apartments	31 Dec 2022	31 Dec 2021
Yield value	37,551	34,858
Acquisition cost *	1,680	2,039
<b>Total</b>	<b>39,231</b>	<b>36,897</b>

\* Includes 4 apartments as part of development projects



## Average valuation parameters for yield-based valued items

	31 Dec 2022		
	Capital region	Other regions of Finland	Group total
<b>Unobservable inputs:</b>			
Yield requirement, weighted, %	3.56	4.92	3.97
Inflation assumption, %	1.8	1.8	1.8
Market rents, weighted by square metres, €/m <sup>2</sup> /month	20.08	15.53	17.97
Property maintenance expenses, repairs and modernisation investments €/m <sup>2</sup> /month	6.77	6.52	6.65
10-year average financial occupancy rate, %	97.5	96.6	97.2
Rent increase assumption, %	2.3	2.0	2.2
Expense increase assumption, %	2.3	2.3	2.3

	31 Dec 2021		
	Capital region	Other regions of Finland	Group total
<b>Unobservable inputs:</b>			
Yield requirement, weighted, %	3.25	4.62	3.67
Inflation assumption, %	1.5	1.5	1.5
Market rents, weighted by square metres, €/m <sup>2</sup> /month	19.40	15.03	17.31
Property maintenance expenses, repairs and modernisation investments €/m <sup>2</sup> /month	6.22	6.09	6.16
10-year average financial occupancy rate, %	97.5	96.6	97.2
Rent increase assumption, %	2.0	1.7	1.9
Expense increase assumption, %	2.0	2.0	2.0

## Sensitivity analysis for measuring the fair value of investment properties

Properties measured at yield value	31 Dec 2022				
	-10%	-5%	0%	5%	10%
<b>Change % (relative)</b>					
<b>Change, M€</b>					
Yield requirement	840.1	397.8		-359.6	-686.3
Market rents	-961.0	-480.5		480.5	961.0
Maintenance costs	329.7	164.8		-164.8	-329.7
<b>Change % (absolute)</b>	<b>-2%</b>	<b>-1%</b>	<b>0%</b>	<b>1%</b>	<b>2%</b>
<b>Change, M€</b>					
Financial occupancy rate	-197.7	-98.8		98.8	197.7

Properties measured at yield value	31 Dec 2021				
	-10%	-5%	0%	5%	10%
<b>Change % (relative)</b>					
<b>Change, M€</b>					
Yield requirement	845.3	400.3		-361.9	-690.7
Market rents	-950.0	-475.0		475.0	950.0
Maintenance costs	304.1	152.1		-152.1	-304.1
<b>Change % (absolute)</b>	<b>-2%</b>	<b>-1%</b>	<b>0%</b>	<b>1%</b>	<b>2%</b>
<b>Change, M€</b>					
Financial occupancy rate	-195.4	-97.7		97.7	195.4

## Fair value measurement of investment property

In Kojamo's consolidated financial statements, the determination of the fair value of investment property is the key area that involves the most significant uncertainty factors arising from the estimates and assumptions that have been used. The determination of the fair value of investment property requires

significant management discretion and assumptions, particularly with respect to market prices and amounts of future rental income. Estimates and assumptions are particularly related to the future development of yield requirements, vacancy rates and rent levels.



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

## Investment property

Investment property refers to an asset (land, building or part of a building) that Kojamo retains to earn rental income or capital appreciation, or both. An investment property can be owned directly or through an entity. Properties used for administrative purposes are owner-occupied property and included in the balance sheet line item "Property, plant and equipment". An investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from owner-occupied property.

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

An investment property is derecognised from the balance sheet on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Capital gains and losses on disposals are presented netted as a separate line item in the income statement.

## Restrictions on investment properties

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

## Measurement of investment property

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

Capitalisable borrowing costs are directly attributable costs accrued on the funds borrowed for a construction project or costs attributable to a construction project.

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

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

## Fair value of investment properties by valuation method

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

### Level 1 inputs

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

### Level 2 inputs

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

### Level 3 inputs

Unobservable inputs for investment property.

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

## Fair value of investment properties by valuation method

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



### Income value (yield value)

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

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

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

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

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

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

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

### Provision for modernisation investments:

Age of the property or the number of years since the completion of the most recent renovation	Provision (€/m <sup>2</sup> /month)
0-10 years	0.25
11-30 years	1.00
31-40 years	1.50
>40 years	2.00

Provisions for modernisation investments are used in 10-year discounted cash flow calculations.

### Acquisition cost (balance sheet value)

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

The balance sheet value method is used to measure the value of properties that belong to the following restriction groups: ARAVA (state-subsidised rental properties), and 40-year interest subsidy.

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

### Business combinations and asset acquisition

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

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

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

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



## 4. Property, plant and equipment

M€	31 Dec 2022	31 Dec 2021
Carrying value, beginning of period	28.8	29.8
Increases	0.6	0.6
Decreases	-	-0.5
Depreciation for the period	-1.0	-1.0
<b>Carrying value, end of period</b>	<b>28.4</b>	<b>28.8</b>

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

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

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

M€	31 Dec 2022	31 Dec 2021
Carrying value, beginning of period	0.9	1.0
Increases/decreases	0.3	0.4
Depreciation for the period	-0.4	-0.4
<b>Carrying value, end of period</b>	<b>0.8</b>	<b>0.9</b>

## 5. Interest-bearing liabilities

M€	31 Dec 2022	31 Dec 2021
Non-current liabilities		
Bonds	2,139.2	2,037.2
Loans from financial institutions	1,092.7	1,101.5
Interest subsidy loans	26.2	26.5
Lease liability	72.4	69.7
<b>Non-current liabilities total</b>	<b>3,330.5</b>	<b>3,234.8</b>
Current liabilities		
Bonds	199.8	-
Loans from financial institutions	108.4	41.1
Interest subsidy loans	0.3	0.3
Commercial papers	30.9	50.0
Other loans	6.2	6.4
Lease liability	2.1	1.8
<b>Current liabilities total</b>	<b>347.7</b>	<b>99.7</b>
<b>Total interest-bearing liabilities</b>	<b>3,678.2</b>	<b>3,334.5</b>



## 6. Derivative instruments

### Fair values of derivative instruments

M€	31 Dec 2022			31 Dec 2021
	Positive	Negative	Net	Net
Interest rate derivatives				
Interest rate swaps, cash flow hedging	53.3	-0.9	52.4	-41.2
Interest rate swaps, not in hedge accounting	0.6	-0.5	0.2	-6.9
Electricity derivatives	-	-	-	0.4
<b>Total</b>	<b>53.9</b>	<b>-1.4</b>	<b>52.5</b>	<b>-47.7</b>

### Nominal values of derivative instruments

M€	31 Dec 2022	31 Dec 2021
Interest rate derivatives		
Interest rate swaps, cash flow hedging	746.9	806.9
Interest rate swaps, not in hedge accounting	40.6	41.3
<b>Total</b>	<b>787.5</b>	<b>848.2</b>
Electricity derivatives, MWh	-	13,140

During the financial year, EUR 92.4 (29.1) million was recognised in the fair value reserve from interest rate derivatives classified as cash flow hedges. The interest rate derivatives mature between 2022 and 2035.

At the end of the review period, the average maturity of interest rate swaps was 4.0 (4.7) years. Electricity derivatives hedge against increases in electricity prices and mature until 2022.



## 7. Financial assets and liabilities by valuation category

M€	31 Dec 2022				Fair value total
	Carrying value total	LEVEL 1	LEVEL 2	LEVEL 3	
<b>Financial assets</b>					
Measured at fair value					
Interest rate derivatives	54.0		54.0		54.0
Financial assets recognised at fair value through profit or loss					
	104.7	84.1	19.9	0.7	104.7
Measured at amortised cost					
Cash and cash equivalents	119.4		119.4		119.4
Trade receivables	6.4				6.4
<b>Financial liabilities</b>					
Measured at fair value					
Interest rate derivatives	1.4		1.4		1.4
Measured at amortised cost					
Other interest-bearing liabilities	1,339.3		1,225.1		1,225.1
Bonds	2,338.9	2,073.2			2,073.2
Trade payables	21.6				21.6

M€	31 Dec 2021				Fair value total
	Carrying value total	LEVEL 1	LEVEL 2	LEVEL 3	
<b>Financial assets</b>					
Measured at fair value					
Electricity derivatives	0.4	0.4			0.4
Financial assets recognised at fair value through profit or loss					
	129.5	128.8	-	0.7	129.5
Measured at amortised cost					
Cash and cash equivalents	197.0		197.0		197.0
Trade receivables	4.9				4.9
<b>Financial liabilities</b>					
Measured at fair value					
Interest rate derivatives	48.1		48.1		48.1
Measured at amortised cost					
Other interest-bearing liabilities	1,297.3		1,299.6		1,299.6
Bonds	2,037.2	2,110.3			2,110.3
Trade payables	26.5				26.5

There were no transfers between the hierarchy levels in 2022. 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 2022	31 Dec 2021
Beginning of period	0.7	0.7
Change	0.0	0.0
<b>End of period</b>	<b>0.7</b>	<b>0.7</b>

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

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

## 8. Earnings per share

	1–12/2022	1–12/2021
Profit for the period attributable to shareholders of the parent company, M€	-399.8	1,023.4
Weighted average number of shares during the period (million)	247.1	247.1
Earnings per share		
Basic, €	-1.62	4.14
Diluted, €	-1.62	4.14

The company has no diluting instruments.

## 9. Guarantees, commitments and contingent liabilities

M€	31 Dec 2022	31 Dec 2021
Loans covered by pledges on property and shares as collateral	780.7	809.5
Pledges given	922.2	907.4
Shares <sup>1)</sup>	102.1	117.3
<b>Pledged collateral, total</b>	<b>1,024.3</b>	<b>1,024.7</b>
Other collaterals given		
Mortgages and shares	8.1	7.6
Guarantees <sup>2)</sup>	756.4	672.9
<b>Other collateral, total</b>	<b>764.5</b>	<b>680.6</b>

<sup>1)</sup> Pledged mortgages and shares relate in some cases to the same properties

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



## 10. Non-current assets held for sale

Kojamo had EUR 0.0 (1.1) million non-current assets held for sale at the end of the financial year. On 31 December 2021 the asset item in question consisted of one plot of land that was sold on 8 June 2022.

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

## 11. Effects of Russia's war of aggression in Ukraine and the COVID-19 pandemic

Kojamo has assessed the impacts of Russia's war of aggression in Ukraine and 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 review period

On 16 January 2023, Kojamo plc announced as a stock exchange release that The Shareholders' Nomination Board of Kojamo plc presents to the Annual General Meeting of Kojamo to be held on 16 March 2023 proposal of members of the Board of Directors, Mikael Aro to be elected as Chairman of the Board and the current members Kari Kauniskangas, Anne Leskelä, Mikko Mursula, Catharina Stackelberg-Hammarén, Annica Ånäs and Andreas Segal. In addition it is proposed to the Annual General Meeting that Members of the Board will be paid the following annual fees: Chairman of the Board EUR 72,500.00, Vice Chairman of the Board EUR 43,000.00, Members of the Board EUR 36,000.00 and Chairman of the Audit

Committee EUR 43,000.00. Annual fee is proposed to be paid as company shares and cash so that approximately 40 per cent of the annual fee will be paid as Kojamo plc's shares and the rest will be paid in cash. In addition, the Nomination Board proposes that an attendance allowance of EUR 700.00 be paid for each meeting.

On 18 January 2023, Kojamo plc announced as a stock exchange release that Janne Ojalehto (MBA) has been appointed as Executive Vice President and a member of Management team at Kojamo plc.



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

	Formula	10-12/2022	10-12/2021	2022	2021
Total revenue, M€		107.9	99.6	413.3	391.7
Net rental income, M€	1	72.4	65.5	280.1	262.3
Net rental income margin, %	2	67.1	65.8	67.8	67.0
Profit/loss before taxes, M€	3	-748.3	662.9	-499.8	1,278.9
EBITDA, M€	4	-732.3	678.5	-441.3	1,334.8
EBITDA margin, %	5	-678.7	681.1	-106.8	340.8
Adjusted EBITDA, M€	6	60.6	57.0	240.4	228.5
Adjusted EBITDA margin, %	7	56.2	57.2	58.2	58.3
Funds From Operations (FFO), M€	8	40.7	38.6	160.7	153.1
FFO margin, %	9	37.8	38.7	38.9	39.1
Funds From Operations (FFO) per share, €	10	0.16	0.16	0.65	0.62
FFO excluding non-recurring costs, M€	11	40.7	38.6	160.7	153.1
Adjusted Funds From Operations (AFFO), M€	12	30.9	34.4	138.2	141.1
Investment properties, M€ <sup>1)</sup>				8,150.2	8,327.5
Financial occupancy rate, %	26			92.0	93.9
Interest-bearing liabilities, M€	13			3,678.2	3,334.5
Return on equity, % (ROE)	14			-9.9	27.0
Return on investment, % (ROI)	15			-5.7	19.2
Equity ratio, %	16			45.3	49.0
Loan to Value (LTV), % <sup>2)</sup>	17			43.7	37.7
Unencumbered asset ratio, %	18			87.1	86.3
Coverage ratio	19			3.8	3.9
Solvency ratio	20			0.42	0.36
Secured solvency ratio	21			0.09	0.09
Earnings per share, €		-2.42	2.15	-1.62	4.14
Dividend/share, € <sup>3)</sup>				0.39	0.38
Dividend/earnings, %	22			-	9.2
Price/Earnings ratio (P/E)	23			-	5.1
Effective dividend yield, %	24			2.8	1.8
Equity per share, €				15.55	17.25
Gross investments, M€	25	85.1	98.7	501.6	356.9
Number of personnel, end of the accounting period				304	325

<sup>1)</sup> Including Non-current assets held for sale

<sup>2)</sup> Excluding Non-current assets held for sale

<sup>3)</sup> 2022: The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.39 per share to 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 specified in accordance with ESMA Guidelines

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

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

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

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

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

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

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

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

FFO measures cash flow before change in net working capital. The calculation of this APM takes into account financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes.
- 9) FFO margin, % =  $\frac{\text{FFO}}{\text{Total revenue}} \times 100$



FFO margin discloses FFO in relation to total revenue.

$$10) \text{ FFO per share} = \frac{\text{FFO}}{\text{Weighted average number of shares outstanding during the financial period}}$$

FFO per share illustrates FFO for an individual share.

$$11) \text{ FFO excluding non-recurring costs} = \text{FFO} + \text{non-recurring costs}$$

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.

$$12) \text{ Adjusted FFO (AFFO)} = \text{FFO} - \text{Modernisation investments}$$

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.

$$13) \text{ Interest-bearing liabilities} = \text{Non-current loans and borrowings} + \text{Current loans and borrowings}$$

Interest-bearing liabilities measures the Group's total debt.

$$14) \text{ Return on equity, \% (ROE)} = \frac{\text{Profit for the period (annualised)}}{\text{Total equity, average during the period}} \times 100$$

ROE measures the financial result in relation to equity. This APM illustrates Kojamo's ability to generate a return for the shareholders.

$$15) \text{ Return on investment, \% (ROI)} = \frac{(\text{Profit before taxes} + \text{Interests and other financial expenses}) \text{ (annualised)}}{(\text{Total assets} - \text{Non-interest-bearing liabilities}), \text{ average during the period}} \times 100$$

ROI measures the financial result in relation to invested capital. This APM illustrates Kojamo's ability to generate a return on the invested funds.

$$16) \text{ Equity ratio, \%} = \frac{\text{Total equity}}{\text{Balance sheet total} - \text{Advances received}} \times 100$$

Equity to assets is an APM for balance sheet structure that discloses the ratio of equity to total capital. This APM illustrates the Group's financing structure.

$$17) \text{ Loan to Value (LTV), \%} = \frac{\text{Interest-bearing liabilities} - \text{Cash and cash equivalents}}{\text{Investment properties}} \times 100$$

Loan to value discloses the ratio of net debt to investment properties. This APM illustrates the Group's indebtedness.

$$18) \text{ Unencumbered asset ratio, \%} = \frac{\text{Unencumbered assets}}{\text{Assets total}} \times 100$$

This APM illustrates the amount of unencumbered assets relative to total assets.

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

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



- 20) Solvency ratio =  $\frac{\text{Interest-bearing debt*} - \text{Cash and cash equivalents}}{\text{Assets total}}$
- 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, % =  $\frac{\text{Dividend per share}}{\text{Earning per share}} \times 100$
- 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

M€	10–12/2022	10–12/2021	2022	2021
Profit/loss for the period	-598.8	530.3	-399.8	1,023.4
Depreciation, amortisation and impairment losses	0.3	0.3	1.2	1.2
Profit/loss on sales of investment properties	-	-	-0.2	-0.3
Profit/loss on sales of trading properties	0.0	-	0.0	-
Profit/loss on sales of other non-current assets	-	0.0	0.0	-0.3
Profit/loss on fair value of investment properties	792.8	-621.6	682.0	-1,105.7
Financial income	-1.3	0.1	-9.6	-4.8
Financial expenses	17.2	15.4	67.0	59.7
Share of result from associated companies	-0.1	-0.1	-0.1	-0.1
Current tax expense	2.8	3.5	17.3	18.8
Change in deferred taxes	-152.4	129.1	-117.2	236.7
<b>Adjusted EBITDA</b>	<b>60.6</b>	<b>57.0</b>	<b>240.4</b>	<b>228.5</b>
Financial income and expenses	-15.9	-15.5	-57.4	-54.9
Profit/loss on fair value measurement of financial assets	-1.2	0.6	-5.3	-3.2
<b>Adjusted net interest charges</b>	<b>-17.1</b>	<b>-14.9</b>	<b>-62.7</b>	<b>-58.1</b>
Current tax expense	-2.8	-3.5	-17.3	-18.8
Current taxes from disposals	-	0.0	0.2	1.5
<b>FFO</b>	<b>40.7</b>	<b>38.6</b>	<b>160.7</b>	<b>153.1</b>
<b>FFO excluding non-recurring costs</b>	<b>40.7</b>	<b>38.6</b>	<b>160.7</b>	<b>153.1</b>
Equity			3,842.7	4,263.3
Assets total			8,482.3	8,716.8
Advances received			-6.2	-6.6
<b>Equity ratio, %</b>			<b>45.3</b>	<b>49.0</b>
Unencumbered investment properties			7,008.2	7,084.2
Non-current assets, other than investment properties			142.3	94.2
Current assets			238.9	340.5
<b>Unencumbered assets total</b>			<b>7,389.3</b>	<b>7,518.8</b>
Total assets			8,482.3	8,716.8
<b>Unencumbered asset ratio, %</b>			<b>87.1</b>	<b>86.3</b>
Adjusted EBITDA, rolling 12 months			240.4	228.5
Adjusted net interest charges, rolling 12 months			-62.7	-58.1
<b>Coverage ratio</b>			<b>3.8</b>	<b>3.9</b>
Interest-bearing liabilities			3,678.2	3,334.5
Cash and cash equivalents			119.4	197.0
<b>Total indebtedness - Cash and cash equivalents</b>			<b>3,558.8</b>	<b>3,137.5</b>
Total assets			8,482.3	8,716.8
<b>Solvency ratio</b>			<b>0.42</b>	<b>0.36</b>
Secured loans			780.7	809.5
Total assets			8,482.3	8,716.8
<b>Secured solvency ratio</b>			<b>0.09</b>	<b>0.09</b>