



**Kojamo plc's
Interim Report
1 January–31 March 2020**





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

All statements made in this report regarding the company or its business are based on the views of the management, and the sections addressing the general macro-economic or industry situation are based on third-party information.

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

KOJAMO PLC'S INTERIM REPORT 1 JANUARY–31 MARCH 2020

GROWTH IN THE FIRST QUARTER AND 1,651 LUMO APARTMENTS UNDER CONSTRUCTION

SUMMARY OF JANUARY–MARCH 2020

- Total revenue increased by 4.6 per cent to EUR 95.7 (91.5) million.
- Net rental income increased by 10.2 per cent, totalling EUR 56.0 (50.8) million. Net rental income represented 58.6 (55.6) per cent of revenue.
- Profit before taxes was EUR 51.7 (38.9) million. The profit includes EUR 22.0 (10.4) million in net gain on the valuation of investment properties at fair value and EUR -0.1 (0.0) million in profits and losses from the sale of investment properties. Earnings per share was EUR 0.17 (0.13).
- Funds From Operations (FFO) increased by 11.8 per cent and amounted to EUR 29.4 (26.3) million.
- The fair value of investment properties was EUR 6.3 (5.2) billion at the end of the review period.
- The financial occupancy rate was on a par with the comparison period at 96.9 (96.9) per cent.
- Gross investments totalled EUR 62.1 (38.0) million, representing 64.8 (41.5) per cent of total revenue.
- EPRA NAV per share (net asset value) grew by 32.9 per cent and amounted to EUR 15.35 (11.55).
- Equity per share was EUR 12.30 (9.32) and return on equity was 5.4 (5.5) per cent. Return on investment was 4.8 (4.3) per cent.
- At the end of the review period, there were 1,651 (1,280) Lumo apartments under construction.
- Kojamo specifies its outlook for 2020.

Kojamo owned 35,392 (34,792) rental apartments at the end of the review period. Since March of the previous year, 244 (84) apartments have been acquired, 874 (836) have been completed, 522 (1,786) have been sold and 4 (39) have been demolished or altered.



EFFECTS OF THE COVID-19 PANDEMIC ON KOJAMO

Kojamo takes the coronavirus seriously and is committed to looking after the health and well-being of the Group's employees, customers and partners. Kojamo monitors the recommendations issued by the authorities and complies with them.

The Group's day-to-day operations have continued normally in spite of the exceptional circumstances. The systems used at Kojamo enable remote work, and employees switched to working remotely, for the most part, starting from 16 March. The transition went smoothly and did not cause any disruptions to services. All of Kojamo's development projects have progressed as planned in spite of the pandemic.

Lumo Home Centres throughout Finland are currently closed, but customer service operates via digital channels and by phone. The My Lumo online service offered to residents enables effective communication with residents regarding exceptional arrangements. Thanks to the Lumo webstore, apartment rental operations have continued almost as normal, and customers can rent an apartment without physical contact by taking advantage of safe virtual tours of apartments. Non-urgent maintenance and repair visits have been postponed to ensure the safety of residents. Restrictions have been introduced on the use of shared facilities, such as saunas and club rooms. Kojamo offers flexibility to residents with regard to rent payment.

Kojamo's financial position and liquidity are good. At the end of the review period, Kojamo's cash and cash equivalents stood at EUR 237.3 (206.5) million and liquid financial assets at EUR 70.9 (187.5) million. The Group also had EUR 300 million in unused credit limits. Kojamo has taken measures to ensure its financing during the COVID-19 pandemic, and the Group's diverse financing structure supports this. In March, Kojamo strengthened its financial position further by signing an agreement with OP Corporate Bank on a 5.5-year unsecured loan in the amount of EUR 75 million for the Group's general corporate purposes. Kojamo also increased its cash and cash equivalents on a precautionary basis by increasing the issuance of commercial papers.

OUTLOOK FOR KOJAMO IN 2020 (specified)

Kojamo estimates that in 2020, the Group's total revenue will increase by 2–6 per cent year-on-year. In addition, the company estimates that the Group's FFO for 2020 will amount to between EUR 146–158 million, excluding non-recurring costs (previously EUR 142–156 million).

The outlook takes into account the effects of the completed housing divestments and acquisitions, the estimated occupancy rate and rises in rents, as well as the number of apartments to be completed. The outlook is based on the management's assessment of total revenue, net rental income, administrative expenses, financial expenses, taxes to be paid and new development to be completed, as well as the management's view on future developments in the operating environment.

Additionally, the outlook is based on strong demand sustained by migration, which will increase Like-for-Like rental income. The management can influence total revenue and FFO through the company's business operations. In contrast, the management has no influence over market trends, the regulatory environment or the competitive landscape.

Effects of the COVID-19 pandemic on Kojamo's outlook

In spite of the pandemic, Kojamo's management expects the Group's operating activities to continue undisrupted for the most part. The webstore enables the renting of apartments to continue almost as normal. The pandemic has not led to an increase in the Group's rental receivables, and



they are not expected to grow significantly in the near future. Kojamo follows the development of rental receivables and credit losses actively. Kojamo aims to prevent increases in rental receivables through active resident advisory services as well as payment plans and arrangements agreed on with customers.

Kojamo's management estimates that the demand for rental apartments will remain strong going forward. The restrictions implemented in response to the pandemic may, in the short term, affect people's willingness to relocate as well as prevent both migration within the country and work-related immigration. Economic uncertainty may influence people's willingness to take housing loans, which may increase the popularity of rental housing.

Kojamo will continue to implement its growth strategy. All development projects have progressed as planned thus far. However, challenges potentially faced by construction companies may result in delays to Kojamo's projects. In Kojamo's construction contracts, the construction company takes on the overall responsibility for the entire construction project and payments are made in accordance with the degree of completion. Kojamo's management estimates that potential delays in projects will not have a material impact on the Group's total revenue and FFO for the year.

Kojamo's financial position and liquidity are good. Thanks to the Group's diverse financing structure, Kojamo has been able to carry out financing arrangements without disruptions. Kojamo's management estimates that if the financial markets continue to be unstable, the cost of new financing may significantly increase.

KEY FIGURES

	1–3/2020	1–3/2019	Change %	2019
Total revenue, M€	95.7	91.5	4.6	375.3
Net rental income, M€ ^{*)}	56.0	50.8	10.2	247.3
Net rental income margin, % ^{*)}	58.6	55.6		65.9
Profit before taxes, M€ ^{*)}	51.7	38.9	32.8	1,031.3
EBITDA, M€ ^{*)}	68.3	52.3	30.6	1,083.1
EBITDA margin, % ^{*)}	71.4	57.2		288.6
Adjusted EBITDA, M€ ^{*)}	46.4	42.0	10.5	210.3
Adjusted EBITDA margin, % ^{*)}	48.5	45.9		56.0
Funds From Operations (FFO), M€ ^{*)}	29.4	26.3	11.8	140.7
FFO margin, % ^{*)}	30.7	28.8		37.5
FFO excluding non-recurring costs, M€ ^{*)}	29.4	26.3	11.8	140.7
Investment properties, M€	6,344.2	5,201.8	22.0	6,260.8
Financial occupancy rate, %	96.9	96.9		97.2
Interest-bearing liabilities, M€ ^{*)}	2,745.6	2,634.7	4.2	2,674.2
Return on equity, % (ROE) ^{*)}	5.4	5.5		30.3
Return on investment, % (ROI) ^{*)}	4.8	4.3		20.5
Equity ratio, % ^{*)}	45.3	40.7		46.9
Loan to Value (LTV), % ^{*)}	39.5	46.7		40.5
EPRA NAV, M€	3,794.0	2,854.8	32.9	3,828.0
Gross investments, M€ ^{*)}	62.1	38.0	63.4	259.9
Number of personnel, end of period	300	299		296



Key figures per share, €	1–3/2020	1–3/2019	Change %	2019
FFO per share *)	0.12	0.11	9.1	0.57
Earnings per share	0.17	0.13	30.8	3.34
EPRA NAV per share	15.35	11.55	32.9	15.49
Equity per share	12.30	9.32	32.0	12.51

*) 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 section *Key figures*, the formulas used in their calculation, and reconciliation calculations in accordance with the ESMA guidelines of the Interim Report.

CEO'S REVIEW

We had a strong start to 2020 at Kojamo. Our total revenue, net rental income and FFO increased year-on-year, driven by the growth of our housing stock and Like-for-Like rental income. The fair value of our investment properties was EUR 6.3 billion at the end of the period. Our financial occupancy rate remained on a par with the comparison period.

The coronavirus pandemic has quickly changed the world. Nevertheless, we have been able to adjust our operations to the current circumstances and successfully transferred all of our customer service and rental operations to home offices, for example. Thanks to our webstore, apartment rental operations have continued almost as normal, and customers can rent an apartment without physical contact. We offer flexibility to our residents with regard to rent payments and we have taken precautionary measures at our properties to prevent and limit the spread of the pandemic. For the time being, all of our construction sites remain operational and we are monitoring the situation continuously.

In spite of the pandemic, we expect the trend of urbanisation to continue, and we will continue to execute our growth strategy as planned. During the first months of the year, we further increased the number of property development projects. In March, we announced a cooperation agreement signed with SRV on the construction of 676 apartments in Helsinki and Espoo. One of the new development projects is a tower building to be constructed next to the Redi shopping centre, which will literally take rental housing to a new level. We also announced the start of construction projects in Espoo and Vantaa. We started construction on 454 new apartments during the first quarter and we currently have as many as 1,651 apartments under construction.

Our liquidity was at a good level at the end of the period. In March, we established a EUR 2.5 billion EMTN (Euro Medium Term Notes) programme, under which we can issue unsecured notes. The programme covers our financing needs for the current strategy period as well as the refinancing of bonds that will mature thereafter. We have also taken measures to strengthen our financial position in the current pandemic. The availability of financing has been supported by our diverse financing structure. We have increased our cash and cash equivalents on a precautionary basis by increasing the issuance of commercial papers.

We are moving ahead with our service development efforts, and our focus this year is particularly on developing Kojamo's digital road map. During the first quarter, we further improved our webstore, which serves as the customer interface for all of our rental operations. The popularity of the webstore is growing continuously. In the first quarter, the number of tenancy agreements signed in the webstore was higher than the number of agreements signed following a traditional application.

Jani Nieminen
CEO



OPERATING ENVIRONMENT

General operating environment

As Kojamo operates in the residential real estate sector, the company is affected particularly by urbanisation as well as 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 and population growth.

OPERATING ENVIRONMENT KEY FIGURES	2021e	2020e
GDP growth forecast, %	1.3	-5.5
Unemployment, %	8.1	8.0
Inflation, %	1.3	0.7

Source: Ministry of Finance, Economic survey 4/2020

According to the Ministry of Finance's forecast, the coronavirus pandemic will dampen economic activity everywhere. The current forecast suggests that the economy will contract by 5.5 per cent this year. The Ministry of Finance estimates that the impacts are at their highest in the second quarter, and a strong recovery is expected as early as in the third quarter. This forecast is based on the assumption that the restrictions will remain in place for three months. Prolonged restrictions could have an even more drastic impact; if restrictions remain in place for six months, the economy may contract by as much as 12 per cent. The estimates of the duration of the restrictions aimed at preventing the spread of the coronavirus are constantly changing, which creates exceptional uncertainty in estimating future development. The restrictive measures implemented in response to the coronavirus epidemic will significantly reduce private consumption this year. The decrease in purchasing power caused by temporary layoffs and higher unemployment will also reduce the consumption of goods. (Source: Ministry of Finance, Economic survey 4/2020)

Industry operating environment

INDUSTRY KEY FIGURES	2020e	2019
Residential start-ups, units	will decrease by thousands	38,770
Building permits granted, annual, units ¹⁾	36,234	42,219
Construction costs, change %	n/a	1.0
Prices of old apartments in the whole country, change, %	1.0	1.2
Prices of old apartments in the capital region, change, %	1.0–3.1	0.5–3.4
Rents of non-subsidised apartments in the whole country, change, %	1.6	1.4
Rents of non-subsidised apartments in the capital region, change, %	1.6–1.8	1.6–2.0

1) Rolling 12 months, February 2020

Sources: Statistics Finland, Building and dwelling production 2020, February; Pellervo Economic Research PTT, Housing market 2020 forecast. The availability of post-coronavirus forecasts is limited.

According to the Ministry of Finance's economic survey, the effects of the coronavirus epidemic on the construction industry may include difficulties with the availability of labour, material shortages and delays to the start of planned new construction projects. Construction volume is predicted to also decline next year and subsequently turn to growth in 2022. The decline in residential real estate investments will be sharpest in 2020 due to delays in starting construction projects during the first part of the year. Residential start-ups are estimated to contract by several thousand units until



2021, followed by a return towards the long-term average, which is slightly under 32,000 units per year. (Source: Ministry of Finance, Economic survey 4/2020)

According to Pellervo Economic Research, increased economic uncertainty makes people postpone their plans to buy a home. When the economy dips, many people earn lower incomes due to layoffs and redundancies. They may be unwilling to take a home loan in such circumstances.

Effects of urbanisation

Area	Population growth forecast	Share of rental household-dwelling units	
	2019–2030	2010	2018
Helsinki	11.7%	47.1%	49.3%
Capital region ¹⁾	13.0%	41.9%	44.9%
Helsinki region ²⁾	10.5%	37.7%	40.6%
Jyväskylä	7.1%	40.2%	43.8%
Kuopio	2.9%	36.5%	39.6%
Lahti	0.3%	37.3%	40.4%
Oulu	7.3%	36.7%	40.7%
Tampere	11.7%	42.2%	48.2%
Turku	8.5%	43.0%	48.3%
Other areas	-6.4%	23.8%	25.3%

1) Helsinki, Espoo, Kauniainen, Vantaa

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

Sources: Statistics Finland, Dwellings and Housing Conditions 2018, Population forecast 2019

Urbanisation will continue in the long term. According to Pellervo Economic Research (PTT), the trend of urbanisation has continued in Finland even stronger than expected, and rapid urbanisation is currently the most significant driving force behind the development of the housing market. People in cities want to live in city centres even if their job is located outside the city centre. The significance of location and services is becoming increasingly highlighted in people's housing needs. Commuting from cities to rural areas for work is growing substantially.

Households living in rental homes outnumber those living in owner-occupied housing in Helsinki. The use of rental housing will also grow to exceed the use of owner-occupied housing in Tampere and Turku in the near future. This is a strong sign of the acceleration of urbanisation on the one hand and the change in housing preferences on the other hand. For younger generations, owning a home is not as significant as it was for previous generations. Owning a home is also no longer seen as the only way to accumulate wealth. Instead, people are increasingly attracted by the freedom provided by rental housing. This will support the development of the rental housing market for a long time to come.



BUSINESS OPERATIONS

Kojamo is the largest¹ private residential real estate company in Finland measured by the fair value of investment properties. Kojamo offers rental apartments and housing services for tenants primarily in Finnish growth centres². At the end of the review period, Kojamo's property portfolio comprised 35,392 (34,792) rental apartments. The fair value of Kojamo's investment properties at the end of the review period was EUR 6.3 (5.2) billion. Investment properties include completed apartments as well as development projects and land areas.

Measured at fair value on 31 March 2020, 98.8 per cent of Kojamo's rental apartments were located in the seven largest Finnish growth centres, 87.4 per cent in the Helsinki, Tampere and Turku regions and 73.1 per cent in the Helsinki region.

FINANCIAL DEVELOPMENT JANUARY–MARCH 2020

TOTAL REVENUE

Kojamo's total revenue increased to EUR 95.7 (91.5) million. Total revenue is generated entirely by income from rental operations.

The increase in total revenue was mainly due to the completion of rental apartments in 2019 and the Like-for-Like (LfL) growth of rental income. Like-for-Like growth is defined as the change of rental income for properties owned for two consecutive years in the past 12 months compared to the previous 12-month period.

RESULT AND PROFITABILITY

Net rental income grew to EUR 56.0 (50.8) million, representing 58.6 (55.6) per cent of revenue. The increase in net rental income was mainly due to the completion of rental apartments in 2019, the Like-for-Like (LfL) growth of rental income and maintenance costs being lower than in the comparison period.

Profit before taxes was EUR 51.7 (38.9) million. The profit includes EUR 22.0 (10.4) million in net gain on the valuation of investment properties at fair value and EUR -0.1 (0.0) million in profits and losses from the sale of investment properties. Profit before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 1.2 million.

Financial income and expenses were EUR -16.3 (-13.1) million. Financial income and expenses include EUR -1.7 (-1.6) million in unrealised changes in the fair value of derivatives. Financial income and expenses increased by EUR 3.3 million year-on-year due to the valuation losses on investments being higher than in the comparison period at EUR 2.2 (0.0) million.

Funds From Operations (FFO) amounted to EUR 29.4 (26.3) million. The increase in FFO during the review period was attributable to the improved net rental income.

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

1 KTI Property Information Ltd: The Finnish property market 2019. Investment properties include apartments, ongoing projects, plots owned by the company and ownership of certain assets through shares, such as parking spaces. Fair value represents the fair value of investment properties and includes investment properties classified as non-current assets held for sale.

2) Helsinki, Tampere, Turku, Kuopio and Lahti regions and the cities of Oulu and Jyväskylä.



BALANCE SHEET, CASH FLOW AND FINANCING

	31 Mar 2020	31 Mar 2019	31 Dec 2019
Balance sheet total, M€	6,717.7	5,661.9	6,590.4
Equity, M€	3,040.2	2,304.4	3,090.6
Equity per share, €	12.30	9.32	12.51
Equity ratio, %	45.3	40.7	46.9
Return on equity, % (ROE)	5.4	5.5	30.3
Return on investment, % (ROI)	4.8	4.3	20.5
Interest-bearing liabilities, M€	2,745.6	2,634.7	2,674.2
Loan to Value (LTV), %	39.5	46.7	40.5
Average interest rate of loan portfolio, % *)	1.8	1.8	1.8
Average loan maturity, years	4.4	5.3	4.7
Cash and cash equivalents, M€	237.3	206.5	137.3

*) Includes interest rate derivatives

Kojamo's liquidity was good during the review period. At the end of the review period, Kojamo's cash and cash equivalents stood at EUR 237.3 (206.5) million and liquid financial assets at EUR 70.9 (187.5) million.

EUR 129.9 (50.0) million of the EUR 250 million commercial paper programme was in use at the end of the review period. In addition, Kojamo has committed credit facilities of EUR 300 million and an uncommitted credit facility of EUR 5 million that were unused at the end of the period.

In March, Kojamo plc and OP Corporate Bank signed an unsecured loan agreement of EUR 75 million. The 5.5-year loan will be used for the Group's general corporate purposes. At the end of the review period, the loan was still unwithdrawn.

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

REAL ESTATE PROPERTY AND FAIR VALUE

M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
Fair value of investment properties on 1 Jan	6,260.8	5,093.2	5,093.2
Acquisition of investment properties ^{*) **)}	59.7	95.4	288.6
Modernisation investments	1.5	2.6	30.7
Disposals of investment properties	-0.5	-0.3	-26.0
Capitalised borrowing costs	0.6	0.4	1.9
Profit/loss on fair value of investment properties	22.0	10.4	872.4
Fair value of investment properties at the end of the period	6,344.2	5,201.8	6,260.8

^{*)} Including existing apartment stock and acquisition costs of new projects under construction.

^{**)} Including IFRS 16 Leases

**Right-of-use assets recognised in investment properties *)**

M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
Fair value 1 Jan	60.2		
Increases and decreases	-0.2	60.5	61.3
Profit/loss on fair value of investment properties	-0.3	-0.3	-1.1
Fair value at the end of the period	59.8	60.2	60.2

*) IFRS 16 Leases

Kojamo owned a total of 35,392 (34,792) rental apartments at the end of the review period. Measured at fair value, 98.8 per cent of the portfolio was located in the seven largest Finnish growth centres. The company aims to divest its apartments outside the seven major growth centres in Finland.

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

The fair value of Kojamo's investment properties is determined quarterly on the basis of the company's own evaluation. An external expert gives a statement on the valuation of Kojamo's investment properties. The latest issued valuation statement is based on the situation as at 31 March 2020. The criteria for determining fair value are presented in the Notes to the Financial Statements 2019.

At the end of the review period, the plot and real estate development reserve held by the Group totalled about 193,000 floor sq.m. (203,000 floor sq.m.). The fair value of the plot and real estate development reserve (including the Metropolia properties) was EUR 161 (178) million at the end of the review period.

RENTAL HOUSING

Lumo apartments	31 Mar 2020	31 Mar 2019	31 Dec 2019
Number of apartments	34,865	33,137	34,677
Average rent, €/m ² /month	16.36	15.98	16.13
Average rent, €/m ² /month, yearly average	16.21	15.81	15.96

At the end of the period, Kojamo also had 527 (1,655) rental apartments under the VVO brand.

Kojamo responds to the trends of urbanisation, digitalisation and communality in accordance with its strategy, providing its customers with apartments with good locations and services that make daily life easier, increase the attractiveness of housing and improve the sense of community. Our aim is to develop a networked service platform that will enable agile innovation implementation in cooperation with other operators. Kojamo's properties serve as a platform to which the new services can easily be connected. The demand for rental housing remained strong in growth centres during the review period, and the urbanisation trend that supports long-term demand continued. Studios and one-bedroom apartments continued to be in highest demand during the review period.

The number of tenancy agreements signed via the Lumo webstore continued to increase sharply during the review period. By the end of the period, nearly 17,000 tenancy agreements had been



signed on the Lumo webstore. All Lumo rental apartments that become vacant are available for rent on the Lumo webstore, where customers can choose their preferred apartment.

Rental housing key figures	1-3/2020	1-3/2019	1-12/2019
Financial occupancy rate, %	96.9	96.9	97.2
Tenant turnover rate, excluding internal turnover, %	8.4	7.4	29.6
Like-for-Like rental income growth, % ^{*)}	2.9	2.6	2.7
Rent receivables in proportion to revenue, %	1.2	1.4	1.3

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

The financial occupancy rate remained on a par with the previous year in spite of increased turnover. At the end of the review period, 132 (42) apartments were vacant due to renovations.

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

Area	Number of apartments, units	Number of commercial premises and other leased premises, units	Fair value, EUR million	Fair value, EUR thousand / unit	Fair value, EUR / sq.m.	Financial occupancy rate, %
Helsinki region	20,629	311	4,325	207	3,661	97.3
Tampere region	4,942	126	626	124	2,394	96.1
Turku region	1,904	17	223	116	2,026	98.3
Oulu	2,220	19	182	81	1,548	97.4
Jyväskylä	1,771	2	184	104	1,979	92.8
Kuopio region	1,674	47	162	94	1,763	96.0
Lahti region	1,436	4	147	102	1,819	95.9
Other	816	20	70	84	1,499	95.7
Total	35,392	546	5,919¹⁾	165	2,985	96.9
Other			425 ²⁾			
Total portfolio	35,392	546	6,344			

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

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

INVESTMENTS, DIVESTMENTS AND REAL ESTATE DEVELOPMENT

M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
Acquired investment properties ^{*)}	59.9	35.0	227.3
Modernisation investments	1.5	2.6	30.7
Capitalised borrowing costs	0.6	0.4	1.9
Total	62.1	38.0	259.9
Repair expenses, M€	6.5	6.7	36.9

^{*)} Not including IFRS 16 Leases



Number of apartments	31 Mar 2020	31 Mar 2019	31 Dec 2019
Apartments at the start of the review period	35,272	34,713	34,713
Divestments	-3	-1	-520
Acquisitions		16	260
Completed	119	61	816
Demolished or altered	4	3	3
Apartments at the end of the review period	35,392	34,792	35,272
Started during the review period	454	277	1,066
Under construction at the end of the period	1,651	1,280	1,316
Preliminary agreements for new construction	1,305	635	930

Kojamo estimates that investments in development projects will amount to approximately EUR 300–360 million in 2020.

On 27 January, Kojamo signed an agreement with Lehto on the construction of 106 apartments in Kilo, Espoo. On 11 February, Kojamo signed an agreement with Hausia on the construction of 45 apartments in Espoon keskus. The agreement with Hausia is part of the cooperation agreement signed by Kojamo and Hausia in August 2019 regarding the development of 378 apartments in Espoo. Kojamo also signed an agreement with Skanska on 11 March on the construction of 47 apartments in Leinelä, Vantaa.

On 2 March, Kojamo announced the signing of a cooperation agreement with SRV on the construction of 676 Lumo rental apartments. The completion of individual projects under the agreements is subject to the customary terms and conditions.

Of the apartments under construction, 1,651 (1,010) are located in the Helsinki region and 0 (270) in other Finnish growth centres. A total of 119 (61) apartments were completed during the review period.

Modernisation investments during the review period amounted to EUR 1.5 (2.6) million and repair costs totalled EUR 6.5 (6.7) million.

Binding acquisition agreements for new development, M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
Actual costs incurred from new construction in progress	205.0	125.1	166.8
Cost of completing new construction in progress	198.3	103.1	148.2
Total	403.3	228.2	314.9

Plots and real estate development sites owned by the company	31 Mar 2020		31 Mar 2019		31 Dec 2019	
	M€	1,000 fl.sq.m.	M€	1,000 fl.sq.m.	M€	1,000 fl.sq.m.
Plots	46.1	75	54.3	78	45.9	75
Plots and existing residential building	29.6	40	28.0	40	27.6	42
Conversions	85.5	77	95.3	85	85.5	77
Total ¹⁾	161.2	193	177.6	203	159.0	194



Binding preliminary agreements and provisions for plots and real estate development	31 Mar 2020 1,000		31 Mar 2019 1,000		31 Dec 2019 1,000	
	M€	fl.sq.m.	M€	fl.sq.m.	M€	fl.sq.m.
Preliminary agreements for new construction ²⁾	331.7		123.6		208.9	
Estimate of the share of plots of preliminary agreements for new development ¹⁾	39.5	71	24.7	37	32.4	53
Preliminary agreements and reservations for plots ¹⁾	36.8	60	48.9	73	42.1	68

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

2) Including plots.

STRATEGIC TARGETS AND ACHIEVEMENTS

Strategic targets 2020–2023	31 Mar 2020	Target 2023
Annual growth of total revenue, %	4.6	4–5%
Annual investments, M€	62.1	200–400 M€/year
FFO/total revenue, %	30.7	> 36
Loan to Value (LTV), %	39.5	< 50
Equity ratio, %	45.3	> 40
Net Promoter Score (NPS)	36	40

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

SHARES AND SHAREHOLDERS

Issued shares and share capital

Kojamo's share capital on 31 March 2020 was EUR 58,025,136 and the number of shares at the end of the review period totalled 247,144,399.

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

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



Trading in the company's share

Kojamo's share is listed on the official list of Nasdaq Helsinki.

Share price and trading	1 January– 31 March 2020	1 January– 31 March 2019	1 January– 31 December 2019
Lowest price, €	13.64	8.00	8.00
Highest price, €	18.90	10.86	16.48
Average price, €	16.99	9.34	13.48
Closing price, €	17.28	10.73	16.20
Market value of share capital, end of period, M€	4,270.7	2,652.0	4,003.7
Share trading, million units	39.5	6.5	51.1
Share trading of total share stock, %	16.0	2.6	20.7
Share trading, M€	671.9	60.6	688.7

In addition to the Nasdaq Helsinki stock exchange, Kojamo shares were traded on other marketplaces, such as Cboe APA, Cboe BXE and Cboe CXE. From 1 January to 31 March 2020, more than 50 million (approx. 6 million) Kojamo shares were traded on alternative marketplaces, corresponding to nearly 60 per cent (approx. 46 per cent) of the total trading volume (Source: 2020: Reuters, 2019: Fidessa).

Own shares

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

Dividend

In accordance with the Board of Directors' proposal, the Annual General Meeting on 12 March 2020 decided that a dividend of EUR 0.34 per share, or EUR 84,029,095.66 in total, be paid for the financial year 2019 and that EUR 304,567,729.26 be retained in unrestricted equity. The dividend payment date was 2 April 2020.

Shareholders

At the end of the review period, the number of registered shareholders was 6,506 (3,510), including nominee-registered shareholders. The proportion of nominee-registered and direct foreign shareholders was 34.1 (25.3) per cent of the company's shares at the end of the review period. The 10 largest shareholders owned in aggregate 57.0 (67.3) per cent of Kojamo's shares at the end of the review period.

The list of Kojamo's shareholders is based on information provided by Euroclear Finland Ltd (formerly the Finnish Central Securities Depository).

The Board of Directors' authorisations

Kojamo's Annual General Meeting on 12 March 2020 authorised the Board of Directors to decide on the repurchase and/or acceptance as pledge of an aggregate maximum of 24,714,439 of the company's own shares according to the proposal of the Board of Directors. The proposed amount of shares corresponds to approximately 10 per cent of all the shares of the company. The authorisation will remain in force until the closing of the next Annual General Meeting, however no longer than until 30 June 2021.



The Board of Directors was also authorised to decide on the issuance of shares and the issuance of special rights entitling to shares as referred to in Chapter 10, Section 1 of the Companies Act according to the proposal of the Board of Directors. The number of shares to be issued on the basis of the authorisation shall not exceed an aggregate maximum of 24,714,439 shares, which corresponds to approximately 10 per cent of all the shares of the company. The authorisation applies to both the issuance of new shares and the conveyance of own shares held by the company. The authorisation will remain in force until the closing of the next Annual General Meeting, however no longer than until 30 June 2021.

Flagging notifications

Flagging notification 24 February 2020

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

Managers' transactions

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

GOVERNANCE

Annual General Meeting

Kojamo's Annual General Meeting on 12 March 2020 adopted the Financial Statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2019. The AGM also elected the members of the Board of Directors and decided on their remuneration. The AGM authorised the Board of Directors to resolve on one or more share issues or the issuance of special rights entitling to shares, as referred to in Chapter 10, Section 1 of the Companies Act. The minutes of the AGM are available at <https://www.kojamo.fi/agm>.

Board of Directors and auditors

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

Board committees

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



Nomination Board

A stock exchange release was issued on 10 September 2019 announcing the composition of Kojamo plc's Nomination Board. Kojamo's three largest shareholders nominated the following members to the Shareholders' Nomination Board: Jouko Pölonen, CEO, Ilmarinen Mutual Pension Insurance Company; Risto Murto, CEO, Varma Mutual Pension Insurance Company; and Riku Aalto, President, Finnish Industrial Union. In addition, the Chairman of Kojamo's Board of Directors serves as an expert member of the Nomination Board.

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

CEO

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

PERSONNEL

At the end of the review period, Kojamo had a total of 300 (299) employees. The average number of personnel during the period was 297 (298).

The salaries and fees paid during the review period totalled EUR 4.4 (4.2) million.

Annual performance bonus and incentive system

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

Kojamo also has a long-term share-based incentive plan for the Group's key personnel. The reward is based on reaching the targets set for Kojamo's key business criteria in relation to the Group's strategic goals. Three performance periods were ongoing at the end of the review period: 2018–2020, 2019–2021, 2020–2022.

On 13 February 2020, Kojamo's Board of Directors resolved on the long-term incentive plan's performance period of 2020–2022. The possible rewards for the performance period are based on the Group's revenue and Funds From Operations (FFO) per share. The rewards to be paid on the basis of the performance period correspond to the value of a maximum total of 102,242 shares including the proportion to be paid in cash.

If the three ongoing earning periods were accrued in full, the maximum bonus would be a sum corresponding to 312,345 Kojamo shares, of which 50 per cent would be paid in Kojamo shares and



50 per cent in cash. More information on the long-term incentive plan is provided in Kojamo's Remuneration Statement for 2019 and Kojamo's website.

SUSTAINABILITY

Corporate responsibility and sustainable development are one of Kojamo's strategic focus areas. Sustainability is integral to Kojamo's operations and corporate culture. Sustainability is part of our DNA and it plays an important role in the work of everyone at Kojamo. This is reflected on various levels of our operations, including our business operations, working conditions and the customer interface. We emphasise responsibility towards customers, our obligations as a contractor as well as clear communication to our shareholders about the Kojamo's corporate and social responsibility efforts and their progress. We are committed to developing new and modern construction solutions, housing services and ecological innovations related to energy-efficient housing solutions. We operate openly and ethically and also require our partners to operate responsibly.

Towards lower-emission property development

Since 2016, we have implemented all of our new construction projects using our own plot reserves as near-zero energy buildings in accordance with the nZEB principles. At the end of the review period, near zero-energy buildings represent 79% (1,706) of all Kojamo projects completed since 2016. Of the properties under construction at the end of review period, near zero-energy buildings represented 90% (1,586).

Continuous improvement of energy efficiency

Kojamo has joined the Rental Property Action Plan (VAETS II) for the period 2017–2025. Our target under this action plan is to reduce energy consumption by 7.5 per cent during the period in question, using 2015 as the baseline. We focus on managing the energy consumption of the buildings in our property portfolio and use an AI-driven IoT solution by Leanheat Oy to control the temperature of 29,000 apartments owned by Kojamo.

Lumo, a responsible and environmentally friendly lessor

All of Kojamo's properties use Helen's hydropower-certified property electricity. We have also started to use carbon-neutral district heating at many of our properties. In 2019, Fortum's carbon-neutral district heating was introduced at 79 properties. All residents of Lumo homes have the opportunity to use shared vehicles that are self-charging full hybrid cars. We aim to continuously develop recycling and offer comprehensive recycling opportunities to our residents.

We also focus on developing the environmental responsibility of our own operations. All Kojamo offices are WWF Green Office certified. Kojamo became a national WWF Green Office certificate holder when the final Lumo Home Centres that are connected to the environmental system received the certificate in December 2019.

Social responsibility and being a responsible employer

We ensure our future competitiveness through competence development and offer an employee experience that attracts the best talent in the industry. We also work continuously to promote our corporate culture and the well-being of our personnel. We launched the Kojamo Cultural Compass project in March 2020. The project aims to sharpen the objective for our culture and, through employee engagement and participation, strengthen the common day-to-day corporate culture that we use to create an even better employee experience for Kojamo's personnel. In February 2020,



Kojamo was recognised by Corporate Spirit in the “Finland’s most inspiring workplaces” survey for the third consecutive year.

Kojamo’s sponsorship and grant programme provides financial support for young talents. The programme covers not only individual sports but also team sports. Personal grants are awarded to athletes aged 12–20 to encourage them in their sporting careers. Those living in Lumo and VVO homes are given priority. Grants have been awarded since 2012. In 2019, grants were awarded to 50 young athletes.

Corporate Governance

The anti-grey economy models used by Kojamo exceed legislative requirements in many respects. We continuously monitor the fulfilment of contractor obligations for all companies in our supplier network through the Reliable Partner service on the tilaajavastuu.fi website.

Development of sustainability reporting

We are continuing to focus on transparent sustainability reporting and, in 2020, we will participate in the Global Real Estate Sustainability Benchmark (GRESB) survey for the first time. We published our sustainability report for 2019 as part of our Annual Report on 20 February 2020. Our report on the year 2019 marked the first time that we have applied the Global Reporting Initiative (GRI) framework and the European Public Real Estate Association’s Sustainability Best Practices Recommendations (EPRA sBPR, 3rd edition).

NEAR-TERM RISKS AND UNCERTAINTIES

Kojamo estimates that the most significant risks and uncertainties in the current review period are related to the development of the Finnish economy. The near-term risks arise particularly from the COVID-19 pandemic. The risks and their magnitude are affected by the development of the pandemic as well as the scope and duration of the measures introduced to limit the pandemic. Predicting the development of the pandemic and the impact of the restrictions is exceptionally difficult.

Economic development 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. The economic downturn may lead to unemployment, which can affect the ability of residents to pay rent and, subsequently, the company’s rental income. Kojamo follows the development of rental receivables and credit losses actively.

Urbanisation is expected to continue in the longer term. The supply of rental apartments may, however, 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. The restrictions implemented in response to the pandemic may, in the short term, also affect people’s willingness to relocate and reduce migration.

If prolonged, the pandemic may have an impact on the operations of construction companies, which could result in delays in new projects. The prolongation of the pandemic could also have broader impacts on the housing market and property market, including apartment prices, rents and yield requirements.

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



A more detailed description of Kojamo's strategic risks and uncertainties is provided in [the Financial Statements 2019](#).

Helsinki, 7 May 2020

Kojamo plc
Board of Directors

Further information:

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

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

NEWS CONFERENCE AUDIOCAST

Due to the coronavirus pandemic, Kojamo will not arrange a news conference at the company's head office. Instead, the news conference will be carried out as a live audiocast at 10:00 a.m. EEST on 7 May 2020. The event will be held in English.

A recording of the audiocast will be available later on the company website at <https://kojamo.fi/en/investors/releases-and-publications/financial-reports/>

The news conference can be streamed online at <https://kojamo.videosync.fi/2020-q1-results>

You can also participate in the press conference by calling:

FI: +358 981 710 310

SE: +46 856 642 651

UK: +44 333 300 0804

US: +1 631 913 1422

Please use the following PIN code to participate in the press conference by telephone: 43662898#



EPRA performance measures

EPRA (European Public Real Estate Association) is an advocacy organisation for publicly listed European property investment companies. Kojamo is a member of EPRA. As part of its activities, the organisation promotes financial reporting in the industry and the adoption of best practices to ensure the quality of information provided to investors and improve comparability between companies. Kojamo follows EPRA recommendations in its reporting practices. This section covers EPRA performance measures and their calculation.

	1-3/2020	1-3/2019	2019
EPRA Earnings, M€	26.9	26.6	144.0
EPRA Earnings per share (EPS), €	0.11	0.11	0.58
EPRA Net Asset Value (NAV), M€	3,794.0	2,854.8	3,828.0
EPRA NAV per share, €	15.35	11.55	15.49
EPRA Triple Net Asset Value (NNNAV), M€	3,031.5	2,282.8	3,030.1
EPRA NNNAV per share, €	12.27	9.24	12.26
EPRA Net Initial Yield (NIY), %	4.3	4.8	4.2
EPRA 'topped-up' NIY, %	4.3	4.8	4.2
EPRA Vacancy Rate, %	3.1	3.1	2.8
EPRA Cost Ratio (including direct vacancy costs), %	17.2	17.8	15.0
EPRA Cost Ratio (excluding direct vacancy costs), %	14.9	15.3	13.6
M€	1-3/2020	1-3/2019	2019
Earnings per IFRS income statement	41.5	32.2	825.2
(i) Change in value of investment properties, development properties held for investment and other interests	-22.0	-10.4	-872.4
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interest	0.1	0.1	-0.1
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties			-0.2
(iv) Tax on profits or losses on disposals	0.0	0.0	3.3
(vi) Changes in fair value of financial instruments and associated close-out costs	1.7	1.6	2.0
(viii) Deferred tax in respect of EPRA adjustments	5.7	3.2	186.2
EPRA Earnings	26.9	26.6	144.0
EPRA Earnings per share (EPS), €	0.11	0.11	0.58
M€	1-3/2020	1-3/2019	2019
NAV per the financial statements	3,040.2	2,304.4	3,090.6
(iv) Fair value of financial instruments	79.5	60.6	69.5
(v.a) Deferred tax	674.3	489.8	667.9
EPRA Net Asset Value (NAV)	3,794.0	2,854.8	3,828.0
EPRA NAV per share, €	15.35	11.55	15.49



M€		1-3/2020	1-3/2019	2019
EPRA NAV		3,794.0	2,854.8	3,828.0
(i) Fair value of financial instruments		-79.5	-60.6	-69.5
(ii) Fair value of debt ¹⁾		-8.8	-21.7	-60.5
(iii) Deferred tax		-674.3	-489.8	-667.9
EPRA Triple Net Asset Value (NNNAV)		3,031.5	2,282.8	3,030.1
¹⁾ Balance sheet at amortised cost and the fair value of interest-bearing loans and borrowings.				
EPRA NNNAV per share, €		12.27	9.24	12.26

M€		1-3/2020	1-3/2019	2019
Investment property		6,344.2	5,201.8	6,260.8
Trading property		0.1	0.4	0.1
Developments		-372.8	-277.5	-334.9
Completed property portfolio		5,971.6	4,924.7	5,926.1
Allowance for estimated purchasers' costs		119.4	98.5	118.5
Gross up completed property portfolio valuation	B	6,091.0	5,023.2	6,044.6
Annualised cash passing rental income		386.3	369.4	385.3
Property outgoings		-124.7	-128.7	-128.9
Annualised net rents	A	261.5	240.7	256.4
Notional rent expiration of rent free periods or other lease incentives		-	-	-
Topped-up net annualised rent	C	261.5	240.7	256.4
EPRA Net Initial Yield (NIY), %	A/B	4.3	4.8	4.2
EPRA 'topped-up' NIY, %	C/B	4.3	4.8	4.2

M€		1-3/2020	1-3/2019	2019
Estimated rental value of vacant space ¹⁾	A	2.9	2.8	10.2
Estimated rental value of the whole portfolio ¹⁾	B	92.9	89.9	365.2
EPRA Vacancy Rate, %	A/B	3.1	3.1	2.8

¹⁾ Including rental value of apartments.



M€		1-3/2020	1-3/2019	2019
Include:				
(i) Administrative expense line per IFRS income statement		10.2	9.3	38.7
(i) Maintenance expense line per IFRS income statement		33.1	33.9	91.1
(i) Repair expense line per IFRS income statement		6.5	6.7	36.9
(ii) Net service charge costs/fees		-2.0	-1.5	-6.9
(iii) Management fees less actual/ estimated profit element		0.0	0.0	0.0
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits		-0.1	-0.1	-0.4
Exclude:				
(vii) Ground rent costs		0.0	0.0	0.1
(viii) Service charge costs recovered through rents but not separately invoiced		-38.4	-39.4	-122.7
EPRA Costs (including direct vacancy costs)	A	9.5	9.0	36.8
(ix) Direct vacancy costs		-1.2	-1.3	-3.6
EPRA Costs (excluding direct vacancy costs)	B	8.2	7.7	33.3
(x) Gross Rental Income less ground rent costs - per IFRS		93.7	89.9	368.0
(xi) Service fee and service charge costs components of Gross Rental Income		-38.4	-39.4	-122.7
Gross Rental Income	C	55.3	50.5	245.3
EPRA Cost Ratio (including direct vacancy costs), %	A/C	17.2	17.8	15.0
EPRA Cost Ratio (excluding direct vacancy costs), %	B/C	14.9	15.3	13.6

**CONDENSED CONSOLIDATED INCOME STATEMENT**

M€	Note	1–3/2020	1–3/2019	1–12/2019
Total revenue		95.7	91.5	375.3
Maintenance expenses		-33.1	-33.9	-91.1
Repair expenses		-6.5	-6.7	-36.9
Net rental income		56.0	50.8	247.3
Administrative expenses		-10.2	-9.3	-38.7
Other operating income		0.9	0.4	2.2
Other operating expenses		-0.3	-0.1	-0.5
Profit/loss on sales of investment properties		-0.1	0.0	0.1
Profit/loss on sales of trading properties				0.2
Profit/loss on fair value of investment properties	3	22.0	10.4	872.4
Depreciation, amortisation and impairment losses		-0.3	-0.3	-1.1
Operating profit		68.1	52.0	1,081.9
Financial income		0.5	0.9	2.6
Financial expenses		-16.9	-14.0	-53.4
Total amount of financial income and expenses		-16.3	-13.1	-50.8
Share of result from associated companies		0.0	0.0	0.2
Profit before taxes		51.7	38.9	1,031.3
Current tax expense		-4.6	-3.6	-19.9
Change in deferred taxes		-5.7	-3.2	-186.2
Profit for the period		41.5	32.2	825.2
Profit for the financial period attributable to Shareholders of the parent company		41.5	32.2	825.2
Earnings per share based on profit attributable to shareholders of the parent company				
Basic, €		0.17	0.13	3.34
Diluted, €		0.17	0.13	3.34
Average number of shares, million	8	247.1	247.1	247.1
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Cash flow hedges		-8.6	-16.7	-26.0
Deferred taxes		1.7	3.3	5.2
Items that may be reclassified subsequently to profit or loss		-6.8	-13.4	-20.8
Total comprehensive income for the period		34.6	18.8	804.4
Total comprehensive income attributable to Shareholders of the parent company		34.6	18.8	804.4

**CONDENSED CONSOLIDATED BALANCE SHEET**

M€	Note	31 Mar 2020	31 Mar 2019	31 Dec 2019
ASSETS				
Non-current assets				
Intangible assets		0.2	0.2	0.2
Investment properties	3	6,344.2	5,201.8	6,260.8
Property, plant and equipment	4	30.7	31.3	30.9
Investments in associated companies		2.4	2.2	2.4
Financial assets	7	0.7	0.6	0.7
Non-current receivables		3.1	5.2	3.2
Derivatives	6, 7		0.4	0.2
Deferred tax assets		18.6	15.7	14.4
Non-current assets total		6,400.0	5,257.4	6,312.8
Current assets				
Trading property		0.1	0.4	0.1
Derivatives	6, 7	0.3	0.4	0.3
Current tax assets		0.8	2.2	0.1
Trade and other receivables		8.2	7.5	7.7
Financial assets	7	70.9	187.5	132.1
Cash and cash equivalents		237.3	206.5	137.3
Current assets total		317.7	404.4	277.6
ASSETS TOTAL		6,717.7	5,661.9	6,590.4
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity attributable to shareholders of the parent company				
Share capital		58.0	58.0	58.0
Share issue premium		35.8	35.8	35.8
Fair value reserve		-51.5	-37.2	-44.7
Invested non-restricted equity reserve		164.4	164.4	164.4
Retained earnings		2,833.5	2,083.4	2,877.0
Equity attributable to shareholders of the parent company		3,040.2	2,304.4	3,090.6
Total equity		3,040.2	2,304.4	3,090.6
LIABILITIES				
Non-current liabilities				
Loans and borrowings	5, 7	2,313.2	2,534.9	2,429.3
Deferred tax liabilities		692.0	503.8	683.8
Derivatives	6, 7	78.4	61.3	69.8
Provisions		0.5	0.6	0.5
Other non-current liabilities		4.9	13.9	5.1
Non-current liabilities total		3,089.0	3,114.4	3,188.4
Current liabilities				
Loans and borrowings	5, 7	432.4	99.8	244.9
Derivatives	6, 7	1.4	0.1	0.2
Current tax liabilities		0.9	0.6	2.0
Trade and other payables		153.8	142.6	64.3
Current liabilities total		588.4	243.0	311.4
Total liabilities		3,677.4	3,357.5	3,499.8
TOTAL EQUITY AND LIABILITIES		6,717.7	5,661.9	6,590.4

**CONSOLIDATED STATEMENT OF CASH FLOWS**

M€	1-3/2020	1-3/2019	1-12/2019
Cash flow from operating activities			
Profit for the period	41.5	32.2	825.2
Adjustments	3.9	9.1	-614.5
Change in net working capital			
Change in trade and other receivables	-0.2	0.8	0.6
Change in trading properties			0.3
Change in trade and other payables	11.3	9.2	-0.8
Interest paid	-16.0	-13.6	-48.6
Interest received	0.2	0.2	0.8
Other financial items	0.1	-0.2	-0.0
Taxes paid	-6.4	-9.4	-22.2
Net cash flow from operating activities	34.4	28.3	140.8
Cash flow from investing activities			
Acquisition of investment properties	-64.7	-44.5	-273.9
Acquisition of property, plant and equipment and intangible assets	-0.0	-0.0	-0.2
Proceeds from sale of investment properties	0.4	0.2	26.1
Proceeds from sale of property, plant and equipment and intangible assets		0.0	0.0
Purchases of financial assets	-29.0	-27.0	-111.1
Proceeds from sale of financial assets	88.0	12.5	152.5
Non-current loans, granted			0.0
Repayments of non-current loan receivables	0.0	0.0	0.4
Interest and dividends received on investments	0.0	0.1	0.3
Net cash flow from investing activities	-5.3	-58.9	-206.0
Cash flow from financing activities			
Non-current loans and borrowings, raised	16.4	95.0	289.8
Non-current loans and borrowings, repayments	-25.1	-7.6	-164.0
Current loans and borrowings, raised	99.9	20.0	139.9
Current loans and borrowings, repayments	-20.0	-20.1	-139.9
Repayments of lease liabilities	-0.4	-0.4	-1.6
Dividends paid			-71.7
Net cash flow from financing activities	70.9	87.0	52.4
Change in cash and cash equivalents	100.0	56.4	-12.8
Cash and cash equivalents at the beginning of the period	137.3	150.1	150.1
Cash and cash equivalents at the end of the period	237.3	206.5	137.3



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

M€	Share capital	Share issue premium	Fair value reserve	Invested non-restricted equity reserve	Retained earnings	Equity attributable to shareholders of the parent company	Total equity
Equity at 1 Jan 2020	58.0	35.8	-44.7	164.4	2,877.0	3,090.6	3,090.6
Comprehensive income							
Cash flow hedging			-6.8			-6.8	-6.8
Profit for the period					41.5	41.5	41.5
Total comprehensive income for the period			-6.8		41.5	34.6	34.6
Transactions with shareholders							
Share-based incentive scheme					-1.0	-1.0	-1.0
Dividend payment					-84.0	-84.0	-84.0
Total transactions with shareholders					-85.0	-85.0	-85.0
Total change in equity			-6.8		-43.5	-50.4	-50.4
Equity at 31 Mar 2020	58.0	35.8	-51.5	164.4	2,833.5	3,040.2	3,040.2

M€	Share capital	Share issue premium	Fair value reserve	Invested non-restricted equity reserve	Retained earnings	Equity attributable to shareholders of the parent company	Total equity
Equity at 1 Jan 2019	58.0	35.8	-23.9	164.4	2,123.7	2,358.1	2,358.1
Comprehensive income							
Cash flow hedging			-13.4			-13.4	-13.4
Result for the financial period					32.2	32.2	32.2
Total comprehensive income			-13.4		32.2	18.8	18.8
Transactions with owners							
Share-based incentive scheme					-0.8	-0.8	-0.8
Dividend payment					-71.7	-71.7	-71.7
Total transactions with owners					-72.5	-72.5	-72.5
Total change in equity			-13.4		-40.3	-53.7	-53.7
Equity at 31 Mar 2019	58.0	35.8	-37.2	164.4	2,083.4	2,304.4	2,304.4

M€	Share capital	Share issue premium	Fair value reserve	Invested non-restricted equity reserve	Retained earnings	Equity attributable to shareholders of the parent company	Total equity
Equity at 1 Jan 2019	58.0	35.8	-23.9	164.4	2,123.7	2,358.1	2,358.1
Comprehensive income							
Cash flow hedging			-20.8			-20.8	-20.8
Profit for the period					825.2	825.2	825.2
Total comprehensive income for the period			-20.8		825.2	804.4	804.4
Transactions with shareholders							
Share-based incentive scheme					-0.3	-0.3	-0.3
Dividend payment					-71.7	-71.7	-71.7
Total transactions with shareholders					-71.9	-71.9	-71.9
Total change in equity			-20.8		753.3	732.5	732.5
Equity at 31 Dec 2019	58.0	35.8	-44.7	164.4	2,877.0	3,090.6	3,090.6



CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basic information about the Group

Kojamo plc is Finland's largest market-based, private housing investment company that offers rental apartments and housing services in Finnish growth centres. Its range of apartments is extensive. On 31 March 2020, Kojamo owned a total of 35,392 rental apartments across Finland.

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

Trading in Kojamo's shares commenced on the pre-list of Nasdaq Helsinki on 15 June 2018 and on the official list of Nasdaq Helsinki on 19 June 2018. In addition, a bond issued by Kojamo in 2016 is listed on the official list of Nasdaq Helsinki Ltd. Two other bonds issued by the company have been listed on the official list of the Irish Stock Exchange. The Group has chosen Finland as its home state for the disclosure of periodic information pursuant to Chapter 7, Section 3 of the Finnish Securities Market Act.

Kojamo plc's Board of Directors approved this Interim Report for publication at its meeting on 7 May 2020.

1. ACCOUNTING POLICIES

Basis for preparation

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

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

The preparation of interim report 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 these interim report where judgement has been applied by management, as well as the assumptions about the future and other key uncertainty factors in estimates at the end of the reporting period that create a significant risk of change in the carrying amounts of Kojamo's assets and liabilities within the next review period, are the same as those presented in the consolidated financial statements for the 2019 financial year. Of these, the most important are the determination of the fair values of investment properties and financial instruments.



2. REVENUE

Specification of revenue from contracts with customers:

M€	1-3/2020	1-3/2019	1-12/2019
Rental income	93.6	89.9	367.9
Water fees	1.9	1.3	6.2
Sauna fees	0.1	0.2	0.6
Total	95.6	91.4	374.8

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

3. INVESTMENT PROPERTIES

Change in valuation method

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

M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
Fair value of investment properties on 1 Jan **)	6,260.8	5,093.2	5,093.2
Acquisition of investment properties *) **)	59.7	95.4	288.6
Modernisation investments	1.5	2.6	30.7
Disposals of investment properties	-0.5	-0.3	-26.0
Capitalised borrowing costs	0.6	0.4	1.9
Profit/loss on fair value of investment properties **)	22.0	10.4	872.4
Fair value of investment properties at the end of the period	6,344.2	5,201.8	6,260.8

*) Includes the acquisition costs of completed housing stock and new properties under construction.

***) Includes IFRS 16 Leases

Right-of-use assets included in the fair values of investment properties (IFRS 16 Leases):

M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
Fair value 1 Jan	60.2		
Increases/decreases	-0.2	60.5	61.3
Profit/loss on fair value of investment properties	-0.3	-0.3	-1.1
Fair value at the end of the period	59.8	60.2	60.2

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



Capitalised borrowing costs totalled EUR 0.6 (0.4) million. The interest rate applied to capitalised borrowing costs was 2.2 (2.1) per cent.

Fair value of investment properties by valuation method

M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
Transaction value		4,419.7	
Yield value before 31 December 2019		269.5	
Yield value starting from 31 December 2019	5,787.8		5,740.7
Acquisition cost	496.7	452.4	459.9
Right-of-use assets	59.8	60.2	60.2
Total	6,344.2	5,201.8	6,260.8

Properties measured at yield value, DCF EUR 5,750.6 million, versatile modernisations EUR 37.2 million = property portfolio measured at yield value EUR 5,787.8 million

Number of apartments	31 Mar 2020	31 Mar 2019	31 Dec 2019
Transaction value		28,567	
Yield value before 31 December 2019		2,659	
Yield value starting from 31 December 2019	32,516		32,286
Acquisition cost	2,876	3,566	2,986
Total	35,392	34,792	35,272

Kojamo has used the following average parameters when applying the yield-based valuation method in 2020:

Investment properties	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement, weighted, %	3.85	5.05	4.25
Inflation assumption, %	1.5	1.5	1.5
Market rents, weighted by square metres, EUR/m ² /month	18.61	14.44	16.53
Property maintenance expenses, repairs and modernisation investments EUR/m ² /month	6.09	6.05	6.07
10-year average financial occupancy rate, %	98.0	96.4	97.1
Rent increase assumption, %	2.0	1.6	1.8
Expense increase assumption, %	2.0	2.0	2.0



Kojamo has used the following average parameters when applying the yield-based valuation method in the financial statements of 2019:

Investment properties	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement, weighted, %	3.84	5.05	4.25
Inflation assumption, %	1.5	1.5	1.5
Market rents, weighted by square metres, EUR/m ² /month	18.70	14.48	16.58
Property maintenance expenses, repairs and modernisation investments EUR/m ² /month	6.11	6.07	6.09
10-year average financial occupancy rate, %	98.0	96.4	97.1
Rent increase assumption, %	2.0	1.6	1.8
Expense increase assumption, %	2.0	2.0	2.0

Sensitivity analysis for measuring the fair value of investment properties

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

^{*)} The cash flow based valuation method (DCF) was adopted on 31 December 2019.

Sensitivity analysis of investment properties	31 Mar 2019				
Change %	-10%	-5%	0%	5%	10%
Properties measured at transaction value, M€					
Change in market prices	-442.0	-221.0		221.0	442.0
Properties measured at yield value before 31 December 2019, M€					
Yield requirement	29.5	14.0		-12.7	-24.2
Rental income	-45.9	-23.0		23.0	45.9
Maintenance costs	17.5	8.7		-8.7	-17.5
Financial occupancy rate for properties measured at yield value (change in percentage points)	-2%	-1%	0%	1%	2%
Rental income, M€	-0.8	-0.4		0.4	0.8

The weighted average yield requirement was 6.2 per cent for the 2,659 apartments included within the scope of the yield value method on 31 March 2019, and 9.3 per cent for the 414 business premises.

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

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

*) The cash flow based valuation method (DCF) was adopted on 31 December 2019.

Unrecognised acquisition agreements related to work in progress:

M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
New development under construction	198.3	103.1	148.2
Preliminary agreements for new construction	331.7	123.6	208.9
Renovation	31.9	33.5	23.7
Total	561.9	260.2	380.7

The criteria for determining fair value are presented in the Notes to the Financial Statements 2019.

4. PROPERTY, PLANT AND EQUIPMENT

M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
Carrying value, beginning of period	30.9	30.5	30.5
Increases	0.1	1.1	1.5
Decreases		-0.1	-0.1
Depreciation for the period	-0.3	-0.3	-1.0
Carrying value, end of period	30.7	31.3	30.9

Property, plant and equipment consist of assets held and used by the company, mainly buildings and land areas, as well as machinery and equipment. The right-of-use asset includes car leasing agreements in accordance with IFRS 16 *Leases*. These agreements are itemised below:

M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
Carrying value, beginning of period	0.9	1.0	1.0
Increases	0.1	0.1	0.3
Depreciation for the period	-0.1	-0.1	-0.5
Carrying value, end of period	0.9	1.0	0.9



5. INTEREST-BEARING LIABILITIES

Non-current liabilities

M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
Bonds	1,192.3	1,290.2	1,191.8
Loans from financial institutions	1,020.8	1,081.5	1,135.8
Interest subsidy loans	38.2	102.1	39.2
Lease liability	59.5	58.7	60.0
Other loans	2.4	2.4	2.4
Total	2,313.2	2,534.9	2,429.3

Current liabilities

M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
Bonds	100.0		100.0
Loans from financial institutions	145.2	27.8	37.5
Interest subsidy loans	49.7	13.0	49.9
Other loans	6.5	6.5	6.5
Lease liability	1.1	2.5	1.1
Commercial papers	129.9	50.0	50.0
Total	432.4	99.8	244.9

Total interest-bearing liabilities

2,745.6	2,634.7	2,674.2
----------------	----------------	----------------

As a result of Kojamo's adoption of IFRS 16 *Leases* on 1 January 2019, land lease contracts previously treated as operating leases have been recognised as an increase in the value of the Group's investment properties and interest-bearing liabilities.



6. DERIVATIVE INSTRUMENTS

Fair values of derivative instruments M€	31 Mar 2020			31 Mar 2019	31 Dec 2019
	Positive	Negative	Net	Net	Net
Interest rate derivatives					
Interest rate swaps, cash flow hedges		68.9	-68.9	-52.2	-60.6
Interest rate swaps, not in hedge accounting		-9.7	-9.7	-9.1	-9.3
Electricity derivatives	0.3	-1.2	-0.9	0.7	0.5
Total	0.3	-79.8	-79.5	-60.6	-69.5

Nominal values of derivative instruments M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
Interest rate derivatives			
Interest rate swaps, cash flow hedges	964.1	936.6	970.0
Interest rate swaps, not in hedge accounting	42.3	44.1	42.6
Total	1,006.5	980.7	1,012.6
Electricity derivatives, MWh	120,755	146,049	135,960

During the review period, EUR -8.6 (-16.7) million was recognised in the fair value reserve from interest rate derivatives classified as cash flow hedges. The interest rate derivatives are used to hedge the loan portfolio's interest cash flows against increases in market interest rates. The interest rate derivatives mature between 2020 and 2035. At the end of the review period, the average maturity of interest rate swaps was 5.5 (6.2) years. Electricity derivatives hedge against increases in electricity prices and mature between 2020 and 2022. Electricity derivatives are not included in hedge accounting. The unrealised gains and losses from the measurement of derivatives are presented on the balance sheet under current and non-current assets or liabilities in the item Derivative instruments.



7. FINANCIAL ASSETS AND LIABILITIES BY VALUATION CATEGORY

M€	31 Mar 2020				Fair value total
	Carrying value total	LEVEL 1	LEVEL 2	LEVEL 3	
Financial assets					
Measured at fair value					
Electricity derivatives	0.3	0.3			0.3
Financial assets recognised at fair value through profit or loss	71.6	70.9		0.7	71.6
Measured at amortised cost					
Cash and cash equivalents	237.3		237.3		237.3
Trade receivables	5.2				5.2
Financial liabilities					
Measured at fair value					
Interest rate derivatives	78.6		78.6		78.6
Electricity derivatives	1.2	1.2			1.2
Measured at amortised cost					
Other interest-bearing liabilities	1,453.3		1,453.5		1,453.5
Bonds	1,292.3	1,303.0			1,303.0
Trade payables	8.0				8.0

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

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

If there is no active market for the financial instrument, judgment is required to determine fair value and impairment. External mark to market valuations may be used for some interest rate



derivatives. Recognition of impairment is considered if the impairment is significant or long-lasting. If the amount of impairment loss decreases during a subsequent financial year and the decrease can be considered to be related to an event occurring after the recognition of impairment, the impairment loss will be reversed.

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

Level 1:

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

Level 2:

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

Level 3:

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

Level 3 reconciliation

Financial assets recognised at fair value through profit or loss

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

Investments measured at fair value through profit or loss on hierarchy level 3 are investments in unlisted securities and they are mainly measured at acquisition cost, as their fair value cannot be reliably measured in the absence of an active market. With regards to these items, it is evaluated that the acquisition cost is an appropriate estimate of fair value.

8. EARNINGS PER SHARE

	1-3/2020	1-3/2019	1-12/2019
Profit for the period attributable to shareholders of the parent company, M€	41.5	32.2	825.2
Weighted average number of shares during the period (million)	247.1	247.1	247.1
Earnings per share			
Basic, €	0.17	0.13	3.34
Diluted, €	0.17	0.13	3.34

The company has no diluting instruments.



9. GUARANTEES AND COMMITMENTS

M€	31 Mar 2020	31 Mar 2019	31 Dec 2019
Loans covered by pledges on property and shares as collateral	1,289.6	1,359.4	1,298.1
Pledges given	1,353.0	1,457.0	1,401.1
Shares *)	220.4	253.8	220.4
Pledged collateral, total	1,573.4	1,710.8	1,621.5
Other collateral given			
Mortgages and shares	16.9	31.7	16.9
Guarantees **)	499.3	414.9	500.2
Pledged deposits	0.1	0.1	0.1
Other collateral, total	516.2	449.6	517.1

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

**) Guarantees given are mainly absolute guarantees granted as collateral for group companies loans for which property pledges have also been given as collateral.

10. THE IMPACT OF COVID-19

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

11. EVENTS AFTER THE REVIEW PERIOD

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

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

Kojamo has assessed the impact of the COVID-19 pandemic on the Group's result, balance sheet and cash flows after the review period on 7 May 2020 and determined that the pandemic did not have a significant impact to these figures. Neither rent receivables nor credit losses haven't increased significantly. Kojamo follows the development of these figures actively.



KEY FIGURES, THE FORMULAS USED IN THEIR CALCULATION, AND RECONCILIATION CALCULATIONS IN ACCORDANCE WITH ESMA GUIDELINES

	Formula	1–3/2020	1–3/2019	2019
Total revenue, M€		95.7	91.5	375.3
Net rental income, M€	1	56.0	50.8	247.3
Net rental income margin, %	2	58.6	55.6	65.9
Profit before taxes, M€	3	51.7	38.9	1,031.3
EBITDA, M€	4	68.3	52.3	1,083.1
EBITDA margin, %	5	71.4	57.2	288.6
Adjusted EBITDA, M€	6	46.4	42.0	210.3
Adjusted EBITDA margin, %	7	48.5	45.9	56.0
FFO margin, %	9	30.7	28.8	37.5
FFO excluding non-recurring costs, M€	11	29.4	26.3	140.7
Investment properties, M€		6,344.2	5,201.8	6,260.8
Financial occupancy rate, %	19	96.9	96.9	97.2
Interest-bearing liabilities, M€	13	2,745.6	2,634.7	2,674.2
Return on equity, % (ROE)	14	5.4	5.5	30.3
Return on investment, % (ROI)	15	4.8	4.3	20.5
Equity ratio, %	16	45.3	40.7	46.9
Loan to Value (LTV), %	17	39.5	46.7	40.5
Earnings per share, €		0.17	0.13	3.34
Equity per share, €		12.30	9.32	12.51
Gross investments, M€	18	62.1	38.0	259.9
Number of personnel, end of period		300	299	296

Kojamo presents Alternative Performance Measures to illustrate the financial development of its business operations and improve comparability between reporting periods. The Alternative Performance Measures, i.e. performance measures that are not based on financial reporting standards, provide significant additional information for the management, investors, analysts and other parties. The Alternative Performance Measures should not be considered substitutes for IFRS performance measures.



Formulas used in the calculation of the key figures

Alternative Performance Measures (APM) based on ESMA guidelines

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

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

This figure reflects the ratio between net rental income and total revenue.

Net rental income - Administrative expenses + Other operating income - Other operating expenses +/- Profit/loss on sales of investment properties +/- Profit/loss on sales of trading properties +/- Profit/loss on fair value of investment properties - Depreciation, amortisation and impairment losses +/- Financial income and expenses +/- Share of result from associated companies
- 3) Profit before taxes = 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 fair value of investment properties - Depreciation, amortisation and impairment losses +/- Financial income and expenses +/- Share of result from associated companies

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

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

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

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

Adjusted EBITDA margin discloses adjusted EBITDA in relation to total revenue.



- 8) Funds From Operations (FFO) = Adjusted EBITDA - Adjusted net interest charges - Current tax expenses
- FFO measures cash flow before change in net working capital. The calculation of this APM takes into account financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes.
- 9) FFO margin, % = $\frac{\text{FFO}}{\text{Total revenue}} \times 100$
- FFO margin discloses FFO in relation to total revenue.
- 10) FFO per share = $\frac{\text{FFO}}{\text{Weighted average number of shares outstanding during the financial period}}$
- FFO per share illustrates FFO for an individual share.
- 11) FFO excluding non-recurring costs = FFO + non-recurring costs
- FFO measures cash flow before change in net working capital. The calculation of this APM takes into account financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes and non-recurring costs.
- 12) Adjusted Funds From Operations (AFFO) = FFO - Modernisation investments
- AFFO measures cash flow before change in net working capital, adjusted for modernisation investments. The calculation of this APM takes into account modernisation investments, financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes.
- 13) Interest-bearing liabilities = Non-current loans and borrowings + Current loans and borrowings
- Interest-bearing liabilities measures the Group's total debt.
- 14) Return on equity (ROE), % = $\frac{\text{Profit for the period (annualised)}}{\text{Total equity, average during the period}} \times 100$
- ROE measures the financial result in relation to equity. This APM illustrates Kojamo's ability to generate a return for the shareholders.
- 15) Return on investment (ROI), % = $\frac{(\text{Profit before taxes} + \text{Interests and other financial expenses}) (\text{annualised})}{(\text{Total assets} - \text{Non-interest-bearing liabilities}), \text{ average during the period}} \times 100$
- ROI measures the financial result in relation to invested capital. This APM illustrates Kojamo's ability to generate a return on the invested funds.



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

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

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

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

18) 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

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

**Reconciliation of key indicators**

M€	1–3/2020	1–3/2019	2019
Profit for the period	41.5	32.2	825.2
Depreciation, amortisation and impairment losses	0.3	0.3	1.1
Profit/loss on sales of investment properties	0.1	0.0	-0.1
Profit/loss on sales of trading properties			-0.2
Profit/loss on sales of other non-current assets		0.0	0.0
Profit/loss on fair value of investment properties	-22.0	-10.4	-872.4
Financial income	-0.5	-0.9	-2.6
Financial expenses	16.9	14.0	53.4
Share of result from associated companies	0.0	0.0	-0.2
Current tax expense	4.6	3.6	19.9
Change in deferred taxes	5.7	3.2	186.2
Adjusted EBITDA	46.4	42.0	210.3
Financial income and expenses	-16.3	-13.1	-50.8
Profit/loss on fair value of financial assets	3.9	1.0	1.1
Adjusted net interest charges	-12.4	-12.1	-49.7
Current tax expense	-4.6	-3.6	-19.9
FFO	29.4	26.3	140.7
FFO excluding non-recurring costs	29.4	26.3	140.7
Total equity	3,040.2	2,304.4	3,090.6
Assets total	6,717.7	5,661.9	6,590.4
Advances received	-6.6	-5.8	-6.7
Equity ratio, %	45.3	40.7	46.9