



**kojamo**



**2020**



Board of Directors' Report and Financial Statements



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# BOARD OF DIRECTORS' REPORTS

## Kojamo plc in brief

Kojamo plc offers rental apartments and housing services in Finnish growth centres. The company's vision is to be the property market frontrunner and the number one choice for its customers. In accordance with our mission, we create better urban housing, using a long-term approach, focusing on the best customer experience as well as competent, energetic personnel and sustainable development. The goal is to create more offering and new service solutions in rental housing in order to make it easier to acquire rental apartments and to live in them.

Kojamo's vision is to be the property market frontrunner and the number one choice for customers who value better urban housing. With our Lumo brand, we are transforming Finnish

rental housing and making it more attractive. We are promoting the competitiveness and well-being of urbanising Finland by facilitating work-related mobility.

We are investing heavily in digital services, the customer experience and our corporate culture. Our objective is to be a strongly performing housing investment company known for its excellent customer experience.

Delivering the best customer experience is a key strategic priority for us. That is why we are constantly developing new housing solutions and services. Our consumer brand, Lumo, is a housing solution that offers good rental housing and next-generation services in growth centres around Finland. Our non-commercial segment, VVO, offers homes whose rents are determined following the cost-price principle.

## Strategy

Kojamo's mission is to create better urban housing. The company's vision is to be the property market frontrunner and the number one choice for its customers. The company's strategic focus areas are: delivering the best customer experience; strong growth; operational excellence; responsibility and sustainable development; the most competent personnel and a dynamic place to work; and renewal through digital solutions.

The Group aims to invest heavily in increasing its housing supply by developing new properties, buying existing properties and converting existing properties, such as office buildings, to residential use. Urbanisation and migration to growth centres provides the Group with good growth opportunities in the Finnish rental housing market.

Kojamo makes it easier for people to migrate in pursuit of employment in urbanising Finland. Kojamo operates in the seven main urban regions of Finland, focusing on demand for rental apartments especially in the Helsinki region. Kojamo's share of the entire rental housing market in Finland is about four per cent.

Kojamo also focuses on providing an excellent customer experience. It is generated by a versatile range of housing solutions, easy and effortless service, and user-friendly online services. The Lumo brand and its new housing services lead the way in rental living.

Operating in an efficient and responsible manner and attending to corporate social responsibility are integral to the way Kojamo does business. Kojamo engages in meaningful work to provide high-quality housing. The company continuously develops its operations to ensure its competitiveness. Kojamo has the skills and enthusiasm to discover even better construction solutions, housing services, ecological innovations and ways to provide good customer experiences. The company's energetic company culture creates a solid foundation for its work.

The value of the customer experience is emphasised in Kojamo's corporate culture. The customer experience consists of Kojamo's code of conduct, professional skill, customer service attitude and the desire to solve the customer's problems in one go. The foundation of the corporate culture is created by Kojamo's energetic, forward-looking values: Happy to serve, Strive for success and Courage to change.

Kojamo's strategy period is in effect from 2020 to 2023. More information on Kojamo's strategic targets and their achievement is provided under *Progress of strategy implementation and targets*.



## Summary of performance in 2020

- 
- Total revenue increased by 2.3 per cent to EUR 383.9 (375.3) million.
- Net rental income increased by 4.2 per cent, totalling EUR 257.6 (247.3) million. Net rental income represented 67.1 (65.9) per cent of revenue.
- Profit before taxes was EUR 391.2 (1,031.3) million. The profit includes EUR 225.8 (872.4) million in net gain on the valuation of investment properties at fair value and EUR -0.7 (0.1) million in profits and losses from the sale of investment properties. During the comparison period, the Group adopted a yield-based valuation technique, which had a positive effect of approximately EUR 800 million on the fair value of investment properties in the comparison period. Earnings per share was EUR 1.27 (3.34).
- Funds From Operations (FFO) increased by 7.7 per cent and amounted to EUR 151.5 (140.7) million.
- The fair value of investment properties was EUR 6.9 (6.3) billion at the end of the financial year.
- The financial occupancy rate stood at 96.4 (97.2) per cent during the financial year.
- Gross investments totalled EUR 371.2 (259.9) million, representing 96.7 (69.2) per cent of total revenue.
- Equity per share was EUR 13.39 (12.51) and return on equity was 9.8 (30.3) per cent. Return on investment was 7.4 (20.5) per cent.
- EPRA NRV per share (net asset value) grew by 7.6 per cent and amounted to EUR 17.21 (16.00).
- At the end of the financial year, there were 2,624 (1,316) Lumo apartments under construction.
- The Board of Directors' dividend proposal is EUR 0.37 per share.

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

## Effects of the COVID-19 pandemic on Kojamo

Kojamo takes the coronavirus seriously and is committed to looking after the health and well-being of the Group's employees, customers and partners. Kojamo monitors the recommendations issued by the authorities and complies with them. The pandemic did not have a significant impact on the Group's profit, balance sheet or cash flow during the financial year. Kojamo's financial position and liquidity are good.

The Group's day-to-day operations have continued normally in spite of the exceptional circumstances. The pandemic has had

an impact on the housing market and the operating environment. The supply of rental apartments has increased temporarily in the market. Due to the restrictions on travel, apartments intended for short-term rentals were switched to long-term leases. Work-related immigration slowed down and students, for example, temporarily moved in with their parents, while foreign students returned to their home countries. Kojamo expects the impacts of the pandemic to be short-lived.





## Key figures

	2020	2019	Change%
Total revenue, M€	383.9	375.3	2.3
Net rental income, M€ *	257.6	247.3	4.2
Net rental income margin, % *	67.1	65.9	
Profit before taxes, M€ *	391.2	1,031.3	-62.1
EBITDA, M€ *	447.6	1,083.1	-58.7
EBITDA margin, % *	116.6	288.6	
Adjusted EBITDA, M€ *	222.6	210.3	5.8
Adjusted EBITDA margin, % *	58.0	56.0	
Funds From Operations (FFO), M€ *	151.5	140.7	7.7
FFO margin, % *	39.5	37.5	
FFO excluding non-recurring costs, M€ *	151.5	140.7	7.7
Investment properties, M€ <sup>1)</sup>	6,863.1	6,260.8	9.6
Financial occupancy rate, %	96.4	97.2	
Interest-bearing liabilities, M€ *	3,053.3	2,674.2	14.2
Return on equity (ROE), % *	9.8	30.3	
Return on investment (ROI), % *	7.4	20.5	
Equity ratio, % *	45.6	46.9	
Loan to Value (LTV), % * <sup>2)</sup>	41.4	40.5	
EPRA Net Reinstatement Value (NRV), M€	4,254.6	3,953.3	7.6
Gross investments, M€ *	371.2	259.9	42.9
Number of personnel, end of the period	317	296	
<b>Key figures per share, €</b>	<b>2020</b>	<b>2019</b>	<b>Change%</b>
FFO per share *	0.61	0.57	7.0
Earnings per share	1.27	3.34	-62.0
EPRA NRV per share	17.21	16.00	7.6
Equity per share	13.39	12.51	7.0
Dividend per share <sup>3)</sup>	0.37	0.34	8.8

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

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

<sup>2)</sup> Excluding non-current assets held for sale or liabilities related to non-current assets held for sale.

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



## Outlook for 2021

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

The outlook is based on the management's assessment of total revenue, net rental income, administrative expenses, financial expenses, taxes to be paid and new development to be completed, as well as the management's view on future developments in the operating environment.

The outlook takes into account the estimated occupancy rate and rises in rents as well as the number of apartments to be completed. The outlook does not take into account the impact of potential acquisitions on total revenue and FFO.

The outlook is also based on the estimate that sufficient vaccination coverage will be achieved in the summer and that migration will gradually recover to pre-pandemic levels thereafter. Migration sustains strong demand, which will increase Like-for-Like rental income. However, due to the impacts of the pandemic on the operating environment, the Group expects the development of Like-for-Like rental income to be moderate during the first half of the year.

The management can influence total revenue and FFO through the company's business operations. In contrast, the management has no influence over market trends, the regulatory environment or the competitive landscape.

## Operating environment

### General operating environment

As Kojamo operates in the residential real estate sector, the company is affected particularly by the situation in the residential property market and development in Finnish growth centres. The company is also affected by macroeconomic factors,

such as economic growth, employment, disposable income, inflation, regional population growth and household sizes.

### Operating environment key figures

%	2021E	2020E
GDP growth	2.5	-3.3
Unemployment	8.0	7.8
Inflation	1.0	0.3

Source: Ministry of Finance, Economic survey 12/2020

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

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

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





## Industry operating environment

### Industry key figures

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

\* Rolling 12 months, November 2020

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

November; Nordea Economic Outlook 1/2021

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

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

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

### Effects of urbanisation

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

<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 2019, Population forecast 2019

According to KTI Property Information, the growth of large cities has supported the demand for rental apartments, and the pandemic is not expected to lead to significant changes in this trend. The rental apartment market has been characterised by the growing share of small apartments in the supply, which has been supported by the decreasing average size of households as well as demand being concentrated in key locations. Another aspect of this trend is that people increasingly use the

shared urban space as an extension of their home. As a consequence of the COVID-19 pandemic, the use of public spaces is now seen in a new light and the significance of the home and outdoor areas has increased. Nevertheless, it appears that the crisis will not bring about major changes in the strong trend of urbanisation, and large cities still attract people.

Households living in rental homes outnumber those living in owner-occupied housing in Helsinki, Tampere and Turku. The



share of rental household-dwelling units has also increased in all of Finland's major urban areas. This is a strong sign of the acceleration of urbanisation on the one hand and the change in housing preferences on the other hand. For younger generations, owning a home is not as significant as it was for previous generations. Owning a home is also no longer seen as the

only way to accumulate wealth. Instead, people are increasingly attracted by the freedom provided by rental housing. This will support the development of the rental housing market for a long time to come.

## Business operations

Kojamo is the largest private residential real estate company in Finland measured by the fair value of investment properties. Kojamo offers rental apartments and housing services for residents primarily in Finnish growth centres. At the end of the financial year, Kojamo's property portfolio comprised 35,802 (35,272) rental apartments. The fair value of Kojamo's investment properties amounted to EUR 6.9 (6.3) billion at the end of the financial year. Investment properties include completed apartments as well as development projects and land areas.

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

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

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

## Total revenue

Kojamo's total revenue increased to EUR 383.9 (375.3) million. Total revenue is generated entirely by income from rental operations.

The increase in total revenue was mainly due to the completion of rental apartments in 2019 and during the financial year

as well as the Like-for-Like (LfL) growth of rental income. Like-for-Like growth is defined as the change of rental income for properties owned for two consecutive years in the past 12 months compared to the previous 12-month period.

## Result and profitability

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

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

excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 6.6 million.

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

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



## Balance sheet, cash flow and financing

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

\* Includes interest rate derivatives

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

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

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

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

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

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

## Real estate property and fair value

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

The value of investment properties includes EUR 2.4 (0.0) million in Investment properties held for sale.

<sup>1)</sup> Includes IFRS 16 Leases

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

Kojamo owned a total of 35,802 (35,272) rental apartments at the end of the financial year. Kojamo owned apartments in 29

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



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

The fair value of Kojamo's investment properties is determined quarterly on the basis of the company's own evaluation. An external expert gives a statement on the valuation of Kojamo's

investment properties. The latest valuation statement was issued on the situation as at 31 December 2020. The criteria for determining fair value are presented in the Notes to the Financial Statements.

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

## Rental housing

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

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

Kojamo responds to the trends of urbanisation, digitalisation and communality in accordance with its strategy, providing its customers with apartments with good locations and services that make daily life easier, increase the attractiveness of housing and improve the sense of community. Our aim is to maintain a networked service platform that will enable agile innovation implementation in cooperation with other operators. Kojamo's properties serve as a platform to which the new services can easily be connected.

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

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

### Rental housing key figures

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

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

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



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

Area	Number of apartments, units	Number of commercial premises and other leased premises, units	Fair value, M€	Fair value, € 1,000/unit	Fair value, €/m <sup>2</sup>	Financial occupancy rate, % <sup>3)</sup>
Helsinki region	21,047	380	4,628.8	216	3,860	96.3
Tampere region	4,934	144	642.5	127	2,461	97.7
Turku region	1,904	20	231.2	120	2,105	97.8
Oulu	2,220	27	194.3	86	1,649	96.8
Jyväskylä	1,771	3	185.1	104	1,986	93.6
Kuopio region	1,674	52	164.6	95	1,793	94.8
Lahti region	1,436	12	153.3	106	1,901	96.4
Other	816	24	75.6	90	1,590	97.3
<b>Total</b>	<b>35,802</b>	<b>662</b>	<b>6,275.3</b> <sup>1)</sup>	<b>172</b>	<b>3,136</b>	<b>96.4</b>
Other			587.8 <sup>2)</sup>			
<b>Total portfolio</b>	<b>35,802</b>	<b>662</b>	<b>6,863.1</b>			

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

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

\* Not including IFRS 16 Leases

### Number of apartments

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



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

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

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

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

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

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

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

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

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

## Binding acquisition agreements for new development

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

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

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

\* The management's estimate of the fair value and building rights of the plots





## Binding preliminary agreements and provisions for plots and real estate development

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

<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

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

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

### Digital roadmap

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

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

## Shares and shareholders

### Issued shares and share capital

Kojamo's share capital on 31 December 2020 was EUR 58,025,136 and the number of shares at the end of the financial year was 247,144,399.

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

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



## Information on the share and share capital \*

	2020	2019	2018
Share capital at the end of the financial year, €	58,025,136	58,025,136	58,025,136
Number of outstanding shares at the end of the financial year	247,144,399	247,144,399	247,144,399
Weighted average number of outstanding shares	247,144,399	247,144,399	239,158,833
Weighted average number of outstanding shares, diluted	247,144,399	247,144,399	239,158,833

\* The comparison figures for shares have been adjusted to reflect the impact of the decision by the Extraordinary General Meeting of Shareholders on 25 May 2018 regarding the share split. In the share split, the shareholders received 30 new shares per each existing share.

## Trading in the company's share

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.

The information presented below regarding the share price and trading in 2018 are for the period 15 June–31 December 2018.

## Share price and trading

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

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

In addition to the Nasdaq Helsinki stock exchange, Kojamo shares were traded on other marketplaces, such as Cboe BXE, Cboe APA and Posit. From 1 January to 31 December 2020, approximately 300 million (more than 60 million) Kojamo shares were traded on alternative marketplaces, corresponding to approximately 40 per cent (more than 50 per cent) of the total trading volume (Source: 2020, Reuters; 2019, Fidessa).

## Own shares

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

## Dividend

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

## Shareholders

At the end of the review period, the number of registered shareholders was 9,076, including nominee-registered shareholders. The proportion of nominee-registered and direct foreign shareholders was 41.5 per cent of the company's shares at the end of the financial year. The 10 largest shareholders owned in aggregate 49.5 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 (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.

The Board has not use authorisations.

## Flagging notifications

### Flagging notification 24 September 2020

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

### Flagging notification 10 September 2020

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

### Flagging notification 10 September 2020

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

transaction, Varma Mutual Pension Insurance Company's holdings in Kojamo plc amounted to 19,362,375 shares, corresponding to 7.83 per cent of Kojamo plc's shares and votes.

### Flagging notification 24 August 2020

On 24 August 2020, Kojamo received a notification pursuant to Chapter 9, Section 5 of the Securities Market Act from the Trade Union for the Public and Welfare Sectors JHL. According to the notification, Trade Union for the Public and Welfare Sectors JHL's holdings of Kojamo plc's shares and votes fell below the threshold of 5 per cent on 21 August 2020. Following the transaction, Trade Union for the Public and Welfare Sectors JHL's holdings in Kojamo plc amounted to 12,300,000 shares, corresponding to 4.9768 per cent of Kojamo plc's shares and votes.

### Flagging notification 24 February 2020

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

## Managers' transactions and shareholdings

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

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

## Shareholdings

There are a total of 9,076 shareholders in Kojamo plc, the ten largest shareholders being (share register as at 31 December 2020):



## 10 largest shareholders as at 31 December 2020

Shareholder	No. of shares	Holding, %
The Finnish Industrial Union	24,809,561	10.04
Ilmarinen Mutual Pension Insurance Company	20,537,814	8.31
Varma Mutual Pension Insurance Company	19,362,375	7.83
Trade Union of Education in Finland	15,081,498	6.10
Trade Union for the Public and Welfare Sectors	11,900,000	4.81
Finnish Construction Trade Union	9,866,210	3.99
Trade Union PRO	8,104,150	3.28
Service Union United PAM	7,400,000	2.99
Elo Mutual Pension Insurance Company	2,981,113	1.21
The Åbo Akademi University Foundation	2,198,763	0.89
Other	124,902,915	50.54
<b>Total</b>	<b>247,144,399</b>	<b>100.00</b>

## Breakdown of share ownership

Shares	No. of owners	%	No. of shares	% of shares
1–100	5,227	57.59	213,628	0.09
101–500	2,693	29.67	694,466	0.28
501–1,000	539	5.94	421,890	0.17
1,001–5,000	437	4.82	956,410	0.39
5,001–10,000	47	0.52	329,584	0.13
10,001–50,000	57	0.63	1,346,635	0.55
50,001–100,000	20	0.22	1,472,071	0.60
100,001–500,000	26	0.29	5,503,001	2.23
500,001–	30	0.33	236,206,714	95.57
<b>Total</b>	<b>9,076</b>	<b>100.00</b>	<b>247,144,399</b>	<b>100.00</b>

## Ownership structure

Shareholders	No. of shares	% of shares
Public sector	45,136,464	18.26
Financial and insurance corporations	105,515,188	42.69
Households	2,505,725	1.01
Non-financial corporations	2,712,357	1.10
Non-profit institutions	88,390,443	35.77
Other countries	2,884,222	1.17
<b>Total</b>	<b>247,144,399</b>	<b>100.00</b>
Nominee-registered	101,281,261	40.98

## 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 is-

sues 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, Minna Metsälä, Heli Puura and Reima Rytsölä. The company's auditor is KPMG Oy Ab, with Authorised Public Accountant Esa Kailiala as the auditor with principal responsibility.

## Board committees

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

## Nomination Board

A stock exchange release was issued on 4 September 2020 announcing the composition of Kojamo plc's Nomination Board. Kojamo's three largest shareholders nominated the following members to the Shareholders' Nomination Board: Jouko Pölönen, CEO, Ilmarinen Mutual Pension Insurance Company; Risto Murto, CEO, Varma Mutual Pension Insurance Company; and Riku Aalto, President, Finnish Industrial Union (Chairman of the Nomination Board). In addition, the Chairman of Kojamo's Board of Directors serves as an expert member of the Nomination Board.

The Shareholders' Nomination Board is a body established by the Annual General Meeting consisting of shareholders, with the task of annually preparing and presenting proposals for the

## Personnel

At the end of 2020, Kojamo had a total of 317 (296) employees, of who 282 (267) were on permanent contracts and 35 (29) were on temporary contracts. The average number of personnel during the year was 315 (305). The average length of service was 9.3 (9.9) years. Personnel turnover in 2020 was 9.8 (14.6) per cent. The company hired nearly 50 summer employees in 2020.

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

## Annual performance bonus and incentive system

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

Kojamo also has a long-term share-based incentive plan for the Group's key personnel. The reward is based on reaching

## Statement of non-financial information

Kojamo plc offers rental apartments and housing services in Finnish growth centres. The company's vision is to be the property market frontrunner and the number one choice for its customers. In accordance with our mission, we create better urban housing, using a long-term approach, focusing on the

General Meeting concerning the number, composition and Chairman of the Board of Directors, remuneration of the Board of Directors and remuneration of the members of the Board Committees.

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

## CEO

Jani Nieminen, M.Sc. (Tech.), MBA was the CEO during the review period. The CEO's deputy was CFO Erik Hjelt, Licentiate in Laws, eMBA.

## Management Team

At the end of the review period, the members of the Management Team were Jani Nieminen, CEO; Erik Hjelt, CFO; Irene Kantor, Marketing and Communications Director; Tiina Kuusisto, Chief Customer Officer; Katri Harra-Salonen, Chief Digital Officer; and Ville Raitio, Chief Investment Officer.

## 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).

the targets set for Kojamo's key business criteria in relation to the Group's strategic goals. Three performance periods were ongoing at the end of the financial year: 2018–2020, 2019–2021, 2020–2022.

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

If the three ongoing earning periods were accrued in full, the maximum bonus would be a sum corresponding to 312,345 Kojamo shares, of which 50 per cent would be paid in Kojamo shares and 50 per cent in cash. More information on the long-term incentive plan is provided in Kojamo's Remuneration Report for 2020 and Kojamo's website.

best customer experience as well as competent, energetic personnel and sustainable development. Our goal is to create more offering and new service solutions in rental housing.





## Sustainability reporting

The statement of non-financial information describes Kojamo's key operating principles and the results related to the most material sustainability perspectives. The sustainability themes we report on are based on our sustainability programme and materiality analysis of sustainability. The report covers the following areas:

- Sustainability reporting
- Key principles of sustainability management
- Materiality analysis of sustainability and the sustainability programme
- A builder of sustainable cities
- The best customer experience
- The most competent personnel and a dynamic place to work
- A responsible corporate citizen.

The statement also describes the management of data protection and information security at Kojamo as well as the key risks and their management.

We will engage in transparent and multichannel annual communications on our sustainability. We aim for high-quality and comprehensive sustainability reporting. In addition to this statement of non-financial information, we will publish a Sustainability Report as part of the 2020 Annual Report to describe our sustainability efforts and their results in more detail. Our report on the year 2020 is based on the Global Reporting Initiative (GRI) framework and the European Public Real Estate Association's Sustainability Best Practices Recommendations (EPRA sBPR, 3rd edition).

## Recognition for Kojamo's reporting

EPRA assesses the financial statements and sustainability reports of European listed property companies yearly and grants awards to the best companies. EPRA recognised our financial statements for 2019 with a gold award for the second consecutive year and our sustainability report for 2019 with a silver award. We also received a Most Improved award for the development of our sustainability reporting.

In 2020, we participated in the Global Real Estate Sustainability Benchmark (GRESB) survey for the first time. We received a good result of 70 points out of 100 from our first GRESB Sustainability Assessment. The score was above the average score of our benchmark group (Northern Europe, Residential, Multi-family) and saw us place 4th in our category. We earned a Green Star designation and three stars out of five. We also participated in the separate GRESB Public Disclosure assessment, which measures the transparency and scope of public disclosures on sustainability. In this assessment, we achieved the highest possible score (A) and ranked first in our benchmark group (Northern Europe Residential).

## Key principles of sustainability management

Pursuing corporate responsibility is integral to Kojamo's operations and corporate culture. Responsibility and sustainable development are among Kojamo's strategic focus areas. As such, they are managed as part of the Group's day-to-day business. Kojamo focuses especially on responsibility towards its customers, its obligations as a contractor as well as clear communication to its shareholders about the Group's corporate and social responsibility processes. Kojamo acts transparently and responsibly and also requires the same from its partners.

Our operations are guided by our values, operating principles and sustainability programme. Our operating principles include our Corporate Governance practices, Code of Conduct, Personnel and Data Security Policy, Supplier Code of Conduct and Fair Rental Practice. For the purpose of monitoring the effectiveness of the governance and control system, Kojamo has a whistleblowing procedure for employees and external stakeholders. The reports may concern, for example, violations or suspected violations of the rules and regulations pertaining to the financial market (actual or attempted insider dealing or market manipulation) or actual or suspected violations of Corporate Governance principles or Kojamo's Code of Conduct. More information on our governance practices is published in Kojamo's Corporate Governance Statement and Remuneration Report.

We have defined the following sustainability management practices:

- The Board of Directors is responsible for strategic policies and decisions concerning sustainability.
- The CEO is responsible for the implementation of the Board of Directors' decisions. With the assistance of the Management Team, the CEO monitors the realisation of sustainability in accordance with the Board's decisions and as part of the Group's business operations.
- At the Management Team level, the Chief Investment Officer is in charge of sustainability.
- The Corporate Responsibility and Sustainability Manager is responsible for Kojamo's sustainability efforts and their development, sustainability reporting and supporting the Group's business units as an expert on sustainability issues. The Corporate Responsibility and Sustainability Manager reports to the Chief Investment Officer.
- The members of the Management Team are in charge of actions related to their respective areas of responsibility with regard to the implementation of the sustainability programme. Our sustainability targets are integral elements of the objectives of our businesses.
- Kojamo's sustainability steering group works on the development of sustainability across organisational boundaries. The steering group consists of key personnel representing functions that are central to Kojamo's sustainability efforts. The Chairman of the steering group is the Chief Investment Officer and its work is coordinated by the Corporate Responsibility and Sustainability Manager.





## Materiality analysis

We conducted Kojamo's first materiality analysis of sustainability in May–June 2020 as part of the development of our sustainability programme. In the materiality analysis, we defined the material aspects of sustainability for ourselves and our stakeholders to ensure that our sustainability efforts are focused on the sustainability themes that are the most material with regard to our strategy, business operations and stakeholders. The views of our stakeholders played a key role in identifying the material sustainability themes in our operations. We conducted a stakeholder survey to invite our stakeholders to anonymously assess the significance of various sustainability themes for Kojamo from their perspective.

The materiality analysis was conducted in accordance with the requirements of the Global Reporting Initiative (GRI) standards and the EPRA (European Public Real Estate Association) sustainability best practices recommendations. In accordance with the GRI standards, the materiality of the sustainability aspects was assessed based on the extent of the Group's impact on the economy, environment and society for each aspect as well as the significance of each aspect to the Group's stakeholders.

As a result of the materiality analysis, the key sustainability aspects were grouped into a materiality matrix of sustainability based on their significance. The material aspects were compiled into Kojamo's significant sustainability themes, which form the focus areas of our sustainability programme.

The Management Team approved the results of the materiality analysis and the related materiality matrix in June 2020. The material aspects of sustainability apply to Kojamo as a whole and they form the foundation for our sustainability programme. Going forward, we will assess whether the materiality analysis is up-to-date regularly and whenever there are significant changes in our business.

## Sustainability programme

We published our sustainability programme, which supports the implementation of our mission and strategy, in December 2020. The sustainability programme helps us create added value in our business, enhance our risk management by increasingly integrating sustainability perspectives into our operations and strengthen stakeholder engagement. The sustainability programme covers our activities in the areas of environ-

mental responsibility, social responsibility and economic responsibility. 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.

Our sustainability programme is divided into four focus areas and the cornerstones of our sustainability. The focus areas of our sustainability programme are:

- a builder of sustainable cities
- delivering the best customer experience
- the most competent personnel and a dynamic place to work, and
- a responsible corporate citizen

The cornerstones of our sustainability programme are:

- ensuring long-term profitability and growth
- sustainable and responsible business
- transparent sustainability communications and reporting

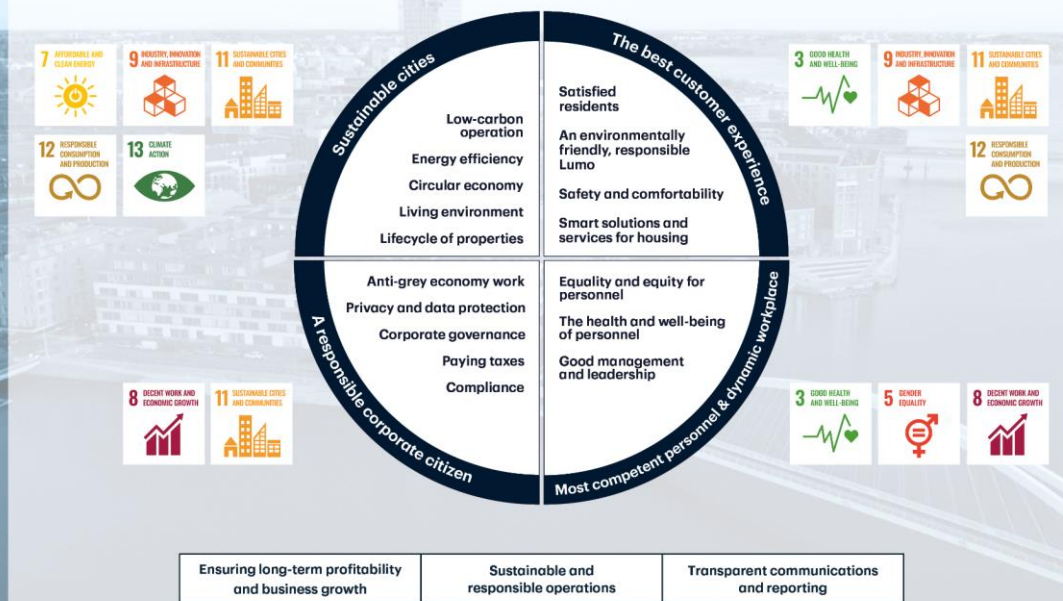
In our sustainability programme, we commit to the UN Sustainable Development Goals and carbon-neutral energy consumption throughout our property portfolio by 2030. As part of our goal of becoming carbon-neutral with regard to energy consumption, we have joined the Net Zero Carbon Buildings Commitment of the World Green Building Council. In addition, we have made a commitment to the voluntary energy efficiency agreement of the Finnish real estate sector for the third consecutive term of the initiative. Our target for the current term of the agreement, 2017–2025, is to increase the efficiency of our energy consumption by 7.5%, using 2016 as the baseline.

As regards the UN Sustainable Development Goals, we are committed to eight SDGs that we have identified as areas we can influence the most through our business operations. The focus areas of our sustainability programme and their links to the UN Sustainable Development Goals are described below.



## STRATEGIC FOCAL POINT 2020–2023: RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

### We create better urban housing



The key policies, principles, commitments and programmes related to the sustainability programme are described below.

Also described are the practices used to assess the effectiveness of the management approach:

	A builder of sustainable cities	Delivering the best customer experience	The most competent personnel and a dynamic place to work	A responsible corporate citizen	Cornerstones of sustainability
<b>Key policies, principles, commitments and programmes</b>	<ul style="list-style-type: none"> <li>Kojamo's strategy</li> <li>Kojamo's values</li> <li>Code of Conduct</li> <li>UN Sustainable Development Goals</li> <li>Net Zero Carbon Buildings commitment</li> <li>Voluntary energy efficiency agreement of the Finnish real estate sector 2017–2025</li> <li>City of Helsinki Climate Partnership</li> <li>WWF Green Office</li> <li>Due diligence</li> <li>Investment decisions</li> </ul>	<ul style="list-style-type: none"> <li>Kojamo's strategy</li> <li>Kojamo's values</li> <li>Code of Conduct</li> <li>UN Sustainable Development Goals</li> <li>Through the Customer's Eyes programme</li> </ul>	<ul style="list-style-type: none"> <li>Kojamo's strategy</li> <li>Kojamo's values</li> <li>Code of Conduct</li> <li>UN Sustainable Development Goals</li> <li>A responsible employer</li> <li>Responsible Summer Job campaign</li> <li>Personnel policy</li> <li>Equality and non-discrimination plan</li> <li>Collective bargaining agreements</li> </ul>	<ul style="list-style-type: none"> <li>Kojamo's strategy</li> <li>Kojamo's values</li> <li>Code of Conduct</li> <li>Supplier Code of Conduct</li> <li>UN Sustainable Development Goals</li> <li>Corporate Governance Code</li> <li>Whistleblowing procedure</li> <li>Vastuu Group Oy's Reliable Partner service</li> <li>Data security policy</li> <li>Risk management</li> <li>Lumo sponsorship and grant programme</li> </ul>	<ul style="list-style-type: none"> <li>Kojamo's strategy</li> <li>Kojamo's values</li> <li>Code of Conduct</li> <li>Supplier Code of Conduct</li> <li>UN Sustainable Development Goals</li> <li>GRI Standards</li> <li>Global Real Estate Sustainability Benchmark (GRESB)</li> <li>EPRA Sustainability Best Practices Recommendations Guidelines</li> </ul>
<b>Assessing the effectiveness of the management approach</b>	<ul style="list-style-type: none"> <li>Whistleblowing procedure</li> <li>Property and Building Sector Energy Efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Whistleblowing procedure</li> <li>Resident satisfaction surveys</li> <li>NPS</li> </ul>	<ul style="list-style-type: none"> <li>Whistleblowing procedure</li> <li>Overall result of the personnel survey</li> </ul>	<ul style="list-style-type: none"> <li>Internal auditing</li> <li>Vastuu Group Oy's Reliable Partner service</li> <li>Whistleblowing procedure</li> </ul>	<ul style="list-style-type: none"> <li>Internal auditing</li> <li>Vastuu Group Oy's Reliable Partner service</li> <li>Whistleblowing procedure</li> </ul>



	<p>Agreement steering group and reporting</p> <ul style="list-style-type: none"> <li>Operating in accordance with the Net Zero Carbon Buildings commitment</li> <li>WWF Green Office audits</li> <li>Management Team and steering groups</li> </ul>	<ul style="list-style-type: none"> <li>Management Team and steering groups</li> </ul>	<ul style="list-style-type: none"> <li>Personnel satisfaction index</li> <li>Management Team and steering groups</li> </ul>	<ul style="list-style-type: none"> <li>Tax footprint</li> <li>Management Team and steering groups</li> <li>Partner evaluation practices</li> </ul>	<ul style="list-style-type: none"> <li>Management Team and steering groups</li> </ul>
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## A builder of sustainable cities

We are committed to developing new and modern construction solutions, housing services and eco-friendly innovations by which we build sustainable cities and improve the energy efficiency of our housing stock. We invest in growth centres, in locations with good public transport connections and services. We want to create better urban housing and urban environments that are comfortable, safe and in line with the principles of sustainable development. Increasing the supply of rental apartments in growth centres supports the vitality and economic activity of cities, thereby supporting well-being throughout society.

## The key targets of our new sustainability programme

Kojamo's most significant environmental impact arises from the energy consumption of our properties and the resulting carbon dioxide emissions. Our principle is to consume energy as sensibly and efficiently as possible, without compromising on the quality of housing and the conditions our residents live in.

We have set carbon-neutral energy consumption for our entire property portfolio by 2030 as our primary target. As part of this target, we have joined the Net Zero Carbon Buildings Commitment of the World Green Building Council.

We have made a commitment to the voluntary energy efficiency agreement of the Finnish real estate sector for the third consecutive term of the initiative. For the current term, our target is to reduce energy consumption by 7.5 per cent by 2025, using 2016 as the baseline (VAETS II).

- We will reduce energy consumption by -3% annually, as measured by the heat index.
- Starting from 2021, all of our own new property development projects will be implemented with a target E figure of ≤80.
- All of our renovation projects will achieve a relative improvement in energy efficiency of at least 30%.
- We use carbon-neutral property electricity throughout our property portfolio. We will increase the share of renewable district heating in our property portfolio.
- Starting from 2020, we will calculate the life cycle carbon footprint for selected new property development projects.
- We will reduce water consumption by 5% by 2030, using 2019 as the baseline.

- We will control and optimise the indoor temperatures of our property portfolio using AI solutions, based on actual temperatures and weather forecasts.
- We will improve the waste recycling rate to 55% by the end of 2023.
- In both new property development and renovation, we aim to achieve a waste sorting and recycling rate above 70% by the end of 2023.
- All of our offices are WWF Green Office certified.

### Results in 2020

A total of 532 (816) new Lumo homes were completed in 2020. A further 2,624 (1,316) apartments were under construction at the end of the year.

All of our newly constructed properties are situated in growth centres, in locations with good transport links.

The heating energy consumption index (kWh/m<sup>3</sup>) of our property portfolio decreased by -3.4 (-1.7)%. The relative consumption of property electricity decreased by -6.5 (-0.0)%. Specific water consumption (l/m<sup>3</sup> building volume) increased by 6.4 (-1.2)%.

The carbon footprint of our property portfolio was 50 881 (53 896) kg CO<sub>2</sub>e in 2020, a decrease of -5.6% compared to the previous year.

The waste recycling rate of our property portfolio was 37 (35)%.

84% of all of the apartments, completed since 2016 using our own plot reserve and 100% of the apartments under construction at the end of 2020 using our own plot reserve are built according to near-zero energy principles.

The indoor temperatures of approximately 29,000 Kojamo apartments are controlled by means of an artificial intelligence solution.

100% of our housing stock uses property electricity produced from renewable zero-emission energy sources.

District heating produced from renewable zero-emission energy sources is used at 80 of our properties.

All Kojamo offices are WWF Green Office certified.



## Delivering the best customer experience

We want to provide our customers with the best customer experience in housing. We want to create safe and comfortable homes that give our customers a strong sense of community, sustainable housing and services that make life easier. Cooperation with our residents plays a key role in creating better urban housing.

### The key targets of our new sustainability programme

Our main objectives are satisfied residents and increasing our Net Promoter Score (NPS). We measure customer satisfaction by taking Net Promoter Score (NPS) measurements at different stages of the customer path. Our target is an NPS of 40. We also aim to make the Lumo webstore the easiest way to rent a home. A further goal is that the Lumo services create added value in housing.

- By the end of 2023, 90% of our households will use the My Lumo service.
- By the end of 2025, all of our properties will have energy-efficient lighting that increases safety.
- We will enhance waste sorting by our residents and reduce the volume of mixed waste from one year to the next. By 2025, at least 80% of Lumo homes will have a sorting solution that supports four waste fractions.
- By the end of 2025, at least 70% of the home appliances in our properties will have a high energy efficiency rating.
- By the end of 2025, the opportunity to use a shared vehicle will be offered at all of our properties.
- We will continue to implement our Through the Customer's Eyes operating model.
- We will ensure that the indoor environmental conditions of our apartments are healthy.
- We will promote a strong sense of community in housing through our active Lumo teams.
- We will introduce more services that promote sustainable housing and our residents' well-being.

### Results in 2020

At the end of 2020, Kojamo's Net Promoter Score was at a good level at 36 (34).

Developed in 2019, the Through the Customer's Eyes operating model became an established practice during 2020.

Nearly 500 Lumo teams made up of active residents have already been established.

Approximately 21,000 tenancy agreements have already been signed via the Lumo webstore. 75% of our residents use the My Lumo mobile application. The My Lumo mobile application has approximately 1,300 daily users. Our digital NPS is 63.

More than 2,700 residents responded to our stakeholder survey on sustainability in 2020.

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

Our corporate culture ensures the effective implementation of the company's strategy and objectives, and our goal is to develop our corporate culture in accordance with our strategy. Our corporate culture is based on Kojamo's shared values: Happy to serve, Strive for success and Courage to change.

We are known for our dynamic and productive corporate culture and sustainability is part of our DNA.

We ensure our future competitiveness through competence development and provide an employee experience that attracts the best talent.

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

We take a comprehensive approach to our HR activities and consider sustainability at every stage of the employment life-cycle. We also promote equality and non-discrimination in our operations. Our operations are based on our Code of Conduct and Kojamo's personnel policy. Our operations are also guided by Kojamo's personnel and training plan, remuneration policy, equality and non-discrimination plan, substance abuse programme, action plan for work ability management, occupational healthcare action plan, "safe at work" orientation materials and customer service safety plan. Transparent operating models, fairness and sustainable solutions are at the core of responsible human resource management. We take good care of our personnel as a whole and our employees as individuals.

Kojamo applies a local organisation-specific collective bargaining agreement, which covers 100% of our employees. Kojamo's collective bargaining agreement was signed by Trade Union Pro and Kojamo. Kojamo is a member of Service Sector Employers Palta, which is part of the Confederation of Finnish Industries EK. The collective bargaining agreement is available to all employees on Kojamo's intranet.





We recognise our employees' freedom of unionisation and assembly, which is included in our personnel policy and the collective bargaining agreement.

## Key targets

We aim for a high level of personnel satisfaction.

- The perception of our personnel is that our management and supervisory work is of a high standard.
- We take a development-driven approach to management and encourage our personnel to emphasise renewal and learning
- We manage our corporate culture towards our set targets in accordance with our strategy
- We participate in the Responsible Summer Job campaign with the aim of achieving a high level of employee satisfaction among summer workers.
- Our target is to reduce the sickness-related absence rate of our personnel to <3% by 2023
- Our target is zero accidents.
- We continuously invest in the well-being of our employees and provide our employees with benefits related to well-being
- We have a zero tolerance policy for harassment and inappropriate conduct.
- We promote the equal treatment of our personnel throughout the employment relationship, starting from recruitment.
- We promote wage equality amongst our personnel.
- We will be the most attractive and highly-valued employer in our industry.

## Results in 2020

Women represent 61 (63)% of our personnel as a whole and 46 (54)% of supervisors.

Employee turnover 9.8 (14.6)%.

Sickness-related absence rate of personnel 3.1 (3.6)%.

Coverage of performance appraisals 100 (100)%.

The restrictions imposed in response to the COVID-19 pandemic made 2020 an exceptional year. Kojamo switched to remote work in March when the Finnish Government applied the Emergency Powers Act. According to our remote work survey, 86% of our personnel were satisfied or very satisfied with remote work, and 91% felt that their remote work performance was equal to, or better than, their work performance at the office.

We continued to develop our corporate culture under the Kojamo's Culture Compass project, which aimed to evaluate the current state of our culture through small group discussions and workshops and to clarify our shared objective.

More than 100 Kojamo employees participated in small group discussions and virtual workshops as part of the Culture Compass project.

We employed 50 summer workers.

## Responsible corporate citizenship

Our business has several direct and indirect impacts on our society. We operate responsibly and transparently in order to create better urban housing and develop our shareholder value in accordance with our strategy.

In 2020, we updated our Code of Conduct for our employees and published a new Supplier Code of Conduct for our cooperation partners.

The Code of Conduct for our personnel is a set of guidelines documenting the principles by which we interact with our stakeholders, society and the environment. Everyone at Kojamo is required to be familiar with the Code of Conduct and to work responsibly and transparently in compliance with it. The updated Code of Conduct is an important component of our sustainability programme.

The Code of Conduct includes our 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.



We also require a high standard of responsibility from all of our partners. Sustainability issues are an important aspect of our practices related to the selection and evaluation of partners. The sustainability of our procurement is guided by our Supplier Code of Conduct, which is incorporated into all of our new partnership agreements.

Long-term partnerships promote the realisation of responsible operating methods. We treat our partners equally and ensure that no supplier's business is excessively dependent on Kojamo's purchases or the operations of any other single company.

We comply with the obligations of the Contractor's Obligations Act in our procurement activities, and any party in our procurement chain or in a permanent business relationship with us must also commit to compliance with the Act as well as our Supplier Code of Conduct. We require all parties in the procurement chain that are involved in renovation, new construction and property maintenance to be members of the tilaaja-vastuu.fi register, fulfil their statutory obligations and commit to operating in accordance with the principles of sustainable development. We do not condone the use of illegal labour in our procurement chain. On our website, we have published a Supplier Code of Conduct that guides Kojamo's procurement activities.

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

Our Lumo apartments serve as an innovation and service platform that our partners and residents can use for the co-creation and piloting of housing-related services.

Our business has several direct and indirect impacts on our society. Kojamo is a significant taxpayer that pays all of its taxes to Finland.

Our employment effect extends beyond our own operations to construction, renovation, property maintenance and cleaning partnerships, among other things. We ensure our future operating conditions by managing the risks associated with our co-operation network, looking after the condition of our apartments, maintaining good tenancy relationships and developing innovative new services.

The Lumo sponsorship and grant programme supports top Finnish athletes as well as individual and team sports for young people. Launched in 2012, the programme promotes wellbeing through physical activity by awarding grants and sponsorship support to young, promising athletes.

## Key targets

- The sustainability of our business is based on our Code of Conduct. 90% of our employees have completed training on our Code of Conduct.
- The sustainability of our procurement is guided by our Supplier Code of Conduct, which is incorporated into all of our new partnership agreements.

- We have a zero tolerance policy concerning the grey economy.
- All of our partners and supply chain participants are registered with the Reliable Partner service maintained by Vastuu Group Oy in accordance with the Contractor's Obligations Act.
- We report our tax footprint transparently. We are a significant taxpayer and we pay all of our taxes to Finland.
- We are a significant employer. Our employment effect extends beyond our own operations to construction, renovation, property maintenance and cleaning partnerships.
- At our construction sites, we monitor the TR figure as an indicator of working conditions in order to maintain a high level of occupational safety. Our target is TR >90.
- We have a zero tolerance policy concerning data protection violations.
- We take a customer-driven and GDPR-compliant approach to all of our operations. We do everything we can to ensure the data protection of our customers.
- The Lumo sponsorship and grant programme annually supports top Finnish athletes as well as individual and team sports for young people.

## Results in 2020

Gross investments amounted to EUR 371.2 (259.9) million, while modernisation investments and repair costs totalled EUR 62.9 (67.6) million.

We revised our Code of Conduct for employees. We published a Supplier Code of Conduct. We specified our instructions concerning our whistleblowing procedure.

Reports submitted via the whistleblowing procedure: 0 (0). Our TR index was 93.7% (94.3).

Our indirect employment effect was 7,066 (4,951) person-years.

Kojamo's tax footprint was EUR 101 (90) million.

All of our partners and supply chain participants are registered with the Reliable Partner service maintained by Vastuu Group Oy.

The Lumo sponsorship and grant programme entered its ninth year. We awarded a total of 150 Lumo grants.





## Data protection and information security

Kojamo collects personal data from various sources. The data subjects include private customers, corporate customers, partners, stakeholders, supplies, employees and job applicants. On the internet, cookies and other online analytics can be used to collect data on website visitors. Personal data also changes and increases during a customer relationship, for example, or when the existing data is used and refined for the purpose of service customisation, for instance. We also ensure that the data is current and accurate by updating data using official sources and checking credit information from credit information registers.

Ensuring a high level of information security and data protection is of vital importance in all of Kojamo's operations. The risks associated with new products, services and systems are assessed before their implementation. Personal data is processed carefully, in accordance with the relevant legislative requirements and in compliance with good data processing practices. Kojamo has also taken steps to prepare for exceptional circumstances such as potential breaches of information security. Effective data protection is important not only to fulfil legislative requirements but also to maintain a reliable reputation and a good customer experience. Kojamo complies with the provisions of the General Data Protection Regulation in all operations.

Our most significant ongoing project is related to establishing data protection operating models and a culture of data protection at Kojamo. The primary aim of the project is to clarify the processes related to the processing of personal data and to identify and prevent related risks. In 2020, we conducted a number of data protection and data security assessments concerning Kojamo's processes, projects and alterations. In early 2020, we launched mandatory data protection training and a test for all Kojamo employees that enables us to better monitor the data protection competencies of our personnel and produce customised training content for different target groups. During the year, we received one request for clarification from the supervisory authority concerning a complaint filed in 2018 regarding the electric lock system used at one of our properties.

### Key targets

The digital transformation has made information an increasingly valuable asset. Kojamo takes a particularly careful and responsible approach to managing this asset. To deliver the

best customer experience, we are always looking for new ways to refine and use data. By knowing our customers we can respond to their needs by creating services that strengthen our position in the market. At the same time, we have an absolute obligation to look after the quality of customer data, its appropriate and responsible processing and data protection. As the operating environment becomes increasingly digital, regulation becomes more complex and stricter supervision is introduced, the importance of managing compliance risks and reputation risks is emphasised in all operations.

We have a zero tolerance policy concerning data protection violations.

### Results in 2020

We conducted a number of data protection and data security assessments concerning processes, projects and alterations.

We implemented data protection training that is mandatory for all employees.

No actual or suspected data protection violations or serious information security deviations were observed at Kojamo during the year.

## Kojamo's most significant strategic risks and their management

Kojamo's risk management policy is based on the company's risk management policy and treasury policy, corporate governance and Code of Conduct as well as the risk assessment carried out in connection with the strategy and annual planning process. The risk assessment identifies the most significant risks and defines means to manage them. The risk assessment is updated regularly. The company's risk management is described in more detail in the Corporate Governance Statement.

Kojamo's most significant strategic risks and their primary risk management methods are described below.

RISK	CAUSES OF THE RISK	RISK MANAGEMENT METHODS (the information is not exhaustive)
<b>Operating environment risks</b>		
General operating environment	The risk of the company's operating conditions deteriorating due to a decline in the general economic climate or the slowing down of the trend of urbanisation.	<ul style="list-style-type: none"> <li>Monitoring and analysing the operating environment</li> <li>Regular risk assessments</li> <li>Adapting operations to changes in the operating environment</li> <li>Diversification of investments</li> <li>Strong balance sheet structure</li> </ul>



Legislation and other regulation	The risk of new regulations affecting the company's operating conditions and profitability.	<ul style="list-style-type: none"> <li>• Monitoring legislative processes</li> <li>• Organisations' working groups, e.g. the Finnish Association of Building Owners and Construction Clients (RAKLI)</li> <li>• Active dialogue with legislators</li> <li>• Preparing for and anticipating changes</li> <li>• Training employees</li> </ul>
New projects	The risk of not getting new projects started profitably due to higher construction costs, a lack of land suitable for construction, a lack of tenders or changes in regulations. The risk can also arise through growing supply.	<ul style="list-style-type: none"> <li>• Design management</li> <li>• Ensuring the efficiency of project development</li> <li>• Ensuring the efficiency of plans and designs</li> <li>• Cooperation with partners</li> <li>• Ensuring the correct yield level</li> </ul>
<b>Financial risks</b>		
Availability of capital	The risk of lower availability of capital or financing due to banking regulations and/or the domestic or international economic situation or a decline of the capital markets.	<ul style="list-style-type: none"> <li>• Strong balance sheet structure</li> <li>• Diverse sources of financing</li> <li>• Balanced distribution of loan maturities</li> <li>• Diverse financial instruments</li> </ul>
Rising market interest rates	The risk of significant changes in variable market interest rates and/or margins having a negative impact on the company's profitability.	<ul style="list-style-type: none"> <li>• Strong balance sheet structure</li> <li>• High interest rate risk hedging ratio</li> <li>• Balanced distribution of loan maturities</li> </ul>
<b>Risks related to business operations</b>		
Rental operations	The risk of apartments not matching demand in terms of location or quality, or services not matching customer needs.	<ul style="list-style-type: none"> <li>• Monitoring and analysing the operating environment</li> <li>• Regular risk assessments</li> <li>• Adapting operations to changes in the operating environment</li> <li>• Cooperation with customers and service providers</li> <li>• Management of changes concerning properties</li> <li>• Repairs and modernisation projects</li> <li>• Collecting customer information and reacting to customer feedback</li> </ul>
Value of assets	The risk of the value of the property assets declining due to lower investment demand and subsequently rising yield requirements.	<ul style="list-style-type: none"> <li>• Monitoring and analysing the operating environment</li> <li>• Regular risk assessments</li> <li>• Diversification of investments</li> </ul>



		<ul style="list-style-type: none"> <li>• Strong balance sheet structure</li> <li>• Repairs and modernisation projects</li> </ul>
Operational efficiency	The risk that operations are not efficient, doing the wrong things, doing things inconsistently or otherwise failing to engage in change management in the appropriate manner. The risk may also arise from the company not having the sufficient competencies.	<ul style="list-style-type: none"> <li>• Management system</li> <li>• Active process development</li> <li>• Operating guidelines</li> <li>• Managing the partner network</li> <li>• Controller activities</li> <li>• Developing the corporate culture, competence surveys and personnel development</li> </ul>
Network and partner cooperation	The risk of the network and partner cooperation not achieving the targets set for partners and cooperation.	<ul style="list-style-type: none"> <li>• Management of the legal aspects of contracts</li> <li>• Anti-grey economy operating model</li> <li>• Selection and tendering of partners, requirements for partners</li> <li>• Operating model for the monitoring of co-operation partners</li> </ul>
Reporting, the operations of a listed company and responsibility	The risk of the Group's financial, operational and sustainability reporting not providing accurate and adequate information for the steering of operations and decision-making, or that the Group's operations do not fulfil the requirements set for listed companies. Risk can also arise from the Group not fulfilling the requirements concerning responsibility.	<ul style="list-style-type: none"> <li>• Guidelines, operating principles, operating policies, process descriptions, training and models</li> <li>• Technical competencies and expertise</li> <li>• Auditing</li> <li>• Systematic analysis of financial reports</li> <li>• Corporate Governance Code</li> <li>• Implementation of the sustainability programme</li> <li>• Transparent and comprehensive sustainability reporting</li> </ul>
Legal risks	The risk of incomplete or erroneous documentation failing to achieve the intended legal outcome.	<ul style="list-style-type: none"> <li>• Ensuring legal competence</li> <li>• Maintaining standardised documentation and ensuring the appropriate training of personnel</li> <li>• Adequate legal resources</li> <li>• Using external advisers</li> </ul>
Damage and information security risks, crime risks and accident risks	The risk of real estate, movable property or people suffering damage due to a fire, water damage, vandalism or other such circumstances, the company or its personnel being the victim of a crime, or the occurrence of accidents. The risk of attempted abuse of the company's systems or data, or failure of the GDPR practices related to the collection of customer data.	<ul style="list-style-type: none"> <li>• Systematic maintenance and repair activities</li> <li>• Operating guidelines and models, auditing</li> <li>• Appropriate proactive safety efforts</li> <li>• Programmatic and technical security systems</li> </ul>



		<ul style="list-style-type: none"> <li>• Insurances</li> <li>• Data life cycle and risk management</li> </ul>
Risks caused by climate change	The physical risk of an increase in extreme weather phenomena caused by climate change and the higher costs associated with mitigating their impacts. Technological, legal and market-related risks of stricter regulations related to energy-efficient and low-carbon construction and apartments not corresponding to the required standards. Reputation risk if the Group fails in its actions aimed at mitigating climate change.	<ul style="list-style-type: none"> <li>• Assessing flood-prone areas as part of due diligence processes</li> <li>• Taking extreme weather phenomena into account in maintenance management and insurance-related matters</li> <li>• Actively monitoring changes in EU regulations and national legislation</li> <li>• Measures to increase energy efficiency.</li> <li>• Sustainability programme and carbon-neutral energy consumption roadmap</li> </ul>
Material, personnel and rental income risks related to property maintenance	The risk of the monitoring and operating processes related to the condition and structures of properties being inadequate or the repair volume and maintenance processes being insufficient.	<ul style="list-style-type: none"> <li>• Proactive maintenance, ensuring adequate technical capacity, competence and processes</li> <li>• Adequate condition assessments, surveys and monitoring.</li> <li>• Assessing the property portfolio's long-term repair needs</li> <li>• Defining crisis communication practices and operating models for exceptional situations</li> </ul>

## Near-term risks and uncertainties

Kojamo estimates that the most significant risks and uncertainties in the current review period are related to the development of the Finnish economy. The near-term risks arise particularly from the COVID-19 pandemic. The risks and their magnitude are affected particularly by the development of the pandemic as well as the scope and duration of the measures introduced to limit the pandemic. Delays in COVID-19 vaccinations and the potential acceleration of the pandemic could prolong the pandemic and its impacts.

The development of the Finnish economy may affect the housing and financial markets in exceptional ways. These factors may have an impact on Kojamo's profit and cash flow as well as the fair value of apartments. A general economic downturn may lead to unemployment, which can affect the ability of residents to pay rent and, subsequently, the company's rental income. The development of rental receivables and credit losses is actively monitored.

Urbanisation is expected to continue in the longer term. However, the pandemic and related restrictions may, in the short

term, affect people's willingness to relocate and reduce migration.

The supply of rental apartments may increase locally in the main areas in which Kojamo operates, and the changes in supply and demand could have an impact on Kojamo's tenant turnover or the financial occupancy rate and, thereby, rental income.

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

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

## Internal auditing

The internal audit is responsible for the independent evaluation and assurance function required of a listed company, which

systematically examines and verifies the efficiency of risk management, control, management and governance. The Audit



Committee of Kojamo's Board of Directors has confirmed the operating instructions for the internal audit function.

Kojamo's internal auditing was outsourced to the audit firm PricewaterhouseCoopers Oy in 2019 by a decision of the Board of Directors. Kojamo has designated the CFO and Group Controller to be in charge of coordinating the practical activities. Internal auditing operates under the authority of the CEO and the Audit Committee and reports its observations and recommendations to the Audit Committee, the CEO, the Management Team and the auditor. The auditing function covers all companies and functions in the Kojamo Group.

The auditing operations are based on risk analyses and conversations with the Group management related to risk management and control. Regular meetings with the auditor are

set up in order to guarantee sufficient audit coverage and to avoid overlapping operations.

Internal auditing annually draws up an auditing plan that is approved by the CEO and the Audit Committee. The auditing plan is modified based on risks, if necessary.

The internal auditing operations in 2020 were focused on the centralised steering of repair operations, the investment process and unit inspections.

The main focus areas of internal auditing operations in 2021 will be related to ICT architecture, procurement, sales, data protection and unit inspections.

## Group structure and changes therein

At the end of the financial year, the legal Group comprised 342 (333) subsidiaries and 38 (39) associated companies. In addition, Kojamo plc has a holding of more than 50 per cent in 3 (3) limited liability companies or real estate companies and a 50 per cent holding in SV-Asunnot Oy.

Subsidiaries wholly owned by Kojamo plc are Lumo Kodit Oy, Lumo Vuokratalot Oy, Lumo 2020 Oy, Lumo 2021 Oy, Lumo-

housing 2 Oy, VVOhousing 8 Oy, VVOhousing 9 Oy, Lumohousing 10 Oy, Lumohousing 11 Oy, Lumohousing 12 Oy, VVO Hoivakiinteistöt Oy, Kojamo Holding Oy, Kotinyt Oy ja Kojamo Palvelut Oy.

The following companies merged with Lumo Kodit Oy on 1 April 2020: Lumohousing 7 Oy, Volaria Oy and Lumo 2019 Oy.



## Group structure 31 December 2020

Group structure 31 December 2020	Subsidiaries	Associated companies
Kojamo plc	15 <sup>1)</sup>	2
Parent companies of sub-groups		
Lumo 2020 Oy	1	1
Lumo 2021 Oy	1	
Lumo Kodit Oy	313	35 <sup>2)</sup>
Lumo Vuokratalot Oy	10	3 <sup>2)</sup>
Parking and maintenance companies	1	
Kojamo Palvelut Oy	1	
<b>Total</b>	<b>342</b>	<b>38</b>

<sup>1)</sup> Includes the parent companies of the sub-groups and other subsidiaries listed, excluding parking and maintenance companies

<sup>2)</sup> 3 of the associated companies are subsidiaries at Kojamo Group level

## Events after the period

On 7 January 2021, Kojamo plc signed a new committed EUR 75 million revolving credit facility linked to the targets of the sustainability programme with Danske Bank A/S, Finnish Branch. The revolving credit facility is unsecured and has a

maturity of three years with two one-year options. The revolving credit facility will be used for the Group's general financing needs and it replaces the EUR 55 million revolving credit facility signed with Danske Bank, which matures in 2021.

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

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

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





# EPRA PERFORMANCE MEASURES

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

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

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

## EPRA Earnings

M€	2020	2019
Earnings per IFRS income statement	312.9	825.2
(i) Change in value of investment properties, development properties held for investment and other interests	-225.8	-872.4
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interest	0.7	-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	-0.1	3.3
(vi) Changes in fair value of financial instruments and associated close-out costs	0.8	2.0
(viii) Deferred tax in respect of EPRA adjustments	61.5	186.2
<b>EPRA Earnings</b>	<b>150.0</b>	<b>144.0</b>
<b>EPRA Earnings per share (EPS), €</b>	<b>0.61</b>	<b>0.58</b>



## EPRA Net Asset Values

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

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

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

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

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



## Bridge to EPRA Net assets values

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

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

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

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

## EPRA Vacancy Rate

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

\* Including rental value of apartments.



## EPRA Cost Ratios (Operating expenses relative to gross rental income)

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

## EPRA Property-related CapEx

M€	2020	2019
Acquisitions	12.8	44.2
Development	327.5	183.1
Investment properties		
No incremental lettable space	27.1	30.7
Capitalised interest	3.8	1.9
<b>Total CapEx</b>	<b>371.2</b>	<b>259.9</b>
Conversion from accrual to cash basis	7.3	14.1
<b>Total CapEx on cash basis</b>	<b>378.6</b>	<b>273.9</b>

## EPRA Like-for-Like

Like-for-Like properties consist of investment properties held for two consecutive years.

	2020 M€	2019 M€	Change M€	%
Rental income	353.1	349.0	4.0	1.2
Net rental income	235.3	229.3	5.9	2.6
Like-for-Like investment properties	5,566.9	5,336.8		

	2019 M€	2018 M€	Change M€	%
Rental income	326.0	317.5	8.5	2.7
Net rental income	213.3	209.5	3.8	1.8
Like-for-Like investment properties	4,909.2	4,157.8		



# FINANCIAL STATEMENTS

## Consolidated comprehensive income statement

M€	Note	1-12/2020	1-12/2019
Total revenue		383.9	375.3
Maintenance expenses		-90.5	-91.1
Repair expenses		-35.8	-36.9
<b>Net rental income</b>		<b>257.6</b>	<b>247.3</b>
Administrative expenses	2.3	-38.4	-38.7
Other operating income	2.2	3.6	2.2
Other operating expenses	2.2	-0.2	-0.5
Profit/loss on sales of investment properties	2.2	-0.7	0.1
Profit/loss on sales of trading properties		-	0.2
Profit/loss on fair value of investment properties	3.1	225.8	872.4
Depreciation, amortisation and impairment losses	2.4	-1.3	-1.1
<b>Operating profit</b>		<b>446.3</b>	<b>1,081.9</b>
Financial income		1.8	2.6
Financial expenses		-57.0	-53.4
<b>Total amount of financial income and expenses</b>	<b>4.2</b>	<b>-55.3</b>	<b>-50.8</b>
Share of result from associated companies		0.2	0.2
<b>Profit before taxes</b>		<b>391.2</b>	<b>1,031.3</b>
Current tax expense	5.1	-16.9	-19.9
Change in deferred taxes	5.2	-61.5	-186.2
<b>Profit for the period</b>		<b>312.9</b>	<b>825.2</b>
<b>Profit for the financial period attributable to shareholders of the parent company</b>		<b>312.9</b>	<b>825.2</b>
<b>Earnings per share based on profit attributable to shareholders of the parent company</b>	<b>2.6</b>		
Basic, €		1.27	3.34
Diluted, €		1.27	3.34
Average number of shares, million	2.6	247.1	247.1
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	4.2	-11.9	-26.0
Deferred taxes	5.2	2.4	5.2
<b>Items that may be reclassified subsequently to profit or loss</b>		<b>-9.6</b>	<b>-20.8</b>
<b>Total comprehensive income for the period</b>		<b>303.3</b>	<b>804.4</b>
<b>Total comprehensive income attributable to shareholders of the parent company</b>		<b>303.3</b>	<b>804.4</b>



## Consolidated balance sheet

M€	Note	31 Dec 2020	31 Dec 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	6.2	0.4	0.2
Investment properties	3.1, 6.1	6,860.7	6,260.8
Property, plant and equipment	6.1, 6.3	29.8	30.9
Investments in associated companies		1.1	2.4
Financial assets	4.3	0.7	0.7
Non-current receivables	6.4	7.7	3.2
Derivatives	4.5	-	0.2
Deferred tax assets	5.2	16.0	14.4
<b>Non-current assets total</b>		<b>6,916.4</b>	<b>6,312.8</b>
<b>Non-current assets held for sale</b>	<b>3.2</b>	<b>2.4</b>	<b>-</b>
<b>Current assets</b>			
Trading property	3.3	0.1	0.1
Derivatives	4.5	0.1	0.3
Current tax assets		3.8	0.1
Trade and other receivables	6.5	10.5	7.7
Financial assets	4.3	117.5	132.1
Cash and cash equivalents		210.5	137.3
<b>Current assets total</b>		<b>342.7</b>	<b>277.6</b>
<b>Total assets</b>		<b>7,261.5</b>	<b>6,590.4</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		-54.2	-44.7
Invested non-restricted equity reserve		164.4	164.4
Retained earnings		3,105.5	2,877.0
<b>Equity attributable to shareholders of the parent company</b>		<b>3,309.5</b>	<b>3,090.6</b>
<b>Total equity</b>	<b>4.1</b>	<b>3,309.5</b>	<b>3,090.6</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	4.4, 6.1	2,832.6	2,429.3
Deferred tax liabilities	5.2	744.5	683.8
Derivatives	4.5	80.6	69.8
Provisions	6.6	0.4	0.5
Other non-current liabilities	6.6	4.6	5.1
<b>Non-current liabilities total</b>		<b>3,662.7</b>	<b>3,188.4</b>
<b>Current liabilities</b>			
Loans and borrowings	4.4, 6.1	220.7	244.9
Derivatives	4.5	0.6	0.2
Current tax liabilities		2.3	2.0
Trade and other payables	6.7	65.6	64.3
<b>Current liabilities total</b>		<b>289.2</b>	<b>311.4</b>
<b>Total liabilities</b>		<b>3,952.0</b>	<b>3,499.8</b>
<b>Total equity and liabilities</b>		<b>7,261.5</b>	<b>6,590.4</b>





## Consolidated statement of cash flows

M€	Note	1-12/2020	1-12/2019
<b>Cash flow from operating activities</b>			
Profit for the period		312.9	825.2
Adjustments	7.1	-90.6	-614.5
Change in net working capital			
Change in trade and other receivables		-2.1	0.6
Change in trading properties		-	0.3
Change in trade and other payables		3.6	-0.8
Interest paid		-50.5	-48.6
Interest received		0.8	0.8
Other financial items		-6.1	0.0
Taxes paid		-20.3	-22.2
<b>Net cash flow from operating activities</b>		<b>147.7</b>	<b>140.8</b>
<b>Cash flow from investing activities</b>			
Acquisition of investment properties	3.1	-378.6	-273.9
Acquisition of associated companies		-0.1	-
Acquisition of property, plant and equipment and intangible assets		-0.4	-0.2
Proceeds from sale of investment properties		3.5	26.1
Proceeds from sale of property, plant and equipment and intangible assets		-	0.0
Purchases of financial assets		-210.0	-111.1
Proceeds from sale of financial assets		224.8	152.5
Non-current loans, granted		-4.8	0.0
Repayments of non-current loan receivables		0.2	0.4
Interest and dividends received on investments		1.1	0.3
<b>Net cash flow from investing activities</b>		<b>-364.2</b>	<b>-206.0</b>
<b>Cash flow from financing activities</b>			
Non-current loans and borrowings, raised		643.5	289.8
Non-current loans and borrowings, repayments		-268.2	-164.0
Current loans and borrowings, raised		261.8	139.9
Current loans and borrowings, repayments		-261.8	-139.9
Repayments of lease liabilities		-1.6	-1.6
Dividends paid		-84.0	-71.7
<b>Net cash flow from financing activities</b>		<b>289.7</b>	<b>52.4</b>
<b>Change in cash and cash equivalents</b>		<b>73.2</b>	<b>-12.8</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>137.3</b>	<b>150.1</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>210.5</b>	<b>137.3</b>



## Consolidated statement of changes in equity

M€	Note	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 2020</b>		<b>58.0</b>	<b>35.8</b>	<b>-44.7</b>	<b>164.4</b>	<b>2,877.0</b>	<b>3,090.6</b>	<b>3,090.6</b>
Comprehensive income								
Cash flow hedging				-9.6			-9.6	-9.6
Profit for the period						312.9	312.9	312.9
<b>Total comprehensive income for the period</b>				<b>-9.6</b>		<b>312.9</b>	<b>303.3</b>	<b>303.3</b>
Transactions with shareholders								
Share-based incentive scheme						-0.3	-0.3	-0.3
Dividend payment						-84.0	-84.0	-84.0
<b>Total transactions with shareholders</b>						<b>-84.4</b>	<b>-84.4</b>	<b>-84.4</b>
Total change in equity				-9.6		228.5	218.9	218.9
<b>Equity at 31 Dec 2020</b>	<b>4.1</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>

M€	Note	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 2019</b>		<b>58.0</b>	<b>35.8</b>	<b>-23.9</b>	<b>164.4</b>	<b>2,123.7</b>	<b>2,358.1</b>	<b>2,358.1</b>
Comprehensive income								
Cash flow hedging				-20.8			-20.8	-20.8
Profit for the period						825.2	825.2	825.2
<b>Total comprehensive income for the period</b>				<b>-20.8</b>		<b>825.2</b>	<b>804.4</b>	<b>804.4</b>
Transactions with shareholders								
Share-based incentive scheme						-0.3	-0.3	-0.3
Dividend payment						-71.7	-71.7	-71.7
<b>Total transactions with shareholders</b>						<b>-71.9</b>	<b>-71.9</b>	<b>-71.9</b>
Total change in equity				-20.8		753.3	732.5	732.5
<b>Equity at 31 Dec 2019</b>	<b>4.1</b>	<b>58.0</b>	<b>35.8</b>	<b>-44.7</b>	<b>164.4</b>	<b>2,877.0</b>	<b>3,090.6</b>	<b>3,090.6</b>



## Notes to the consolidated financial statements

The notes to the consolidated financial statements have been grouped according to their nature. The notes contain the relevant financial information, the accounting policies and the key estimates and judgment-based decisions.

The following table presents the notes to Kojamo's financial statements and the related accounting policies. The table also indicates the IFRS standards on which the accounting policies are primarily based.

Accounting policy	Note	Number	IFRS
Income, other operating income and expenses, other receivables	Revenue from contracts with customers, other operating income and expenses, other receivables	2.1, 6.4, 6.5	IFRS 15, IFRS 9, IFRS 16
Employee benefits and share-based payments	Employee benefits expenses	2.3, 7.2	IAS 19, IFRS 2
Earnings per share	Earnings per share	2.6	IAS 33
Investment property	Investment property	2.2, 3.1, 3.3, 3.4	IAS 40, IFRS 13
Non-current assets held for sale and discontinued operations	Non-current assets held for sale	3.2	IAS 40, IFRS 5
Equity and dividends	Equity	4.1	IAS 32
Interest income and expenses	Financial income and expenses	4.2	IFRS 7, IFRS 9, IAS 32
Financial assets and liabilities	Financial assets and liabilities by valuation category	4.3, 4.4, 4.6	IFRS 9, IFRS 7, IFRS 13, IAS 32
Derivative instruments and hedge accounting	Derivatives	4.5	IFRS 9, IFRS 7, IFRS 13, IAS 32
Income taxes and deferred taxes	Taxes	5	IAS 12
Leases	Leases	2.4, 6.1	IFRS 16
Intangible assets	Intangible assets	2.4, 6.2	IAS 36, IAS 38
Tangible assets	Property, plant and equipment	2.4, 6.3	IAS 16, IAS 36
Provisions	Provisions and other non-current liabilities	6.6	IAS 37
Liabilities	Commitments and contingent liabilities related to investment properties, Collateral and contingent liabilities	3.4, 4.7	-
Subsidiary consolidation principles, joint arrangements and associated companies	The Group's subsidiaries, joint arrangements and associated companies	7.3	IFRS 10, IFRS 11, IFRS 12, IAS 28
Related party information	Related party transactions	7.2	IAS 24

### Accounting policies

The accounting policies are described under each note in sections 1–7.

## 1. Basis for presentation of the financial statements

### 1.1 Basic information about the Group

Kojamo plc is Finland's largest market-based, private housing investment company that offers rental apartments and housing services in Finnish growth centres. Its range of apartments is extensive. On 31 December 2020, Kojamo owned 35,802 rental apartments across Finland.

The Group's parent company, Kojamo plc, is a Finnish public company domiciled in Helsinki. Its registered address is Mannerheimintie 168, 00300 Helsinki, Finland. A copy of the consolidated financial statements is available at [www.kojamo.fi/en](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 three other bonds are listed on the official list of the Irish Stock Exchange. The Group has chosen Finland as its home state for the disclosure of periodic information pursuant to Chapter 7, Section 3 of the Finnish Securities Market Act.

At its meeting on 18 February 2021, Kojamo plc's Board of Directors approved these financial statements for publication. According to the Finnish Limited Liability Companies Act, the



shareholders may approve or reject the financial statements in a General Meeting held after the publication of the financial statements. Moreover, the General Meeting may make a decision on altering the financial statements.

### *Basis of preparation*

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs). All IFRSs and IASs as well as SIC and IFRIC interpretations in force on 31 December 2020 and endorsed by the EU have been applied in preparing the financial statements. The International Financial Reporting Standards refer to the standards and associated interpretations in the Finnish Accounting Act and in regulations issued under it that are endorsed by the EU in accordance with the procedure laid down in Regulation (EC) No. 1606/2002. Kojamo has not early adopted any standards or interpretations. The notes to the consolidated financial statements are also in accordance with the requirements of the Finnish accounting and corporate legislation supplementing the IFRS rules.

The figures in the consolidated financial statements are in euro, presented mainly as million euro. All the figures presented are rounded. Consequently, the sum of individual figures may deviate from the aggregate amount presented. The key figures have been calculated using exact values. The consolidated financial statements are presented for the calendar year, which is also the reporting period for the parent company and the Group. All statements made in these financial statements regarding the company or its business are based on the views of the management, and the sections addressing the general macroeconomic or industry situation are based on third-party information. If there are differences between different language versions of the financial statements, the Finnish version is the official one.

Investment properties, derivative instruments and financial assets measured at fair value through profit or loss are measured at fair value after initial recognition. In other respects, the consolidated financial statements are prepared on the basis of original acquisition cost, unless otherwise stated in the accounting policies.

### *Changes in IFRS standards and accounting policies*

#### *New standards and interpretations applied during the financial year 2020*

Kojamo has not applied new standards or interpretations during the financial year 2020.

#### *New standards and interpretations applied during the financial year 2019*

Kojamo adopted the new standard IFRS 16 Leases at the beginning of the financial year 2019.

IFRS 16 requires lessees to recognise leases on the balance sheet as a lease liability and a related right-of-use asset. Recognition on the balance sheet is highly similar to the accounting process for financial leasing under IAS 17.

Following the change, Kojamo has recognised its existing leases concerning land areas and cars on the balance sheet. Leases that satisfy the IFRS 16 criteria for recognition exemptions for short-term leases and leases for which the underlying asset is of low value constitute an exception. The comparison figures have not been adjusted. A more detailed account of the effects of the standard is provided in note 6.1.

Kojamo has evaluated the effects of the IFRIC 23 interpretation Uncertainty over Income Tax Treatments. The interpretation entered into effect on 1 January 2019 and it had no impact on Kojamo's consolidated financial statements.

### *New and revised standards to be applied in subsequent financial years*

IASB has issued new and amended standards and interpretations, the application of which is mandatory in financial years beginning on or after 1 January 2021. Kojamo has not applied these standards and interpretations in preparing these consolidated financial statements. Kojamo will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year.

The adoption of the amended standards and interpretations in question is not expected to have any material effects on Kojamo's financial statements.

### *Translation of foreign currency items*

Transactions in foreign currency are recorded in EUR at the exchange rate on the transaction date. On the last date of the reporting period, monetary receivables and liabilities denominated in foreign currencies are translated into EUR at the exchange rate of the last date of the reporting period. Gains and losses arising from transactions denominated in foreign currency and from translating monetary items are recognised in profit or loss, and they are included in financial income and expenses. Consolidated financial statements are presented in EUR, which is the functional and presentation currency of Kojamo's parent company.

Kojamo has very few transactions denominated in foreign currencies. Kojamo has no units abroad.



### Accounting policies that require management's judgment and key sources of estimation uncertainty

#### *Management's judgment related to the application of the accounting policies*

The preparation of financial statements in accordance with the IFRS requires Kojamo's management to make judgment-based decisions on the application of the accounting policies, as well as estimates and assumptions that affect the amounts of reported assets, liabilities, income and expenses and the presented notes.

Management's judgment-based decisions affect the choice of accounting policies and their application. This particularly applies to cases for which the current IFRSs include alternative recognition, measurement or presentation methods.

Kojamo's management must make judgment-based decisions when applying the following accounting policies:

- Classification of properties: see note 3.1.
- Business acquisitions and asset acquisitions: see note 3.1.
- Deferred taxes: recognition principle (investment properties), exemption concerning initial recognition and the recognition of deferred tax assets: see note 5.2.

### Key sources of estimation uncertainty

The estimates and related assumptions are based on Kojamo's historical experience and other factors, such as expectations concerning future events. These are considered to represent the management's best understanding at the time of evaluation and believed to be reasonable considering the circumstances. The actual results may differ from the estimates and assumptions used in the financial statements. Estimates and related assumptions are regularly evaluated. Changes in accounting estimates are recorded for the period for which the estimate is being checked, if the change in the estimate concerns only that period. If the change in the estimate concerns both the period in question and later periods, the change in the estimate is recorded both for the period in question and the future periods.

The most significant section of the financial statements in which the management has exercised the aforementioned judgment, as well as the assumptions about the future and other key uncertainty factors in estimates at the end of the reporting period which create a significant risk of change in the carrying amounts of Kojamo's assets and liabilities within the next financial year, are related to the measurement of the fair value of investment properties (see note 3.1).

## 2. Result

### Total revenue

Kojamo's revenue consists of rental income and charges for utilities. The revenue has been adjusted with indirect taxes and sales adjustment items.

Kojamo's revenue consists mainly of rental income from investment properties. Most of the tenancy agreements are non-fixed-term leases and they have a one-month notice period. Relating to the rental agreements, Kojamo collects utility charges, mainly water and sauna fees. This income is recognised on an accrual basis.

### Net rental income

Net rental income is calculated by deducting property maintenance and repair costs from total revenue. These expenses comprise maintenance and annual repair costs arising from the regular and continuous maintenance of the properties and are recognised immediately in the income statement.



### Operating profit

IAS 1 Presentation of Financial Statements does not define the concept of operating profit. At Kojamo, operating profit is defined as the net amount after adding other operating income to net rental income, then deducting administrative expenses and other operating expenses, amortisation, depreciation and impairment, and then adding/deducting gains/losses from the disposal of investment properties, from assessment at fair value, and from the disposal of trading properties. All the other income statement items except those mentioned above are presented below operating profit.

## 2.1 Specification of revenue from contracts with customers

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

## 2.2 Profit/loss on sales of investment properties and Other operating income and expenses

### Profit/loss on sales of investment properties

M€	1-12/2020	1-12/2019
Profit on sales of investment properties	0.1	3.9
Losses on sales of investment properties	-0.8	-3.7
<b>Total</b>	<b>-0.7</b>	<b>0.1</b>

A total of 18 apartments were sold in 2020. In 2019, a total of 520 rental apartments were sold. Of that total, 478 apartments were sold to Olo Asunnot.





## Other operating income

M€	1-12/2020	1-12/2019
Income from construction contracting	0.1	0.1
Income from debt collection	2.4	2.0
Other	1.1	0.1
<b>Total</b>	<b>3.6</b>	<b>2.2</b>

## Other operating income

M€	1-12/2020	1-12/2019
Cost on construction contracting	0.2	0.5
Other expense items	-	0.0
<b>Total</b>	<b>0.2</b>	<b>0.5</b>

## Auditor's fees

M€	1-12/2020	1-12/2019
KPMG Oy Ab		
Audit	0.3	0.2
Tax consultancy	0.0	0.0
Advisory services	0.1	0.1
<b>Total</b>	<b>0.4</b>	<b>0.3</b>

Other operating income includes income not related to the actual business. It includes items such as sales profit from intangible assets and property, plant and equipment, as well as income from debt collection activities. Other operating expenses consist of expenses not related to the actual business. These items include costs related to construction contracting, for example.

An existing property owned by Kojamo is considered as sold once the substantial risks and rewards associated with ownership have been transferred from Kojamo to the buyer. This usually takes place when control over shares is transferred. Income from property sales is presented in the income statement under Profit/loss on sales of investment properties.

## 2.3 Employee benefits expenses

M€	1-12/2020	1-12/2019
Salaries and wages	16.6	16.0
Share-based incentive plan	0.7	0.4
Funded pension plans	0.2	0.2
Defined contribution pension plans	2.4	2.9
Other social security costs	0.5	0.6
<b>Total</b>	<b>20.4</b>	<b>20.1</b>
	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Number of personnel, average for the financial year	315	305



Information on the remuneration of key management personnel is provided in note 7.2 Related party transactions.

Kojamo's employee benefits include the following:

- short-term employee benefits
- post-employment benefits (pension plans)
- termination benefits (benefits provided in exchange for the termination of employment)
- other long-term employee benefits and
- share-based payments.

#### Short-term employee benefits

Wages, salaries, fringe benefits, annual leave and bonuses are included in short-term employee benefits and are recognised in the period in which the work is performed. 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.

#### Post-employment benefits (pension plans)

Post-employment benefits are payable to employees after the completion of employment. At Kojamo, these benefits are related to pensions. Pension coverage at Kojamo is arranged through external pension insurance companies.

Pension schemes are classified as defined contribution and defined benefit plans. A defined contribution plan is a pension plan under which Kojamo pays fixed contributions into a separate entity. Kojamo has no legal or constructive obligations to pay further contributions if the payee does not hold sufficient assets to pay out all pension benefits. Pension plans that are not defined contribution plans are defined benefit plans. Payments made into defined contribution schemes are recognised through profit and loss in the periods that they concern.

#### Termination benefits (benefits provided in exchange for the termination of employment)

Termination benefits are not based on work performance but the termination of employment. These benefits consist of severance payments. Termination benefits result either from Kojamo's decision to terminate the employment or the employee's decision to accept the benefits offered by Kojamo in exchange for the termination of employment.

#### Other long-term employee benefits

Kojamo has a remuneration scheme that covers the entire personnel, entitling them to benefits after a specific number of years of service. The discounted present value of the obligation resulting from the arrangement is recognised as a liability in the balance sheet on the last day of the reporting period.

#### Share-based payments

Kojamo has a long-term share-based incentive plan for the Group's key employees. The reward is based on reaching the targets set for Kojamo's key business criteria in relation to the Group's strategic goals. The reward is recognised in Kojamo's result for each earnings period, and an increase corresponding to the expensed amount is recognised in equity. More information on the arrangements is provided in note 7.2 Related party transactions.

## 2.4 Depreciation, amortisation and impairment

### Amortisation and depreciation by asset group

M€	1-12/2020	1-12/2019
Intangible assets	0.1	0.1
Property, plant and equipment	0.8	0.6
Right-of-use assets	0.4	0.5
<b>Total</b>	<b>1.3</b>	<b>1.1</b>



No impairment was recognised on intangible assets, property, plant and equipment and right-of-use assets in the financial years 2019 and 2020.

## 2.5 Research and development expenditure

Research and development expenditure recognised as expenses totalled EUR 0.7 (0.4) million in 2020. Development activities focus on the development of product concepts, improvement of electronic services and renewal of information systems.

Kojamo's capitalised development expenses amount to EUR 0.4 (0.0) million.

### Development expenses

Kojamo capitalises development expenses as intangible assets when it can be shown that a development project will generate a probable future economic benefit and the costs attributable to the development stage can be reliably measured. Other development costs are recognised as expenses when they are incurred.

## 2.6 Earnings per share

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

The company has no diluting instruments.

Basic earnings per share is calculated by dividing the profit for the financial year attributable to equity holders of the parent company by the weighted average number of shares outstanding during the financial year.

## 3. Real estate property

Kojamo classifies its property portfolio into investment properties, trading properties and investment properties held for sale. Kojamo's property portfolio consists practically entirely of investment properties. The Group also has small amounts of trading properties.

### 3.1 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 2019. The yield-based valuation technique makes Kojamo more comparable with its relevant international peer group.



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

The value of investment properties includes EUR 2.4 (0.0) million in Investment properties held for sale.

<sup>1)</sup> Includes IFRS 16 Leases

<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

M€	31 Dec 2020	31 Dec 2019
Fair value on 1 Jan	60.2	60.5
Increases/decreases	8.3	0.8
Profit/loss on fair value of investment properties	-1.1	-1.1
<b>Fair value of investment properties at the end of the period</b>	<b>67.4</b>	<b>60.2</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.

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

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

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

### Fair value of investment properties by valuation method

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

\* Including properties valued at the cash flow-based valuation method (DCF) EUR 6,059.5 million and other yield-based valued items EUR 97.6 million.

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

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



## Average valuation parameters

	31 Dec 2020		
	Capital region	Other regions of Finland	Group total
<b>Unobservable inputs:</b>			
Yield requirement, weighted, %	3.83	5.06	4.23
Inflation assumption, %	1.5	1.5	1.5
Market rents, weighted by square metres, €/m <sup>2</sup> /month	18.93	14.65	16.82
Property maintenance expenses, repairs and modernisation investments €/m <sup>2</sup> /month	6.09	6.04	6.07
10-year average financial occupancy rate, %	97.5	96.4	96.9
Rent increase assumption, %	2.0	1.6	1.8
Expense increase assumption, %	2.0	2.0	2.0

	31 Dec 2019		
	Capital region	Other regions of Finland	Group total
<b>Unobservable inputs:</b>			
Yield requirement, weighted, %	3.84	5.05	4.25
Inflation assumption, %	1.5	1.5	1.5
Market rents, weighted by square metres, €/m <sup>2</sup> /month	18.70	14.48	16.58
Property maintenance expenses, repairs and modernisation investments €/m <sup>2</sup> /month	6.11	6.07	6.09
10-year average financial occupancy rate, %	98.0	96.4	97.1
Rent increase assumption, %	2.0	1.6	1.8
Expense increase assumption, %	2.0	2.0	2.0

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

Properties measured at yield value		31 Dec 2020				
Change % (relative)		-10%	-5%	0%	5%	10%
<b>Change, M€</b>						
Yield requirement		678.2	321.1		-290.3	-553.9
Market rents		-766.5	-383.2		383.2	766.5
Maintenance costs		250.6	125.3		-125.3	-250.6
<b>Change % (absolute)</b>		-2%	-1%	0%	1%	2%
<b>Change, M€</b>						
Financial occupancy rate		-157.7	-78.8		78.8	157.7

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

Kojamo has acquisition agreements related to new development and renovations, presented in note 3.4.



### 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 properties

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

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

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

### Restrictions on investment properties

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

### Measurement of investment property

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

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

The value of investment properties is assessed internally at Kojamo on a quarterly basis. The results of the assessment are reported to the Management Group, Audit Committee and Board of Directors. The measurement process, market conditions and other factors affecting the assessment of the fair value of properties are reviewed quarterly with the CEO and CFO in accordance with Kojamo's reporting schedule. Each quarter, an external independent expert issues a statement on the valuation methods applied in the valuation of rental apartments and business premises owned by Kojamo as well as on the quality and reliability of the valuation. A statement on the situation as at 31 December 2020 is available on Kojamo's website.





### Fair value hierarchy

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

#### Level 1 inputs

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

#### Level 2 inputs

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

#### Level 3 inputs

Unobservable inputs for investment property.

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

### Valuation techniques

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

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

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

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

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

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

The change in yield requirement based on the age of the property is as follows: more than 15 years from completion or renovation +10.0%, more than 30 years from completion or renovation +20.0%.

#### Provision for modernisation investments:

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



#### *Acquisition cost (balance sheet value)*

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

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

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

If the sale of an operative rental investment property is deemed highly probable, such a property is transferred from the balance sheet item "Investment property" to "Investment property held for sale". On that date, the carrying amount of the property is considered to be recovered principally through a sale transaction rather than through continuing use in rental. For a property to be classified as held for sale, the sale must be deemed highly probable and the investment property must be immediately salable in its current condition under general and ordinary terms of sale, the management must be committed to an active plan to sell the property, Kojamo must have initiated a project to find a buyer and complete the plan, the property must be actively marketed at a price that is reasonable in relation to its fair value and the sale must be expected to be completed within 12 months of the classification.

Investment properties classified as held for sale are measured at fair value (fair value hierarchy level 3).

#### **Business combinations and asset acquisition**

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

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

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

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

### **3.3 Trading properties**

The value of Kojamo's trading property shares amounted to EUR 0.1 (0.1) million at the end of the financial year.

Trading properties include properties meant for sale that do not meet Kojamo's objectives due to their location, type or size. A property is reclassified from the balance sheet item "Investment properties" under "Trading properties" in the event of a change in the use of the property. This is evidenced by the commencement of development with a view to sale. If an investment property is being developed with a view to a sale, it will be accounted for as a trading property.

Trading properties are measured at the lower of the acquisition cost or the net realisation value. The net realisation value is the estimated selling price in the ordinary course of business deducted by the estimated costs necessary to make the sale. If the net realisation value is lower than the carrying amount, an impairment loss is recognised.

When a trading property becomes an investment property measured at fair value, the difference between the fair value on the transfer date and its previous carrying amount is recognised in the income statement under "Profit/loss on sales of trading properties".

Kojamo's trading properties include mainly individual apartments ready for sale, business premises and parking facilities that are meant for sale but have not been sold by the balance sheet date.

### **3.2 Non-current assets held for sale**

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



### 3.4 Commitments and contingent liabilities related to investment properties

#### *Acquisition agreements related to investments*

Unrecognised acquisition agreements related to work in progress:

M€	31 Dec 2020	31 Dec 2019
New development under construction	262.9	148.2
Preliminary agreements for new construction	214.0	208.9
Renovation	29.2	23.7
<b>Total</b>	<b>506.1</b>	<b>380.7</b>

#### *Other liabilities*

##### **Value added tax refund liabilities**

M€	31 Dec 2020	31 Dec 2019
Value added tax refund liabilities	2.8	3.0

##### **Land purchase liabilities**

M€	31 Dec 2020	31 Dec 2019
Transaction prices based on target building rights and draft plans	13.2	14.2
Liabilities for municipal infrastructure	3.9	3.7

Information on collateral related to financing is presented in note 4.7.

#### *Construction liability*

The land use agreement related to the zoned areas Suurpelto I and II in Espoo is subject to schedules for construction sanctioned with delay penalties.

The zoned areas are divided into three execution areas in the agreement. Kojamo holds building rights in these areas as follows: area 2 – 10,350 (18,217) floor sq.m. and area 3 – 7,600 (7,600) floor sq.m. The agreement stipulates that all of the residential building rights have to be used up by November 2013 in area 2 and by November 2016 in area 3. This schedule has not been fully met. The delay penalty is graded based on the period of delay and can at most, if the delay has continued for at least five years, be equal to half of the land use payments in accordance with the agreement. According to the agreement, the City of Espoo may, should circumstances change, lower the penalty or waive it altogether.

The land use agreement related to block 62007 in Jokiniemi, Vantaa is subject to a schedule for construction sanctioned with delay penalties. The construction liability is divided into various forms of financing and ownership.

Certain plots are subject to a schedule for construction sanctioned with delay penalties. These plots are located in Helsinki.

Some of the plots located in Vantaa include an obligation related to the form of ownership and financing sanctioned with contractual penalties.

Some plots located in the City of Helsinki are subject to an obligation to use them for rental housing. There is a contractual penalty for breaching this obligation.

#### *Disputes*

Kojamo has some individual disputes pending, but the company considers them to be of negligible value.

#### *Other commitments*

Lumo Kodit Oy, a subsidiary of Kojamo, finalised the purchase of properties located in Helsinki at Onnentie 18, Sofianlehdonkatu 5, Tukholmankatu 10, Agricolankatu 1–3, Albertinkatu 40–42, Abrahaminkatu 1–3 and Bulevardi 31 from the City of Helsinki on 16 October 2017. Under the terms of the agreement, the fixed sales price is set at EUR 80.9 million, as determined by a valuation based on existing building rights to develop further commercial provision. The sales price may be adjusted in the event that the building rights are amended following a revision of the local plan as applied for by the purchaser. An alteration of local plans was put in motion in 2019.



A contingent liability is a potential obligation resulting of past events and may be incurred depending on the outcome of an uncertain future event that is beyond the Group's control (such as the result of pending legal proceedings). In addition, an existing obligation that will probably not require meeting the liability to pay or the amount of which cannot be reliably determined is considered as a contingent liability. Contingent liabilities are presented in the notes.

## 4. Financing and equity

### 4.1 Equity

The following table shows changes in the number of shares and changes in equity items:

M€	Number of shares (million)	Share capital	Share issue premium	Fair value reserve	Reserve for invested unrestricted equity	Retained earnings	Equity attributable to shareholders of the parent company	Equity in total
<b>1 Jan 2020</b>	<b>247.1</b>	<b>58.0</b>	<b>35.8</b>	<b>-44.7</b>	<b>164.4</b>	<b>2,877.0</b>	<b>3,090.6</b>	<b>3,090.6</b>
Transactions with shareholders						-84.4	-84.4	-84.4
Profit for the financial period						312.9	312.9	312.9
Other comprehensive income				-9.6			-9.6	-9.6
<b>31 Dec 2020</b>	<b>247.1</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>

M€	Number of shares (million)	Share capital	Share issue premium	Fair value reserve	Reserve for invested unrestricted equity	Retained earnings	Equity attributable to shareholders of the parent company	Equity in total
<b>1 Jan 2019</b>	<b>247.1</b>	<b>58.0</b>	<b>35.8</b>	<b>-23.9</b>	<b>164.4</b>	<b>2,123.7</b>	<b>2,358.1</b>	<b>2,358.1</b>
Transactions with shareholders						-71.9	-71.9	-71.9
Profit for the financial period						825.2	825.2	825.2
Other comprehensive income				-20.8			-20.8	-20.8
<b>31 Dec 2019</b>	<b>247.1</b>	<b>58.0</b>	<b>35.8</b>	<b>-44.7</b>	<b>164.4</b>	<b>2,877.0</b>	<b>3,090.6</b>	<b>3,090.6</b>

Kojamo plc has one share class. The share has no nominal value. All issued shares have been paid for in full. The number of shares issued as at 31 December 2020 was 247,144,399. Each share entitles its holder to one vote at the General Meeting of Shareholders. There are no voting restrictions related to the shares. All shares carry an equal right to dividends and other distribution of Kojamo plc's assets.

Kojamo was listed on the Nasdaq Helsinki Stock Exchange in June 2018. In connection with the listing, Kojamo issued 17,665,039 new shares.

#### *Description of equity funds:*

##### *Share premium reserve*

Kojamo plc has no such instruments in force that would accrue a share premium under the Limited Liability Companies Act currently in effect. The share premium was generated under the previous Limited Liability Companies Act.



### *Fair value reserve*

The fair value reserve contains the changes in fair values of the derivatives used to hedge cash flow.

### *Invested non-restricted equity reserve*

The reserve for invested unrestricted equity contains equity investments and that part of the share subscription price that has not specifically been allocated to share capital.

### *Dividends*

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. A dividend of EUR 0.34 per share was paid in 2020. After the balance sheet date, 31 December 2020, the Board of Directors has proposed that a dividend of EUR 0.37 be paid per share.

### *Restrictions related to Kojamo's equity*

Kojamo's retained earnings for 2020, EUR 3,105.5 (2,877.0) million, include a total of EUR 291.9 (286.6) million of equity subject to profit distribution restrictions relating to non-profit operations. Equity subject to profit distribution restrictions includes the measurement of investment property at fair value.

### *Current 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 has not used the authorisation.

The Board of Directors was also authorised to decide on the issuance of shares and the issuance of special rights entitling

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

An equity instrument is any contract that demonstrates a residual interest in Kojamo's assets after deducting all of its liabilities. The share capital consists of the parent company's ordinary shares classified as equity. Transaction costs directly attributable to the issue of new shares are presented in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases parent company's shares (treasury shares), the consideration paid, including any directly attributable transaction costs (net of taxes), is deducted from equity attributable to the owners of the parent company, until the shares are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable transaction costs and net of taxes, is directly recognised in equity attributable to the owners of the parent company.

Dividend distribution to the parent company's shareholders is recognised as a liability in the consolidated balance sheet in the period in which the dividends are approved by the company's General Meeting of Shareholders.

Some of the Group companies are subject to revenue recognition restrictions under the non-profit provisions of housing legislation, according to which an entity cannot pay its owner more than the profit regulated by housing legislation. The companies in question can pay their owner a four per cent return on own funds invested in them that have been confirmed by the Housing Finance and Development Centre of Finland (ARA).



## 4.2 Financial income and expenses

### Items recognised through profit or loss

M€	1-12/2020	1-12/2019
Dividend income	0.2	0.0
Interest income	1.1	1.1
Valuation changes on financial assets recognised at fair value through profit or loss	-0.1	1.1
Valuation changes on financial assets recognised at fair value through profit or loss	0.4	0.3
Other financial income	0.1	0.2
<b>Financial income, total</b>	<b>1.8</b>	<b>2.6</b>
Interest expenses		
Interest expenses on financial liabilities measured at amortised cost	-36.7	-33.3
Interest expenses on interest rate derivatives	-13.7	-13.4
Interest expenses on lease agreements	-2.5	-2.5
Valuation changes on financial assets recognised at fair value through profit or loss	-0.9	-2.2
Losses on the disposal of financial assets recognised at fair value through profit or loss	0.0	0.0
Other financial expenses	-3.2	-2.1
<b>Financial expenses, total</b>	<b>-57.0</b>	<b>-53.4</b>
<b>Financial income and expenses, total</b>	<b>-55.3</b>	<b>-50.8</b>
<b>Other comprehensive income</b>		
M€	1-12/2020	1-12/2019
Cash flow hedges	-11.9	-26.0
<b>Total</b>	<b>-11.9</b>	<b>-26.0</b>

The changes to cash flow hedging come from interest rate derivatives.

#### Interest income

Interest income is recognised over time using the effective interest method.

#### Dividend income

Dividend income is recognised when the right to receive payment has arisen.

#### Borrowing costs

Borrowing costs are usually recognised as financial costs in the financial year during which they are incurred. However, borrowing costs attributable to qualifying assets, that is, mainly borrowing costs attributable to Kojamo's investment properties, such as interest costs and arrangement fees, directly resulting from the acquisition or construction of the above assets, are capitalised as part of the cost of the asset. The capitalisation principles of borrowing costs are described in more detail under the accounting policies concerning investment properties in section 3.1 Investment properties.

Transaction costs directly attributable to the acquisition of loans that can be allocated to a particular loan are included in the loan's original amortised cost and allocated as financial expenses using the effective interest method.





### 4.3 Financial assets and liabilities by valuation category

M€	31 Dec 2020				Fair value total
	Carrying value total	LEVEL 1	LEVEL 2	LEVEL 3	
<b>Financial assets</b>					
Measured at fair value					
Electricity derivatives	0.1	0.1			0.1
Financial assets recognised at fair value through profit or loss	118.2	80.5	37.0	0.7	118.2
Measured at amortised cost					
Cash and cash equivalents	210.5		210.5		210.5
Trade receivables	5.5				5.5
<b>Financial liabilities</b>					
Measured at fair value					
Interest rate derivatives	81.0		81.0		81.0
Electricity derivatives	0.3	0.3			0.3
Measured at amortised cost					
Other interest-bearing liabilities	1,364.9		1,368.4		1,368.4
Bonds	1,688.3	1,797.7			1,797.7
Trade payables	19.1				19.1

M€	31 Dec 2019				Fair value total
	Carrying value total	LEVEL 1	LEVEL 2	LEVEL 3	
<b>Financial assets</b>					
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
<b>Financial liabilities</b>					
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



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.

There were no transfers between the hierarchy levels in 2020. 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.

**Level 3 reconciliation**

**Financial assets recognised at fair value through profit or loss**

M€	31 Dec 2020	31 Dec 2019
Beginning of period	0.7	0.6
Change	0.0	0.0
<b>End of period</b>	<b>0.7</b>	<b>0.7</b>

Investments measured at fair value through profit and 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.

**Recognition and measurement**

Financial assets and liabilities are classified in accordance with IFRS 9 and the classification of financial assets is based on the nature of cash flows and the business models specified for the assets in question. Kojamo applies the following principles to the classification of financial assets and liabilities and their recognition, derecognition and measurement. Financial assets and liabilities are presented as non-current items if the remaining maturity exceeds 12 months and as current items if the remaining maturity is less than 12 months.

Financial instruments are classified on initial recognition into the following measurement groups: measured at amortised cost, measured at fair value through profit or loss and financial assets measured at fair value in other comprehensive income.



### **Financial assets and liabilities measured at amortised cost**

Financial assets measured at amortised cost are non-derivative financial assets with fixed or determinable payments. They are solely related to payments of principal and interest, and they are not held for trading.

Financial assets obtained by handing over cash, goods or services directly to a debtor are measured at amortised cost. Kojamo's financial assets measured at amortised cost consist of trade receivables and other receivables, loan receivables and other receivables, which include cash and cash equivalents. Fixed-term deposits with a maturity of three months at most are included in cash and cash equivalents.

Financial liabilities measured at amortised cost include issued bonds, other interest-bearing liabilities and trade payables. They are recognised initially at fair value. Transaction costs directly attributable to the acquisition of loans, such as arrangement fees that can be allocated to a particular loan, are deducted from the original amortised cost of the loan. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. The difference between the proceeds and the redemption value is recognised as a financial expense through profit or loss over the loan period.

### **Financial assets and liabilities recognised at fair value through profit and loss**

Financial assets measured at fair value through profit or loss include fund investments, investments in unlisted shares and commercial papers as well as other investment instruments that are not deposits.

Financial assets and liabilities recognised at fair value through profit or loss include electricity derivatives and the interest rate derivatives that are not subject to hedge accounting in accordance with IFRS 9.

Realised and unrealised gains and losses from changes in fair value are recognised in the income statement in the period in which they arise.

### **Impairment of financial assets**

The assessment of credit losses recognised in accordance with IFRS 9 is based on expected credit losses. The method takes into account a possible increase in credit risk. The impairment model is applied to financial assets recognised at amortised cost, the most significant item being sales receivables.

Impairment loss is immediately recognised in the income statement. If the value is later restored, the reversal of the impairment is recognised in equity for equity instruments and through profit or loss for other investments. The impairment model is based on credit losses estimated on the basis of experience.

If there is no active market for the financial instrument, judgment is required to determine fair value and impairment. External 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.



#### 4.4 Interest-bearing liabilities

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

Kojamo plc established a EUR 2.5 billion EMTN programme in March 2020. Subsequently, a EUR 500 million bond was issued under the programme in May. The bond matures on 27 May 2027 and its fixed coupon rate is 1.875%.

The Group's bonds also include three other bonds. An unsecured EUR 500 million bond issued by Kojamo plc in 2018 is listed on the official list of the Irish Stock Exchange. The bond will mature on 7 March 2025 and carries a fixed annual coupon

of 1.625%. In 2017, Kojamo issued an unsecured EUR 500 million bond that is also listed on the Irish Stock Exchange. The bond matures on 19 June 2024 and its fixed coupon rate is 1.50%. In addition, Kojamo plc issued a EUR 200 million secured bond in 2016. The bond is listed on Nasdaq Helsinki. The bond matures on 17 October 2023 and its fixed coupon rate is 1.625%.

#### Interest-bearing liabilities related to financing

M€	1 Jan 2020	Cash flow	Other than cash changes	31 Dec 2020
Non-current interest-bearing liabilities	2,369.3	375.3	21.3	2,765.9
Non-current lease liabilities	60.0	-1.6	8.3	66.7
Current interest-bearing liabilities	243.9	0.0	-24.8	219.1
Current lease liabilities	1.1		0.5	1.6
<b>Total interest-bearing liabilities related to financing</b>	<b>2,674.2</b>	<b>373.7</b>	<b>5.4</b>	<b>3,053.3</b>

M€	1 Jan 2019	IFRS 16 adoption	Cash flow	Other than cash changes	31 Dec 2019
Non-current interest-bearing liabilities	2,391.7		125.7	-148.1	2,369.3
Current interest-bearing liabilities	93.9			150.0	243.9
Lease liabilities		61.5	-1.6	1.2	61.1
<b>Total interest-bearing liabilities related to financing</b>	<b>2,485.5</b>	<b>61.5</b>	<b>124.1</b>	<b>3.1</b>	<b>2,674.2</b>



The largest changes arising from cash flows consist of the withdrawal of EUR 643.5 million and repayment of EUR -273.0 million of non-current loans. In addition the cash flows include

the withdrawal and repayment of short-term commercial papers and the repayment of lease liabilities. Changes not involving cash flows mainly consist of transfers to current liabilities.

## 4.5 Derivative instruments

### Fair values of derivative instruments

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

### Nominal values of derivative instruments

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

### Items under hedge accounting

M€	31 Dec 2020	31 Dec 2019
<b>Cash flow hedging</b>		
<b>Nominal value</b>		
Hedged loans	916.7	937.2
Interest rate derivatives	919.2	970.0
<b>Fair value of derivatives</b>		
Positive	-	-
Negative	-71.4	-60.6
<b>Net</b>	<b>-71.4</b>	<b>-60.6</b>
<b>Effective portion</b>		
Recognised in other comprehensive income	-11.9	-26.0
<b>Ineffective portion</b>		
Recognised in the income statement		

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

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



Kojamo uses derivative instruments only for hedging purposes. Kojamo uses interest rate derivatives to hedge its exposure to changes in future interest payment cash flows concerning long-term loans. The majority of interest rate derivatives is subject to cash flow hedge accounting in accordance with IFRS 9. Derivative instruments that do not meet the requirements concerning the application of hedge accounting, or instruments to which Kojamo has decided not to apply hedge accounting, are included in financial assets or liabilities measured at fair value through profit and loss. These instruments are classified as held for trading. Fluctuations in Kojamo's result caused by changing electricity prices are restricted by using electricity derivatives. Electricity derivatives are not subject to hedge accounting in accordance with IFRS 9, even though these instruments are used for hedging.

The unrealised gains and losses from the measurement of derivatives are presented on the balance sheet under current and non-current assets or under liabilities in the item Derivative instruments. The hedged items are presented on the balance sheet under Loans as non-current or current liabilities.

Changes in the fair values of derivatives within hedge accounting are recognised in components of other comprehensive income insofar as the hedging is effective. Changes in value are reported in the fair value reserve in equity. Interest payments arising from interest rate derivatives are recognised in interest expenses to profit or loss. The ineffective portion of a hedge is immediately recognised in financial items in the comprehensive income statement. The gains and losses accumulated in equity are recognised in the income statement at the same time with the hedged item.

Changes in value from derivatives not included in hedge accounting are recognised in financial items through profit and loss.

## 4.6 Financial risk management

The financial risks associated with Kojamo's business are managed in accordance with the treasury policy confirmed by Kojamo plc's Board of Directors. The objective is to protect Kojamo against unfavourable changes in the financial market. The management of financial risk is centralised in the Kojamo's Treasury unit.

### Interest rate risk

The most significant financial risk is related to interest rate fluctuations affecting the loan portfolio. This risk is managed through fixed interest rates and interest rate derivatives. The greatest interest rate risk is associated with loans from financial institutions, bonds and commercial papers. These risks are hedged by using interest rate derivatives according to Kojamo's treasury policy. The targeted hedging ratio is 50–100 per cent. On the financial statements date, the proportion of fixed-rate loans and loans hedged with interest rate derivatives (the hedging ratio) was 91 (88) per cent. The interest rate risk associated with interest subsidy loans is reduced by the state's interest subsidy. Interest subsidy loans are not hedged with interest rate derivatives.

The effects of changes in market interest rates on the comprehensive income statement and equity are evaluated in the table below. The interest rate position affecting the comprehensive income statement includes variable-rate loan and interest rate derivatives not included in hedge accounting. The effect on equity results from changes in the fair values of interest rate derivatives included in hedge accounting. Some loan agreements involve a condition of a minimum of zero reference rate. As the market interest rates are currently negative, interest rate swap hedges may lead to a situation in which both fixed and variable interest must be paid.

### Interest rate sensitivity

M€	31 Dec 2020				31 Dec 2019			
	Income statement		Equity		Income statement		Equity	
	1%	-0.1%	1%	-0.1%	1%	-0.1%	1%	-0.1%
Floating rate loans	-5.4	0.2	-	-	-7.1	0.2	-	-
Interest rate derivatives	10.1	-1.0	46.8	-4.9	10.4	-1.1	54.9	-5.8
<b>Total effect</b>	<b>4.7</b>	<b>-0.8</b>	<b>46.8</b>	<b>-4.9</b>	<b>3.3</b>	<b>-0.9</b>	<b>54.9</b>	<b>-5.8</b>

The deferred tax effect is not included in the calculation.

### Liquidity and refinancing risk

Kojamo secures its liquidity through sufficient cash funds, the commercial paper programme and related credit facility agreements. Cash flow from the rental business is stable, and the

sufficiency of liquidity is monitored with regular cash flow forecasts.





Kojamo's liquidity remained good during financial year. At the end of the financial year, the Group's cash and cash equivalents stood at EUR 210.5 million and financial assets at EUR 117.5 million. In the first half of the year, when the COVID-19 pandemic began, Kojamo signed several financing agreements to ensure a strong liquidity position going forward. In order to ensure its liquidity, Kojamo plc has a EUR 250 million commercial paper programme, EUR 280 million committed credit facility agreements and a EUR 5 million non-committed

credit facility agreement. A total of EUR 50.0 million of the commercial paper programme had been issued at the end of the financial year. No credit facilities were in use at the balance sheet date.

The table below presents the expiration of the Group's committed unused credit facilities. The credit facilities are ready for withdrawal according to the Group's financing needs.

#### Expiration of the Group's committed credit facilities

M€	31 Dec 2020				31 Dec 2019			
	Within 1 year	1-2 years	2-5 years	Total	Within 1 year	1-2 years	2-5 years	Total
Undrawn committed credit facilities	55.0	200.0	25.0	280.0	20.0	55.0	225.0	300.0

In the past few years, the functioning of the money market has been affected by stricter bank regulation, which has reflected on bank lending and the cost of financing. Due to Kojamo's strong financial position and stable cash flow, the risk associated with the availability of financing is not considered significant. Kojamo has been issued a credit rating of Baa2 with a stable outlook by Moody's.

The availability of financing is ensured by maintaining Kojamo's good reputation among financiers and by keeping the equity ratio and loan to value at an appropriate level. The refinancing risk is reduced by diversifying the loan portfolio with respect to financing sources, financial instruments and

maturities. The maturity distribution of the financing portfolio is actively monitored and Kojamo prepares for the maturing of large loans well in advance.

The following table shows the cash flows of the contractual repayments and interest payments of the Group's financial liabilities. Electricity derivatives are substantially related to the physical supply of electricity and their results are factored in the price of electricity purchased using electricity bills. Hence, they are not reported as part of the Group's financial liabilities cash flow tables below.



## Maturity profile of financial liabilities

31 Dec 2020	Within 1	2-5	6-10	11-15	
M€	year	years	years	years	Later
Bonds	28.3	1,299.0	518.8	-	-
Loans from financial institutions	164.3	639.1	362.9	88.9	0.7
Interest subsidy loans	7.2	5.9	3.0	3.7	21.3
Commercial papers	50.0	-	-	-	-
Other loans	2.4	6.1	-	-	-
Interest rate derivatives	14.4	46.8	18.7	6.1	-
Lease liabilities	4.0	15.1	18.2	18.1	84.5
Trade payables	19.1				
<b>Total</b>	<b>289.7</b>	<b>2,012.0</b>	<b>921.6</b>	<b>116.8</b>	<b>106.5</b>

31 Dec 2019	Within 1	2-5	6-10	11-15	
M€	year	years	years	years	Later
Bonds	122.1	772.3	508.1	-	-
Loans from financial institutions	48.9	577.9	511.4	81.7	17.7
Interest subsidy loans	50.4	12.8	3.1	3.9	22.9
Commercial papers	50.0	-	-	-	-
Other loans	0.0	2.4	6.2	-	-
Interest rate derivatives	13.8	47.5	24.7	7.0	0.4
Lease liabilities	4.0	17.7	16.9	16.6	73.0
Trade payables	15.6				
<b>Total</b>	<b>304.8</b>	<b>1,430.5</b>	<b>1,070.5</b>	<b>109.3</b>	<b>114.1</b>

### Price risk

Kojamo uses electricity derivatives to hedge against exposure to electricity price risk. The electricity derivatives hedge highly

probable future electricity purchases, and the trading in electricity derivatives has been outsourced to an external expert. Electricity derivatives are not subject to hedge accounting in accordance with IFRS 9.

The sensitivity of the electricity derivatives to +/- 10% changes in the market price are shown in the table below.

### Price risk of the electricity derivatives

M€	31 Dec 2020		31 Dec 2019	
	10%	-10%	10%	-10%
Electricity derivatives	0.1	-0.1	0.3	-0.3

The deferred tax effect is not included in the calculation.

Kojamo's surplus cash may be invested in accordance with the principles approved in the treasury policy. Financial assets measured at fair value through profit or loss are subject to a price risk that is mitigated through the diversification of investment assets. The investments do not involve a currency risk.

Kojamo's level 1 and 2 financial assets measured at fair value through profit or loss are low-risk investments in short-term interest rate funds or other highly liquid investments that can be redeemed on short notice and are therefore suitable for cash management. The effect of a one percentage point increase (decrease) on the comprehensive income statement would be EUR 1.2 (-1.2) million. Financial assets classified at level 3 consist mostly of strategic investments in unlisted shares. The

impact of one percentage point increase (decrease) of these prices on the financial statement would be EUR 0.0 (-0.0) million. The figures do not take the tax effect into account.

### Credit risk and counterparty risk

Kojamo does not have any significant credit risk concentrations. The majority of sales receivables consists of rent receivables, which are efficiently diversified. In addition, the use of security deposits mitigates the credit risk associated with rent receivables. Credit risk is analysed based on the age distribution of trade receivables and by the degree of success of debt collection measures, and the risk is expected to remain at the current level.



## Age distribution of sales receivables

	31 Dec 2020		31 Dec 2019	
	M€	%	M€	%
Less than a month	3.1	56.4	3.1	54.6
1-3 months	1.2	21.4	1.3	22.5
3-6 months	0.5	8.8	0.6	10.6
6-12 months	0.7	12.3	0.7	11.6
More than a year	0.1	1.0	0.0	0.7
<b>Total</b>	<b>5.5</b>	<b>100.0</b>	<b>5.7</b>	<b>100.0</b>

Investments and derivative instruments involve a counterparty risk in financing activities. This risk is managed with a diverse portfolio of financially stable counterparties.

Financial assets include rent receivables and trade receivables as well as interest receivables that are not held for sale and that have been obtained by handing over cash, goods or services directly to a debtor. They are measured initially at fair value and subsequently at amortised cost. The balance sheet value is adjusted according to the amount of expected credit losses.

### Impairment of financial assets

For financial assets, the loss allowance is recognised at an amount equal to the lifetime expected credit losses. The expected credit loss is recognised through profit or loss.

## Currency risk

Kojamo's cash flows are euro-denominated, and the business does not involve any currency risk.

## Management of capital structure

Kojamo's aim is to achieve a capital structure that best ensures Kojamo's strategic long-term operations, promotes the company's growth targets and is optimal with respect to the

prevailing market situation. In addition to the financial result, Kojamo's capital structure is affected by factors such as capital expenditure, asset sales and acquisitions, dividend payments, equity-based facilities and measurement at fair value.

Kojamo's strategic targets include an equity ratio of more than 40 per cent, Loan to Value (LTV, a measure of net debt relative to the value of investment properties) of less than 50 per cent. Kojamo's equity ratio on 31 December 2020 was 45.6 (46.9) per cent, and Loan to Value (LTV) was 41.4 (40.5) per cent. Kojamo's interest-bearing liabilities totalled EUR 3,053.3 (2,674.2) million at the end of the financial year.

Kojamo's unsecured financing agreements include financing covenants related to the gearing ratio, the proportion of secured loans of the balance sheet, the amount of unpledged assets and the capacity of the business to cover its interest liabilities. Kojamo fulfilled the terms of the covenants during the financial year. According to the terms and conditions of certain credit agreements, the Group's Loan to Value (LTV) must be below 60 per cent and the interest coverage ratio (ICR) over 1.8. On the financial statements date, the interest coverage ratio was 4.2 (4.3).

According to the terms and conditions of Kojamo plc's unsecured bonds, the Group's solvency ratio must be below 0.65, secured solvency ratio below 0.45 and coverage ratio 1.8 or over. On the balance sheet date, the solvency ratio was 0.39 (0.39), the secured solvency ratio was 0.14 (0.20) and the coverage ratio was 4.1 (4.2).



## 4.7 Collateral and contingent liabilities

M€	31 Dec 2020	31 Dec 2019
Loans covered by pledges on property and shares as collateral	1,048.5	1,298.1
Pledges given	1,059.7	1,401.1
Shares <sup>1)</sup>	173.9	220.4
<b>Pledged collateral, total</b>	<b>1,233.6</b>	<b>1,621.5</b>
Other collaterals given		
Mortgages and shares	5.9	16.9
Guarantees <sup>2)</sup>	514.0	500.2
Pledged deposits	0.1	0.1
<b>Other collateral, total</b>	<b>520.1</b>	<b>517.1</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 these loans have also been given mortgages as collaterals.

Kojamo and its subsidiaries have made commitments restricting the assignment and pledging of shares owned by them.

The contingent liabilities related to investment properties are presented in note 3.4.

## 5. Taxes

### 5.1 Income tax

The tax expense in the comprehensive income statement is broken down as follows

M€	1-12/2020	1-12/2019
Current tax expense	16.7	19.9
Taxes for previous financial years	0.2	0.0
Change in deferred taxes	61.5	186.2
<b>Total</b>	<b>78.3</b>	<b>206.1</b>

Tax effects relating to components of other comprehensive income

M€	1-12/2020	1-12/2019
<b>Cash flow hedges</b>		
Before taxes	-11.9	-26.0
Tax effect	2.4	5.2
<b>After taxes</b>	<b>-9.6</b>	<b>-20.8</b>



## Reconciliation between the tax expense shown in the comprehensive income statement and tax calculated using the parent company's tax rate

M€	1-12/2020	1-12/2019
Profit before taxes	391.2	1,031.3
Taxes calculated using the current tax rate (20%)	78.2	206.3
Utilisation of previously unrecognised confirmed tax losses	-1.2	-1.2
Change of deferred tax assets previously recognised on confirmed tax losses	1.2	1.1
Taxes from previous periods	0.2	0.0
Acquired investment properties and proceeds from the sale of investment properties	-	-0.1
<b>Adjustments total</b>	<b>0.1</b>	<b>-0.2</b>
<b>Total taxes recognised in profit or loss</b>	<b>78.3</b>	<b>206.1</b>

The tax expense in the comprehensive income statement comprises current tax and the change in deferred tax liabilities and receivables. Income tax is recognised in profit and loss, except when income tax is related to items recognised directly in equity or components of other comprehensive income. In this event, the tax is also included in these items.

Current taxes are calculated from taxable profit determined in Finnish tax legislation with reference to a valid tax rate, or a tax rate that is in practice approved by the balance sheet date. Taxes are adjusted by possible taxes related to previous years.

As a rule, deferred tax assets and liabilities are recognised for all temporary differences between the carrying amounts and tax bases of assets and liabilities using the liability method. Acquisitions of individual assets constitute an exception to this rule. At Kojamo, these assets include such investment property acquisitions that do not meet the criteria of business entities and are, therefore, classified as asset acquisitions.

The most significant temporary difference in the Group is the difference between the fair values and tax bases of investment properties owned by Kojamo. After the initial recognition, the investment property is measured at fair value through profit and loss at the end of the reporting period. Other temporary differences arise, for example, from the measurement of financial instruments at fair value.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available to Kojamo against which temporary differences can be utilised. The eligibility of the deferred tax asset for recognition is reassessed on the last day of each reporting period. Deferred tax liabilities are usually recognised in the balance sheet in full.

Deferred taxes are determined applying those tax rates (and tax laws) that will probably be valid at the time of paying the tax. Tax rates in force on the last day of the reporting period are used as the tax rate, or tax rates for the year following the financial year if they are in practice approved by the last day of the reporting period.



## 5.2 Deferred tax assets and liabilities

### Changes to deferred tax assets and liabilities

M€	1 Jan 2020	Recognised through profit or loss	Recognised in other comprehensive income	Other changes	31 Dec 2020
Deferred tax assets					
Confirmed losses	1.2	-0.1		-	1.2
Cash flow hedges	12.1		2.2	-	14.3
Electricity derivatives measured at fair value	0.0	0.0		-	0.1
Other items/transfers	1.1	-0.5		-	0.5
<b>Total</b>	<b>14.4</b>	<b>-0.5</b>	<b>2.2</b>	<b>-</b>	<b>16.0</b>
Deferred tax liabilities					
Investment properties measured at fair value and residential building provisions	681.9	60.9		0.0	742.9
Cash flow hedges	1.0		-0.2	-	0.7
Electricity derivatives measured at fair value	0.1	-0.1		-	0.0
Other items/transfers	0.8	0.1		0.0	0.8
<b>Total</b>	<b>683.8</b>	<b>60.9</b>	<b>-0.2</b>	<b>0.0</b>	<b>744.5</b>

M€	1 Jan 2019	Recognised through profit or loss	Recognised in other comprehensive income	Other changes	31 Dec 2019
Deferred tax assets					
Confirmed losses	1.2	0.1		-	1.2
Cash flow hedges	7.3		4.8	-	12.1
Other items/transfers	2.4	-1.3		-	1.1
<b>Total</b>	<b>10.8</b>	<b>-1.2</b>	<b>4.8</b>	<b>-</b>	<b>14.4</b>
Deferred tax liabilities					
Investment properties measured at fair value and residential building provisions	497.0	184.8		0.2	681.9
Cash flow hedges	1.3		-0.4	-	1.0
Electricity derivatives measured at fair value	0.3	-0.2		-	0.1
Other items/transfers	0.5	0.3		0.0	0.8
<b>Total</b>	<b>499.0</b>	<b>184.9</b>	<b>-0.4</b>	<b>0.2</b>	<b>683.8</b>

### Expiration years for unrecognised confirmed losses

M€	Year of expiration					Total
	2021-2022	2023-2024	2025-2026	2027-2028	2029-2030	
Confirmed losses	0.4	0.3	0.3	0.3	0.0	1.3
Unrecognised deferred tax	0.1	0.1	0.1	0.1	0.0	0.3





### Recognition of deferred tax assets

Determining whether to recognise a deferred tax asset on the balance sheet requires the management's judgment. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to Kojamo against which deductible temporary differences or tax losses carried forward can be utilised. A deferred tax asset recognised in a previous reporting period is recognised as an expense in the income statement, if Kojamo is not expected to accrue enough taxable income to utilise the temporary differences or unused losses that constitute the basis for the deferred tax asset.

### Recognition principle of deferred taxes (investment properties)

As a rule, the deferred tax for investment properties measured at fair value is determined assuming that the temporary difference will reverse through selling. Kojamo can usually dispose of an investment property either by selling it in the form of property or by selling the shares in the company, such as a housing company.

### Exception to the initial recognition of deferred taxes

As a rule, deferred tax assets and liabilities are recognised for all temporary differences between the carrying amounts and tax bases of assets and liabilities. An exception to this principal rule is constituted by acquisitions of single investment properties, which are not considered to meet the definition of business according to IFRS 3. In this case, they are classified as asset acquisitions, for which no deferred tax is recorded in the balance sheet at initial recognition. As such, the classification of property acquisitions as business acquisitions and asset acquisitions (described in more detail in note 3.1) also affects the recognition of deferred taxes.

## 6. Other balance sheet items

### 6.1 Tenancy agreements

#### IFRS 16 Leases

The right-of-use assets recognised in investment properties consist of land lease contracts measured at fair value. The fair value of land lease contracts is the present value of the lease payments for the remaining lease term discounted by the incremental borrowing rate. Kojamo's lease liability is measured by discounting the lease liabilities of the leases within the scope of the standard at their present value, using the management's estimate of Kojamo's incremental borrowing rate at the time of the standard's adoption as the discount factor. From 1 January 2019 onwards, the incremental borrowing rate will be determined on the commencement date of the lease. The lease liability amounted to EUR 60.2 (60.5) million on 1 January 2020 and EUR 67.4 (60.2) million on 31 December 2020. The weighted average incremental borrowing rate of the lease liability was 4.0 (4.2) per cent on 31 December 2020.

The right-of-use assets recognised in property, plant and equipment are car leasing agreements. Depreciation on the right-of-use asset is recognised as straight-line depreciation

over the lease term. The balance sheet items do not include the service components of leases or non-deductible value added taxes. The weighted average incremental borrowing rate of the lease liability was 1.34 (1.34) per cent on 31 December 2020.

The cash flows of the contractual repayments and interest payments of the Group's financial liabilities are presented for lease liabilities in note 4.6 Financial risk management.

Expenses associated with right-of-use assets included in investment properties (leases for plots of land) are recognised in the comprehensive income statement under Profit/loss on fair value of investment properties and the interest expenses allocated to the lease liability are recognised in financial expenses. The expenses associated with car leasing agreements are recognised in depreciation and financial expenses. The payments of the lease liability are stated in the financing cash flow.

Kojamo has assessed that the COVID-19-Related Rent Concessions amendments to IFRS 16 Leases do not have an impact on the consolidated financial statements.

### Right-of-use assets

M€	31 Dec 2020	31 Dec 2019
Fair value of Leases for plots of land on 1 Jan *	60.2	60.5
Increases/decreases	8.3	0.8
Profit/loss on fair value of investment properties	-1.1	-1.1
<b>Fair value of Leases for plots of land on 31 Dec</b>	<b>67.4</b>	<b>60.2</b>

\* Land lease contracts are measured at fair value and are recognised in investment properties.



M€	31 Dec 2020	31 Dec 2019
Car leasing agreements on 1 Jan *	1.3	1.0
Increases/decreases	0.3	0.3
<b>Acquisition cost 31 Dec</b>	<b>1.6</b>	<b>1.3</b>
Accumulated depreciation 1 Jan	-0.5	-
Depreciation, amortisation and impairment	-0.4	-0.5
Decreases	0.3	-
<b>Accumulated depreciation 31 Dec</b>	<b>-0.7</b>	<b>-0.5</b>
Car leasing agreements on 1 Jan	0.9	1.0
<b>Car leasing agreements on 31 Dec</b>	<b>1.0</b>	<b>0.9</b>

\* Car leasing agreements are recognised in property, plant and equipment.

Right-of-use assets total on 1 Jan	61.1	61.5
<b>Right-of-use assets total on 31 Dec</b>	<b>68.4</b>	<b>61.1</b>

### Lease liabilities

M€	31 Dec 2020	31 Dec 2019
Lease liabilities on 1 Jan	61.1	61.5
Increases	8.6	1.4
Decreases	-1.1	-1.2
Payments	-1.6	-1.6
Other adjustments	1.3	1.1
<b>Lease liabilities on 31 Dec</b>	<b>68.3</b>	<b>61.1</b>

### Lease liabilities specification

M€	31 Dec 2020	31 Dec 2019
<b>Non-current liabilities</b>		
Investment property, leases for plot of land	66.2	59.1
Depreciation, amortisation and impairment, car leasing agreements	0.5	0.9
<b>Non-current liabilities total</b>	<b>66.7</b>	<b>60.0</b>
<b>Current liabilities</b>		
Investment property, leases for plot of land	1.2	1.1
Depreciation, amortisation and impairment, car leasing agreements	0.4	-
<b>Current liabilities total</b>	<b>1.6</b>	<b>1.1</b>
<b>Lease liabilities total</b>	<b>68.3</b>	<b>61.1</b>



## Amounts from lease agreements recognised in the comprehensive income statement

M€	1-12/2020	1-12/2019
Maintenance expenses	3.6	3.5
<b>Net rental income</b>	<b>3.6</b>	<b>3.5</b>
Administrative expenses	0.5	0.5
Profit/loss on fair value of investment properties	-1.1	-1.1
Depreciation, amortisation and impairment	-0.4	-0.5
<b>Operating profit</b>	<b>2.5</b>	<b>2.5</b>
Financial expenses	-2.5	-2.5
<b>Profit before taxes</b>	<b>0.0</b>	<b>0.0</b>
Change in deferred taxes	0.0	0.0
<b>Profit for the period</b>	<b>0.0</b>	<b>0.0</b>

## 6.2 Intangible assets

M€	Intangible rights	Other intangible assets	Total
Acquisition cost 1 Jan 2020	2.4	2.4	4.8
Increases	-	0.4	0.4
<b>Acquisition cost 31 Dec 2020</b>	<b>2.4</b>	<b>2.8</b>	<b>5.1</b>
Accumulated depreciation 1 Jan 2020	-2.3	-2.3	-4.6
Depreciation for the financial year	0.0	-0.1	-0.1
<b>Accumulated depreciation 31 Dec 2020</b>	<b>-2.4</b>	<b>-2.3</b>	<b>-4.7</b>
Carrying value 1 Jan 2020	0.1	0.1	0.2
<b>Carrying value 31 Dec 2020</b>	<b>0.0</b>	<b>0.4</b>	<b>0.4</b>

M€	Intangible rights	Other intangible assets	Total
Acquisition cost 1 Jan 2019	2.4	2.4	4.8
<b>Acquisition cost 31 Dec 2019</b>	<b>2.4</b>	<b>2.4</b>	<b>4.8</b>
Accumulated depreciation 1 Jan 2019	-2.3	-2.2	-4.5
Depreciation for the financial year	0.0	0.0	-0.1
<b>Accumulated depreciation 31 Dec 2019</b>	<b>-2.3</b>	<b>-2.3</b>	<b>-4.6</b>
Carrying value 1 Jan 2019	0.1	0.2	0.2
<b>Carrying value 31 Dec 2019</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>



Intangible assets are recognised in the balance sheet only in the event that the acquisition cost of the asset can be reliably determined and the expected future financial benefit related to the asset will probably benefit Kojamo. Any other costs are immediately recognised as expenses. Intangible assets are valued at acquisition cost less amortisation and any impairment loss. Kojamo's intangible assets consist of licences and IT systems. Intangible assets are amortised on a straight-line basis over their estimated useful lives. Intangible assets with a time limit are amortised over the life of the contract. The amortisation periods for intangible assets are four to five years.

Research costs are recognised as an expense as incurred. Development costs are recognised as intangible assets in the balance sheet, provided that they can be reliably determined, the product or process is technically and commercially feasible, it will probably generate financial benefit in the future and Kojamo has the resources required for completing the research work and for using or selling the intangible asset.

The residual value, useful life and amortisation method of the asset are checked at least at the end of each financial year. When necessary, they are adjusted to reflect changes in the expectations on financial benefit.

Kojamo's consolidated balance sheet did not include goodwill in the periods being presented.

### **Impairment of intangible assets**

At least once a year, Kojamo carries out an assessment of the possible signs of impairment of intangible assets. In practice, this is usually an asset group-specific assessment. If any signs of impairment are detected, the recoverable amount of the asset is determined.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use is based on the expected future net cash flows resulting from the asset, discounted to the present. The recoverable amount is compared with the asset's carrying amount. An impairment loss is recognised if the recoverable amount is lower than the carrying amount. Impairment losses are recognised in the statement of income. In connection with the recognition of the impairment loss, the useful life of the amortisable/depreciable asset is reassessed.

The impairment loss will be reversed later if the circumstances change and the recoverable amount has increased after the recognition of the impairment loss. However, reversal of impairment loss shall not exceed the asset's carrying amount less impairment loss. An impairment loss recognised for goodwill cannot be reversed under any circumstances.



## 6.3 Property, plant and equipment

M€	Land areas	Connection charges	Buildings	Machinery and equipment	Right-of-use assets	Other tangible assets	Total
Acquisition cost 1 Jan 2020	5.5	0.2	28.2	3.3	1.3	1.6	40.0
Increases				0.1	0.3		0.3
Transfer to investment properties		0.0	-1.4	0.0			-1.4
<b>Acquisition cost 31 Dec 2020</b>	<b>5.5</b>	<b>0.2</b>	<b>26.7</b>	<b>3.3</b>	<b>1.6</b>	<b>1.6</b>	<b>38.9</b>
Accumulated depreciation 1 Jan 2020			-5.8	-2.8	-0.5	-0.1	-9.1
Depreciation for the financial year			-0.6	-0.2	-0.4	0.0	-1.2
Decreases					0.3		0.3
Transfer to investment properties			1.0	0.0			1.0
<b>Accumulated depreciation 31 Dec 2020</b>			<b>-5.4</b>	<b>-3.0</b>	<b>-0.7</b>	<b>-0.1</b>	<b>-9.1</b>
Carrying value 1 Jan 2020	5.5	0.2	22.4	0.5	0.9	1.5	30.9
<b>Carrying value 31 Dec 2020</b>	<b>5.5</b>	<b>0.2</b>	<b>21.3</b>	<b>0.3</b>	<b>1.0</b>	<b>1.5</b>	<b>29.8</b>

M€	Land areas	Connection charges	Buildings	Machinery and equipment	Right-of-use assets	Other tangible assets	Total
Acquisition cost 1 Jan 2019	5.5	0.2	28.2	3.2	1.0	1.6	39.6
Increases				0.1	0.3		0.5
Decreases				-0.1			-0.1
<b>Acquisition cost 31 Dec 2019</b>	<b>5.5</b>	<b>0.2</b>	<b>28.2</b>	<b>3.3</b>	<b>1.3</b>	<b>1.6</b>	<b>40.0</b>
Accumulated depreciation 1 Jan 2019			-5.5	-2.6		-0.1	-8.1
Depreciation for the financial year			-0.3	-0.2	-0.5	0.0	-1.0
<b>Accumulated depreciation 31 Dec 2019</b>			<b>-5.8</b>	<b>-2.8</b>	<b>-0.7</b>	<b>-0.1</b>	<b>-9.1</b>
Carrying value 1 Jan 2019	5.5	0.2	22.7	0.6	1.0	1.5	31.5
<b>Carrying value 31 Dec 2019</b>	<b>5.5</b>	<b>0.2</b>	<b>22.4</b>	<b>0.5</b>	<b>0.9</b>	<b>1.5</b>	<b>30.9</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 assets include car leasing agreements, which are described in more detail in note 6.1.

Property, plant and equipment are measured at their original acquisition cost, less accumulated depreciation and possible impairment losses, adding capitalised costs related to modernisations. Kojamo's property, plant and equipment consist mainly of buildings, land and machinery and equipment.

The acquisition cost includes costs that are directly attributable to the acquisition of the property, plant and equipment item. If the item consists of several components with different useful lives, they are treated as separate items of property, plant and equipment. In this case, costs related to the replacement of a component are capitalised, and any remaining carrying amount is derecognised from the balance sheet in connection with the replacement. Government grants received for the acquisition of property, plant and equipment are recorded as a reduction of the acquisition cost of said property, plant and equipment asset. The grants are recognised in income as lower depreciation charges over the useful life of the asset.

Costs that arise later as a result of additions, replacements of parts or maintenance, such as modernisation costs, are included in the carrying amount of the property, plant and equipment asset only in the event that the future financial benefit related to the asset will probably benefit Kojamo and the acquisition cost can be reliably determined. Maintenance and repair expenses are recognised immediately through profit and loss.

Depreciation on property, plant and equipment is recognised as straight-line depreciation during the useful life. No depreciation is charged on land, as land is considered to have an indefinite useful life.

The depreciation periods based on economic useful life are as follows:

Buildings	67 years
Machinery and equipment in buildings	10–50 years
Intangible rights and assets	10–20 years
Capitalised renovations and repairs	10–50 years
IT hardware and software	4–5 years
Office machinery and equipment	4 years
Cars (right-of-use assets)	4 years

Gains and losses from sales and disposals of property, plant and equipment are recognised in the income statement and presented as other operating income and expenses.

### Impairment of property, plant and equipment

At least once a year, Kojamo carries out an assessment of the possible signs of impairment of property, plant and equipment. In practice, this is usually an asset group-specific assessment. If any signs of impairment are detected, the recoverable amount of the asset is determined.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use is based on the expected future net cash flows resulting from the asset, discounted to the present. The recoverable amount is compared with the asset's carrying amount. An impairment loss is recognised if the recoverable amount is lower than the carrying amount. Impairment losses are recognised in the statement of income. In connection with the recognition of the impairment loss, the useful life of the amortisable/depreciable asset is reassessed.

The impairment loss will be reversed later if the circumstances change and the recoverable amount has increased after the recognition of the impairment loss. However, reversal of impairment loss shall not exceed the asset's carrying amount less impairment loss.



## 6.4 Non-current receivables

M€	31 Dec 2020	31 Dec 2019
Loan receivables from associated companies	4.8	0.2
Loan receivables from others	2.7	2.8
Non-current accrued income	0.1	0.2
<b>Total</b>	<b>7.7</b>	<b>3.2</b>

## 6.5 Current trade and other receivables

M€	31 Dec 2020	31 Dec 2019
Trade receivables	5.5	5.7
Loan receivables	0.3	0.4
Other receivables	1.9	0.4
Prepaid expenses and accrued income	2.8	1.2
<b>Total</b>	<b>10.5</b>	<b>7.7</b>

Specification of prepaid expenses and accrued income	31 Dec 2020	31 Dec 2019
Rental services	1.5	0.6
Prepayments	0.1	0.1
Interest	0.1	-
Other prepaid expenses and accrued income	1.1	0.4
<b>Total</b>	<b>2.8</b>	<b>1.2</b>

The fair value of trade receivables and other receivables matches their carrying amount.

## 6.6 Provisions and other non-current liabilities

Provisions include EUR 0.4 (0.5) million in ten-year guarantee reserves for Lumo Kodit Oy's (VVO Rakennuttaja Oy's) founder construction, estimated on the basis of experience.

Other non-current liabilities comprise received security deposits in the amount of EUR 4.6 (5.1) million.

Provisions may result from restructuring plans, onerous contracts or obligations related to the environment, legal action or taxes.

The amount recognised as provision is the management's best estimate of costs required for settling an existing obligation on the last day of the reporting period. Where it can be expected some of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are recognised in the balance sheet when all the following criteria are met:

- Kojamo has a present legal or constructive obligation as a result of past events
- it is probable that an outflow of resources will be required to settle the obligation
- the amount of the obligation can be reliably esti-





## 6.7 Current trade payables and other payables

M€	31 Dec 2020	31 Dec 2019
Advances received	6.6	6.7
Trade payables	19.1	15.6
Other debts	1.4	10.1
Accrued expenses and deferred income	38.5	31.8
<b>Total</b>	<b>65.6</b>	<b>64.3</b>

Specification of accrued expenses and deferred income	31 Dec 2020	31 Dec 2019
Rental services	5.5	0.9
Investments	3.4	5.1
Personnel expenses	5.4	5.4
Interest	24.2	20.3
Other items	0.0	0.1
<b>Total</b>	<b>38.5</b>	<b>31.8</b>

## 7. Other notes

### 7.1 Adjustments to cash flow from operating activities

M€	1-12/2020	1-12/2019
Depreciation	1.3	1.1
Financial income and expenses	55.3	50.8
Income taxes	78.3	206.1
Share of result of associated companies	-0.2	-0.2
Profit/loss on fair value of investment properties	-225.8	-872.4
Profit/loss on the disposal of investment properties	0.7	-0.1
Other adjustments	-0.4	0.3
<b>Total</b>	<b>-90.6</b>	<b>-614.5</b>

### 7.2 Related party transactions

#### *Related parties*

Kojamo plc's related parties include its subsidiaries, associated companies and joint arrangements as well as key management personnel, comprising the members of the Board of Directors and Management Team, the CEO and the close members of their families. Parties holding 20 per cent or more of the shares of Kojamo are generally considered as related

parties. Shareholders whose shareholding remains below 20 per cent are considered as related parties if they are otherwise considered to have considerable influence.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

Kojamo's subsidiaries, joint arrangements and associated companies are presented in Note 7.3.



## Employee benefits of key management personnel

M€	1-12/2020	1-12/2019
Wages and salaries to management		
CEO	0.5	0.5
Other members of the Management Team	1.0	1.0
Members of the Board and its committees	0.1	0.1
<b>Total wages and salaries for the management</b>	<b>1.6</b>	<b>1.7</b>
Share-based payments		
CEO	0.6	0.4
Other members of the Management Team	0.5	0.3
Members of the Board and its committees	0.3	0.2
<b>Share-based payments total</b>	<b>1.4</b>	<b>0.8</b>
Funded pension plans	0.2	0.2
Defined contribution pension plans	0.4	0.5
<b>Total</b>	<b>3.6</b>	<b>3.3</b>

## Salaries and wages to the CEO, the Board of Directors and the Board's committees

1,000 €	1-12/2020	1-12/2019
Jani Nieminen, CEO	1,048.7	923.2
Board of Directors and its committees		
Mikael Aro	72.5	52.8
Mikko Mursula	46.6	46.2
Reima Rytsölä	40.1	39.0
Anne Leskelä	47.2	44.7
Minna Metsälä	40.1	39.0
Heli Puura	40.7	30.9
Matti Harjuniemi	40.7	40.2
Riku Aalto	-	16.2
Jan-Erik Saarinen	-	9.3
<b>Board of Directors and its committees total</b>	<b>327.7</b>	<b>318.3</b>
<b>Total *</b>	<b>1,376.4</b>	<b>1,241.5</b>

\* The salaries and wages include share-based payments

For the 2020–2021 term of office, the Board of Directors has been paid fees totalling EUR 332.9 thousand, of which EUR 327.7 thousand is allocated to the financial year 2020.

Kojamo employees do not receive additional compensation for serving as Board members or the CEO of Group companies.

### *The management's pension commitments and severance payments*

The retirement age for the CEO and the members of the Management Team is 63 years. The CEO and the members of the Management Team belong to a contribution-based pension system in which an insurance premium corresponding to two months' taxable income is paid annually into a group pension insurance plan. In accordance with the terms of the insurance, the insurance savings can be withdrawn starting from the age of 63 or as a supplementary pension complementing earnings-related pension. The costs of the statutory pension plan for the CEO and the members of the Management Team were EUR 0.4 (0.5) million, and payments to the voluntary pension plan amounted to EUR 0.2 (0.2) million.

If the company terminates the CEO's contract, the period of notice is 12 months, during which time the CEO does not have an obligation to work. If the CEO terminates the contract, the period of notice is three months. No separate severance pay is stipulated by the CEO's contract.

If the Company terminates the contract of another member of the Management Team, the period of notice is six months, during which time they are under no obligation to work. If a member of the Management Team terminates the contract, the period of notice is three months. The severance payment corresponds to six months' salary.

### *Share-based incentive plan*

Kojamo has a long-term share-based incentive plan for executives in effect. The remuneration is based on the realisation of Kojamo's key performance indicators in relation to the Group's strategic targets.

The potential incentives under the plan are based on:

- for the performance period 2018–2020: operative result and return on capital employed.



- for the performance period 2019–2021: total revenue, FFO and return on capital employed.
- for the performance period 2020–2022: total revenue and FFO.

If the three ongoing earning periods were accrued in full, the maximum remuneration would be a sum corresponding to 312,345 Kojamo shares, of which half would be paid in Kojamo shares and half in cash. The fair value of the share-based rewards is measured based on Kojamo plc's share price at the time of initiating the plan and taking into account the dividend estimates for the coming years. In the financial year 2020, the effect of the share-based incentive plan for key personnel on Kojamo's result was EUR -0.8 (-0.7) million.

### *Other related party information*

The members of the Board of Directors or corporations over which they exercise control owned a total of 41,044 shares and share-based rights in the company or in companies belonging to the same Group as the company.

The members of the Management Team or corporations over which they exercise control owned a total of 123,536 shares and share-based rights in the company or in companies belonging to the same Group as the company.

These shares represent 0.07 per cent of the company's entire share capital.

Kojamo had no related party transactions deviating from the company's normal business operations in 2019 and 2020.



## 7.3 The Group's subsidiaries, joint arrangements and associated companies

### Consolidation policies

The consolidated financial statements include the parent company Kojamo plc, the subsidiaries, interests in joint arrangements (joint operations) and investments in associated companies.

### Subsidiaries

Subsidiaries are companies that are under the parent company's control. Kojamo is considered to control an entity when Kojamo is exposed to, or has rights to, variable returns from its involvement in the entity and has the ability to affect those returns through its control over the entity. The control is usually based on the parent company's direct or indirect holding of more than 50 per cent of the voting rights in the subsidiary. Should facts or circumstances change in the future, Kojamo will reassess whether it continues to have control over the entity.

Mutual shareholdings are eliminated using the acquisition cost method. Subsidiaries acquired during the financial year are consolidated in the financial statements from the day of acquisition, when the Group gained control of the company. Divested subsidiaries are consolidated until the date of divestment, when control ceases. Intra-Group transactions, receivables, liabilities, essential internal margins and internal profit distribution have been eliminated in the consolidated financial statements.

The result for the financial year and total comprehensive income are allocated to the owners of the parent company, as Kojamo had no non-controlling interests in 2019 and 2020.

### Joint arrangements

A joint arrangement is an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is either a joint operation or joint venture. In a joint operation, Kojamo has rights to the assets and obligations for the liabilities relating to the arrangement, whereas a joint venture is an arrangement in which Kojamo has rights to the net assets of the arrangement. All of Kojamo's joint arrangements are joint operations. They include those housing companies and mutual real estate companies in which Kojamo has a holding of less than 100 per cent. In these companies, the shares held by Kojamo carry entitlement to have control over specified premises.

Kojamo includes in its consolidated financial statements on a line-by-line basis and in proportion to its ownership its share of the assets and liabilities on the balance sheet related to joint operations as well as its share of any joint assets and liabilities. In addition, Kojamo recognises its income and expenses related to joint operations, including its share of the income and expenses from joint operations. Kojamo applies this proportional consolidation method to all the joint operations described hereinabove, regardless of Kojamo's holding. If the proportionally consolidated companies have such items on the consolidated comprehensive income statement or balance sheet that solely belong to Kojamo or other owners, these items are dealt with accordingly also in Kojamo's consolidated financial statements.

### Associated companies

Associated companies are entities over which Kojamo has considerable influence. Considerable influence is basically defined as Kojamo holding 20–50 per cent of the votes in the company, or Kojamo as otherwise exercising considerable influence but not having control in the company. Holdings in associated companies are consolidated in the financial statements using the equity method from the date of acquiring considerable influence until the date when the considerable influence ends. The Group's share of the results of associated companies is shown in a separate line on the income statement.



## Group structure as at 31 December 2020

Units	Subsidiaries	Associated companies
Kojamo plc	15 <sup>1)</sup>	2
Parent companies of sub-groups		
Lumo 2020 Oy	1	1
Lumo 2021 Oy	1	
Lumo Kodit Oy	313	35 <sup>2)</sup>
Lumo Vuokratalot Oy	10	3 <sup>2)</sup>
Parking and maintenance companies	1	
Kojamo Palvelut Oy	1	
<b>In total</b>	<b>342</b>	<b>38</b>

<sup>1)</sup> Including parent companies of sub-groups and other presented subsidiaries excluding parking and maintenance companies.

<sup>2)</sup> 3 of associated companies are subsidiaries on the highest Kojamo group level.

Subsidiaries and joint arrangements		Parent company holding %	Group holding %
<b>Kojamo plc</b>			
Kiinteistö osakeyhtiö Pikkuhirvas	Inari	100.00	100.00
Kojamo Holding Oy	Helsinki	100.00	100.00
Kojamo Palvelut Oy	Helsinki	100.00	100.00
Kotinyt Oy	Helsinki	100.00	100.00
Lumo 2020 Oy	Helsinki	100.00	100.00
Lumo 2021 Oy	Helsinki	100.00	100.00
Lumo Kodit Oy	Helsinki	100.00	100.00
Lumo Vuokratalot Oy	Helsinki	100.00	100.00
Lumohousing 10 Oy	Helsinki	100.00	100.00
Lumohousing 11 Oy	Helsinki	100.00	100.00
Lumohousing 12 Oy	Helsinki	100.00	100.00
Lumohousing 2 Oy	Helsinki	100.00	100.00
VVO Hoivakiinteistöt Oy	Helsinki	100.00	100.00
VVOhousing 8 Oy	Helsinki	100.00	100.00
VVOhousing 9 Oy	Helsinki	100.00	100.00

Subsidiaries and joint arrangements		Parent company holding %	Group holding %
<b>Lumo Kodit Oy</b>			
As Oy Helsingin Leikosaarenpuisto	Helsinki	98.64	98.64
As Oy Helsingin Mustalahdentie 1	Helsinki	100.00	100.00
As Oy Helsingin Vuopuisto	Helsinki	98.71	98.71
As Oy Kuopion Havuketo	Kuopio	100.00	100.00
As Oy Turun Puistokatu 12	Turku	100.00	100.00
As Oy Vantaan Junkkarinkaari 7	Vantaa	100.00	100.00
As. Oy Helsingin Haapaniemenkatu 11	Helsinki	100.00	100.00
As. Oy Kuopion Kaarenkulma	Kuopio	100.00	100.00
As. Oy Malski 3, Lahti	Lahti	100.00	100.00
Asunto Oy Espoon Ajurinkuja 1	Espoo	100.00	100.00
Asunto Oy Espoon Forstmestarinpiha 2	Espoo	100.00	100.00
Asunto Oy Espoon Henttaan Puistokatu 16	Espoo	100.00	100.00
Asunto Oy Espoon Henttaankaari A	Espoo	100.00	100.00
Asunto Oy Espoon Kilonportti 3	Espoo	100.00	100.00
Asunto Oy Espoon Kirkkojärventie 10 C	Espoo	100.00	100.00
Asunto Oy Espoon Kirkkojärventie 10 D	Espoo	100.00	100.00



Asunto Oy Espoon Klariksentie 6	Espoo	100.00	100.00
Asunto Oy Espoon Koivu-Mankkaan tie 1	Espoo	100.00	100.00
Asunto Oy Espoon Koronakatu 1	Espoo	100.00	100.00
Asunto Oy Espoon Kulovalkeantie 21 B	Espoo	100.00	100.00
Asunto Oy Espoon Likusterikatu A	Espoo	100.00	100.00
Asunto Oy Espoon Linnustajankuja 2	Espoo	100.00	100.00
Asunto Oy Espoon Marinkallio 4	Espoo	100.00	100.00
Asunto Oy Espoon Marinkallio 6	Espoo	100.00	100.00
Asunto Oy Espoon Marinkallio 8	Espoo	100.00	100.00
Asunto Oy Espoon Nihtitorpankuja 3	Espoo	100.00	100.00
Asunto Oy Espoon Niittykatu 15	Espoo	100.00	100.00
Asunto Oy Espoon Niittykatu 8	Espoo	100.00	100.00
Asunto Oy Espoon Niittykummuntie 12 B	Espoo	100.00	100.00
Asunto Oy Espoon Niittykummuntie 12 E	Espoo	100.00	100.00
Asunto Oy Espoon Nöykkiönlaaksontie 7	Espoo	100.00	100.00
Asunto Oy Espoon Piispanristi	Espoo	100.00	100.00
Asunto Oy Espoon Rastasniityntie 1 A	Espoo	100.00	100.00
Asunto Oy Espoon Rastasniityntie 1 B	Espoo	100.00	100.00
Asunto Oy Espoon Reelinkikatu 2	Espoo	100.00	100.00
Asunto Oy Espoon Runoratsunkatu 11	Espoo	100.00	100.00
Asunto Oy Espoon Saunalahdenkatu 2	Espoo	100.00	100.00
Asunto Oy Espoon Servinkuja 3	Espoo	100.00	100.00
Asunto Oy Espoon Soukanrinne	Espoo	100.00	100.00
Asunto Oy Espoon Suurpelto 44	Espoo	100.00	100.00
Asunto Oy Espoon Suurpelto 5	Espoo	100.00	100.00
Asunto Oy Espoon Tietäjäntie 3	Espoo	100.00	100.00
Asunto Oy Espoon Ulappakatu 1	Espoo	100.00	100.00
Asunto Oy Espoon Uno Kailaan katu 4	Espoo	100.00	100.00
Asunto Oy Espoon Uno Kailaan katu 5	Espoo	100.00	100.00
Asunto Oy Espoon Uno Kailaan katu 6	Espoo	100.00	100.00
Asunto Oy Espoon Valakuja 8	Espoo	100.00	100.00
Asunto Oy Helsingin Annankatu 5	Helsinki	100.00	100.00
Asunto Oy Helsingin Bahamankatu 8	Helsinki	100.00	100.00
Asunto Oy Helsingin Capellan puistotie 4	Helsinki	100.00	100.00
Asunto Oy Helsingin Eerik VII	Helsinki	100.00	100.00
Asunto Oy Helsingin Fregatti Dygdenin kuja 5	Helsinki	100.00	100.00
Asunto Oy Helsingin Haapsalunkuja 4	Helsinki	100.00	100.00
Asunto Oy Helsingin Hela-aukio 4	Helsinki	100.00	100.00
Asunto Oy Helsingin Helatehtaankatu 3	Helsinki	100.00	100.00
Asunto Oy Helsingin Henrik Borgströmin tie 2	Helsinki	100.00	100.00
Asunto Oy Helsingin Hesperiankatu 18	Helsinki	100.00	100.00
Asunto Oy Helsingin Hilapellontie 2c	Helsinki	100.00	100.00
Asunto Oy Helsingin Hilapellontie 2d	Helsinki	100.00	100.00
Asunto Oy Helsingin Hopeatie 9	Helsinki	100.00	100.00
Asunto Oy Helsingin Höyrykatu 8	Helsinki	100.00	100.00
Asunto Oy Helsingin Iso Roobertinkatu 30	Helsinki	100.00	100.00
Asunto Oy Helsingin Joukahaisenpiha	Helsinki	100.00	100.00
Asunto Oy Helsingin Juhana Herttuan tie 8	Helsinki	100.00	100.00
Asunto Oy Helsingin Jätkänkallio	Helsinki	100.00	100.00
Asunto Oy Helsingin Kadetintie 6	Helsinki	100.00	100.00
Asunto Oy Helsingin Kahvipavunkuja 3	Helsinki	100.00	100.00
Asunto Oy Helsingin Kahvipavunkuja 4	Helsinki	100.00	100.00
Asunto Oy Helsingin Kantelettarentie 15	Helsinki	100.00	100.00
Asunto Oy Helsingin Karavaaninkuja 2	Helsinki	100.00	100.00
Asunto Oy Helsingin Karhulantie 13	Helsinki	100.00	100.00



Asunto Oy Helsingin Karibiankuja 4	Helsinki	100.00	100.00
Asunto Oy Helsingin Katariinankartano	Helsinki	100.00	100.00
Asunto Oy Helsingin Katariinankoski	Helsinki	100.00	100.00
Asunto Oy Helsingin Katontekijänkuja 1	Helsinki	100.00	100.00
Asunto Oy Helsingin Kauppakartanonkuja 3	Helsinki	100.00	100.00
Asunto Oy Helsingin Kaustisenpolku 3	Helsinki	100.00	100.00
Asunto Oy Helsingin Keinulaudantie 2b	Helsinki	100.00	100.00
Asunto Oy Helsingin Keinulaudantie 2c	Helsinki	100.00	100.00
Asunto Oy Helsingin Keinutie 9d	Helsinki	100.00	100.00
Asunto Oy Helsingin Kivensilmänkuja 3	Helsinki	100.00	100.00
Asunto Oy Helsingin Koirasaarentie 23	Helsinki	100.00	100.00
Asunto Oy Helsingin Kontulantie 19	Helsinki	100.00	100.00
Asunto Oy Helsingin Koskikartano	Helsinki	100.00	100.00
Asunto Oy Helsingin Kotkankatu 9	Helsinki	100.00	100.00
Asunto Oy Helsingin Kuuluttajankatu 2	Helsinki	100.00	100.00
Asunto Oy Helsingin Lapinmäentie 10	Helsinki	100.00	100.00
Asunto Oy Helsingin Lauttasaarentie 27	Helsinki	100.00	100.00
Asunto Oy Helsingin Leikkikuja 2	Helsinki	100.00	100.00
Asunto Oy Helsingin Leonkatu 21	Helsinki	100.00	100.00
Asunto Oy Helsingin Lumo One	Helsinki	100.00	100.00
Asunto Oy Helsingin Luotsikatu 1a	Helsinki	100.00	100.00
Asunto Oy Helsingin Lönnrotinkatu 30	Helsinki	100.00	100.00
Asunto Oy Helsingin Maasälväntie 5 ja 9	Helsinki	100.00	100.00
Asunto Oy Helsingin Marjatanportti	Helsinki	100.00	100.00
Asunto Oy Helsingin Melkonkatu 12 B	Helsinki	100.00	100.00
Asunto Oy Helsingin Messeniuksenkatu 1B	Helsinki	100.00	100.00
Asunto Oy Helsingin Oulunkylän tori 3	Helsinki	100.00	100.00
Asunto Oy Helsingin Palmseenpolku 2	Helsinki	100.00	100.00
Asunto Oy Helsingin Pasilan Ratapiha 3	Helsinki	100.00	100.00
Asunto Oy Helsingin Pertunpellontie 6	Helsinki	100.00	100.00
Asunto Oy Helsingin Pertunpellontie 8	Helsinki	100.00	100.00
Asunto Oy Helsingin Plazankuja 5	Helsinki	100.00	100.00
Asunto Oy Helsingin Posetiivari	Helsinki	100.00	100.00
Asunto Oy Helsingin Punahilkantie 6	Helsinki	100.00	100.00
Asunto Oy Helsingin Punakiventie 13	Helsinki	100.00	100.00
Asunto Oy Helsingin Punakiventie 15	Helsinki	100.00	100.00
Asunto Oy Helsingin Pärnunkatu 6	Helsinki	100.00	100.00
Asunto Oy Helsingin Ratarinne	Helsinki	100.00	100.00
Asunto Oy Helsingin Retkeilijänkatu 1	Helsinki	100.00	100.00
Asunto Oy Helsingin Ristipellontie 6	Helsinki	100.00	100.00
Asunto Oy Helsingin Ristiretkeläistenkatu 19	Helsinki	100.00	100.00
Asunto Oy Helsingin Risupadontie 6	Helsinki	100.00	100.00
Asunto Oy Helsingin Saariniemenkatu 6	Helsinki	100.00	100.00
Asunto Oy Helsingin Sörnäistenkatu 12	Helsinki	100.00	100.00
Asunto Oy Helsingin Tenderinlenkki 6	Helsinki	100.00	100.00
Asunto Oy Helsingin Tenderinlenkki 8	Helsinki	100.00	100.00
Asunto Oy Helsingin Tilketori 2	Helsinki	95.48	95.48
Asunto Oy Helsingin Tulisuoontie 1	Helsinki	100.00	100.00
Asunto Oy Helsingin Tuulensuunkuja 3	Helsinki	100.00	100.00
Asunto Oy Helsingin Valanportti	Helsinki	100.00	100.00
Asunto Oy Helsingin Vanhaistentie 1 d	Helsinki	100.00	100.00
Asunto Oy Helsingin Vinsentinaukio 4	Helsinki	100.00	100.00
Asunto Oy Helsingin Von Daehnin katu 8	Helsinki	100.00	100.00
Asunto Oy Helsingin Vuorenpeikontie 5	Helsinki	100.00	100.00
Asunto Oy Helsingin Välimerenkatu 8	Helsinki	100.00	100.00





Asunto Oy Hilapellontie 4	Helsinki	100.00	100.00
Asunto Oy Hyvinkään Astreankatu 27	Hyvinkää	100.00	100.00
Asunto Oy Hyvinkään Merino	Hyvinkää	100.00	100.00
Asunto Oy Hyvinkään Mohair	Hyvinkää	100.00	100.00
Asunto Oy Hyvinkään Värimestarinkaari 3	Hyvinkää	100.00	100.00
Asunto Oy Hämeenlinnan Aurinkokatu 10	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Hallituskatu 14	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Hilpi Kummilantie 16	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Kajakulma	Hämeenlinna	73.97	73.97
Asunto Oy Hämeenlinnan Keilakatu 4	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Kummilantie 6	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Linnaniemenkatu 1	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Linnankatu 3b	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Pikkujärventie 9	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Uusi-Jukola	Hämeenlinna	100.00	100.00
Asunto Oy Hämeentie 48	Helsinki	100.00	100.00
Asunto Oy Jyväskylän Heinämutka 5	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Honkaharjuntie 14b	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Jontikka 4	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Kelokatu 4	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Kerkkäkatu 1	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Keskisentie 1	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Kilpisenkatu 14	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Kyllikinkatu 5	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Runkotie 3b	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Runkotie 5 C	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Tellervonkatu 8	Jyväskylä	98.13	98.13
Asunto Oy Jyväskylän Tervalankatu 6	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Tiilitehtaantie 46	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Väinönkatu 15	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Yliopistonkatu 40b	Jyväskylä	100.00	100.00
Asunto Oy Järvenpään Antoninkuja 3	Järvenpää	100.00	100.00
Asunto Oy Järvenpään Metallimiehenkuja 2	Järvenpää	100.00	100.00
Asunto Oy Järvenpään Pajalantie 23 F	Järvenpää	100.00	100.00
Asunto Oy Järvenpään Reki-Valko	Järvenpää	100.00	100.00
Asunto Oy Järvenpään Rekiatrat	Järvenpää	100.00	100.00
Asunto Oy Järvenpään Sibeliuksenkatu 27	Järvenpää	100.00	100.00
Asunto Oy Kalasääksentie 6	Espoo	100.00	100.00
Asunto Oy Kauniaisten Asematie 10	Kauniainen	100.00	100.00
Asunto Oy Kauniaisten Asematie 12-14	Kauniainen	100.00	100.00
Asunto Oy Kauniaisten Bredantie 8	Kauniainen	100.00	100.00
Asunto Oy Kauniaisten Kavallinterassit	Kauniainen	100.00	100.00
Asunto Oy Kauniaisten Thurmaninpuistotie 2	Kauniainen	100.00	100.00
Asunto Oy Kaustisenpolku 5	Helsinki	100.00	100.00
Asunto Oy Keravan Eerontie 3	Kerava	100.00	100.00
Asunto Oy Keravan Palopolku 3	Kerava	100.00	100.00
Asunto Oy Keravan Santaniitynkatu 17	Kerava	100.00	100.00
Asunto Oy Keravan Tapulikatku 30	Kerava	100.00	100.00
Asunto Oy Keravan Tapulitori 1	Kerava	100.00	100.00
Asunto Oy Keravan Tapulitori 2	Kerava	100.00	100.00
Asunto Oy Kirkkonummen Framnäslantie	Kirkkonummi	100.00	100.00
Asunto Oy Kirkkonummen Vernerinkuja 5	Kirkkonummi	100.00	100.00
Asunto Oy Kivivuorenkuja 1	Vantaa	100.00	100.00
Asunto Oy Kivivuorenkuja 3	Vantaa	100.00	100.00
Asunto Oy Konalantie 14	Helsinki	100.00	100.00



Asunto Oy Kuopion Haapaniemenkatu 13	Kuopio	100.00	100.00
Asunto Oy Kuopion Itkonniemenkatu 4b	Kuopio	100.00	100.00
Asunto Oy Kuopion Kelkkailijantie 4	Kuopio	100.00	100.00
Asunto Oy Kuopion Sompatie 7	Kuopio	100.00	100.00
Asunto Oy Kuopion Sompatie 9	Kuopio	100.00	100.00
Asunto Oy Kuopion Tulliportinkatu 30	Kuopio	100.00	100.00
Asunto Oy Lahden Kauppakatu 38	Lahti	100.00	100.00
Asunto Oy Lahden Radanpää 6	Lahti	100.00	100.00
Asunto Oy Lahden Saimaankatu 60 a	Lahti	100.00	100.00
Asunto Oy Lahden Sorvarinkatu 5	Lahti	100.00	100.00
Asunto Oy Lahden Vanhanladonkatu 2	Lahti	100.00	100.00
Asunto Oy Lahden Vihdinkatu 4	Lahti	100.00	100.00
Asunto Oy Lahden Vihdinkatu 6	Lahti	100.00	100.00
Asunto Oy Lappeenrannan Gallerianpolku	Lappeenranta	100.00	100.00
Asunto Oy Lappeenrannan Koulukatu 13	Lappeenranta	100.00	100.00
Asunto Oy Lappeenrannan Sammonkatu 3-5 B	Lappeenranta	100.00	100.00
Asunto Oy Lappeenrannan Upseeritie 12	Lappeenranta	100.00	100.00
Asunto Oy Lintukallionrinne 1	Vantaa	100.00	100.00
Asunto Oy Mäntsälän Hemmintie 2	Mäntsälä	100.00	100.00
Asunto Oy Mäntsälän Karhulantie 2	Mäntsälä	100.00	100.00
Asunto Oy Naantalin Palomäenkatu 5	Naantali	100.00	100.00
Asunto Oy Nurmijärven Mahlamäentie 16	Nurmijärvi	100.00	100.00
Asunto Oy Nurmijärven Ratsutilantie 2	Nurmijärvi	100.00	100.00
Asunto Oy Oulun Kitimenpolku 21	Oulu	100.00	100.00
Asunto Oy Oulun Koskelantie 19	Oulu	100.00	100.00
Asunto Oy Oulun Kurkelankuja 1 B	Oulu	100.00	100.00
Asunto Oy Oulun Peltolankaari 1	Oulu	100.00	100.00
Asunto Oy Oulun Revonkuja 1	Oulu	100.00	100.00
Asunto Oy Oulun Tervahanhi 1	Oulu	99.10	99.10
Asunto Oy Oulun Tietolinja 11	Oulu	100.00	100.00
Asunto Oy Pirtinketosato	Kuopio	63.55	63.55
Asunto Oy Pohtolan Kynnys	Espoo	100.00	100.00
Asunto Oy Pohtolan Kytö	Espoo	100.00	100.00
Asunto Oy Puodinkylän Kulma	Helsinki	100.00	100.00
Asunto Oy Rientolanhovi	Tampere	100.00	100.00
Asunto Oy Rovaniemen Koskikatu 9	Rovaniemi	100.00	100.00
Asunto Oy Rovaniemen Tukkipartio	Rovaniemi	100.00	100.00
Asunto Oy Salamankulma	Turku	100.00	100.00
Asunto Oy Tampereen Keskisenkatu 4	Tampere	100.00	100.00
Asunto Oy Tampereen Keskisenkatu 8 A	Tampere	100.00	100.00
Asunto Oy Tampereen Koipitaipaleenkatu 9	Tampere	100.00	100.00
Asunto Oy Tampereen Lentokonetehtaankatu 5	Tampere	100.00	100.00
Asunto Oy Tampereen Meesakatu 2	Tampere	100.00	100.00
Asunto Oy Tampereen Myrskyläntie 4	Tampere	100.00	100.00
Asunto Oy Tampereen Nuolialantie 44	Tampere	100.00	100.00
Asunto Oy Tampereen Pohtolan Pohja	Tampere	100.00	100.00
Asunto Oy Tampereen Satakunnankatu 21	Tampere	100.00	100.00
Asunto Oy Tampereen Tieteenkatu 3	Tampere	100.00	100.00
Asunto Oy Tampereen Tuomiokirkonkatu 32	Tampere	100.00	100.00
Asunto Oy Tampereen Tutkijankatu 7	Tampere	100.00	100.00
Asunto Oy Toppilan Tuulentie 2	Oulu	100.00	100.00
Asunto Oy Tuiran Komuntalo	Oulu	100.00	100.00
Asunto Oy Turun Ahterikatu 12	Turku	100.00	100.00
Asunto Oy Turun Aurinkorinne	Turku	81.50	81.50
Asunto Oy Turun Hippoksentie 31 G	Turku	100.00	100.00



Asunto Oy Turun Hippoksentie 33 A	Turku	100.00	100.00
Asunto Oy Turun Laivurinkatu 4	Turku	100.00	100.00
Asunto Oy Turun Reelinkikatu 7	Turku	100.00	100.00
Asunto Oy Turun Riitasuonkatu 28	Turku	100.00	100.00
Asunto Oy Turun Työnjohtajankatu 1	Turku	100.00	100.00
Asunto Oy Turun Vänrikinkatu 2	Turku	100.00	100.00
Asunto Oy Tuusulan Bostoninkaari 2	Tuusula	100.00	100.00
Asunto Oy Tuusulan Kievarinkaari 4	Tuusula	100.00	100.00
Asunto Oy Vantaan Antaksentie 3	Vantaa	100.00	100.00
Asunto Oy Vantaan Arinatie 10	Vantaa	100.00	100.00
Asunto Oy Vantaan Elmontie 11	Vantaa	100.00	100.00
Asunto Oy Vantaan Esikkotie 9	Vantaa	100.00	100.00
Asunto Oy Vantaan Hiiritornit	Vantaa	100.00	100.00
Asunto Oy Vantaan Kaivokselantie 5 b	Vantaa	100.00	100.00
Asunto Oy Vantaan Kaivokselantie 5 f	Vantaa	100.00	100.00
Asunto Oy Vantaan Keikarinkuja 3	Vantaa	100.00	100.00
Asunto Oy Vantaan Kielotie 34	Vantaa	100.00	100.00
Asunto Oy Vantaan Kielotie 34 C	Helsinki	100.00	100.00
Asunto Oy Vantaan Kilterinaukio 4	Vantaa	100.00	100.00
Asunto Oy Vantaan Kilterinkaari 2	Vantaa	100.00	100.00
Asunto Oy Vantaan Krassitie 8	Vantaa	97.70	97.70
Asunto Oy Vantaan Lauri Korpisen katu 10	Vantaa	100.00	100.00
Asunto Oy Vantaan Lauri Korpisen katu 8	Vantaa	100.00	100.00
Asunto Oy Vantaan Lautamiehentie 11	Vantaa	100.00	100.00
Asunto Oy Vantaan Lautamiehentie 9	Vantaa	100.00	100.00
Asunto Oy Vantaan Lehtikallio 4	Vantaa	100.00	100.00
Asunto Oy Vantaan Leinelänkaari 13	Vantaa	100.00	100.00
Asunto Oy Vantaan Leinelänkaari 14	Vantaa	100.00	100.00
Asunto Oy Vantaan Leineläntie 10	Vantaa	100.00	100.00
Asunto Oy Vantaan Leineläntie 3	Vantaa	100.00	100.00
Asunto Oy Vantaan Liesikuja 8	Vantaa	100.00	100.00
Asunto Oy Vantaan Martinlaaksonpolku 4	Vantaa	100.00	100.00
Asunto Oy Vantaan Neilikapolku	Vantaa	100.00	100.00
Asunto Oy Vantaan Pyhtäänkorvenkuja 4 ja 6	Vantaa	100.00	100.00
Asunto Oy Vantaan Pyhtäänkorventie 25	Vantaa	100.00	100.00
Asunto Oy Vantaan Pähkinämettä	Vantaa	100.00	100.00
Asunto Oy Vantaan Pähkinäpolku	Vantaa	100.00	100.00
Asunto Oy Vantaan Ruukkupolku 14	Vantaa	100.00	100.00
Asunto Oy Vantaan Tammistonvuori	Vantaa	100.00	100.00
Asunto Oy Vantaan Tarhurintie 6	Vantaa	100.00	100.00
Asunto Oy Vantaan Teeritie 2	Vantaa	100.00	100.00
Asunto Oy Verkkotie 3	Hämeenlinna	100.00	100.00
Asunto Oy Vuorikummuntie 9	Helsinki	100.00	100.00
Asunto Oy Vähäntuvantie 6	Helsinki	100.00	100.00
Asunto-osakeyhtiö Helsingin Keinulaudantie 2a	Helsinki	100.00	100.00
Kiint. Oy Taivaskero 2	Vantaa	100.00	100.00
Kiinteistö Oy Helsingin Abrahaminkatu 1	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Agricolankatu 1	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Albertinkatu 40	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Bulevardi 31	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Eerikinkatu 36	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Kalevankatu 37	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Kalevankatu 39	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Kalevankatu 41	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Kalevankatu 43	Helsinki	100.00	100.00



Kiinteistö Oy Helsingin Lönnrotinkatu 34	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Onnentie 18	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Sofianlehdonkatu 5	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Somerontie 14	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Tukholmapolku 10	Helsinki	100.00	100.00
Kiinteistö Oy Lintulahdenpenger	Helsinki	100.00	100.00
Kiinteistö Oy Malminhaka	Tampere	90.00	90.00
Kiinteistö Oy Mannerheimintie 168	Helsinki	82.61	82.61
Kiinteistö Oy Saarensahra	Tampere	100.00	100.00
Kiinteistö Oy Siilinjärven Kirkkorinne	Siilinjärvi	100.00	100.00
Kiinteistö Oy Sävelkorttelin Parkkihalli	Helsinki	65.35	65.35
Kiinteistö Oy Tampereen Kyllikinkatu 15	Tampere	100.00	100.00
Kiinteistö Oy Tuureporin Liiketalo	Turku	100.00	100.00
Kiinteistö Oy Uuno Kailaan kadun Pysäköinti	Espoo	100.00	100.00
Kiinteistö Oy Vantaan Karhunkierros 1 C	Vantaa	86.58	86.58
Kiinteistö Oy Vantaan Pyhtäänpolku	Vantaa	100.00	100.00
Kiinteistö Oy Ylä-Malmintori	Helsinki	100.00	100.00
Kiinteistöosakeyhtiö Liikkalankuja 6	Helsinki	100.00	100.00
Kiinteistöosakeyhtiö Näsilinnankatu 40	Tampere	100.00	100.00
Lumo Hankeyhtiö 1 Oy	Helsinki	100.00	100.00
Lumo Hankeyhtiö 2 Oy	Helsinki	100.00	100.00
Lumo Holding 50 Oy	Helsinki	100.00	100.00

		Parent company holding %	Group holding %
<b>Subsidiaries and joint arrangements</b>			
<b>Lumo Vuokratalot Oy</b>			
Asunto Oy Espoon Asemakuja 1	Espoo	100.00	100.00
Asunto Oy Espoon Piilipuuntie 25	Espoo	100.00	100.00
Asunto Oy Espoon Piilipuuntie 31	Espoo	100.00	100.00
Asunto Oy Helsingin Vaakamestarinpolku 2	Helsinki	100.00	100.00
Asunto Oy Kuopion Niemenkatu 5	Kuopio	100.00	100.00
Asunto Oy Oulun Jalohaukantie 1	Oulu	100.00	100.00
Asunto Oy Oulun Tuuranmaja	Oulu	100.00	100.00
Kiinteistö Oy Nummenperthu	Hämeenlinna	100.00	100.00
Kiinteistö Oy Vehnäpelto	Vantaa	100.00	100.00
Kiinteistö Oy Vehnäpellon tytäryritys:			
Kiinteistö Oy Viljapelto	Vantaa	55.56	55.56

		Parent company holding %	Group holding %
<b>Subsidiaries and joint arrangements</b>			
<b>Lumo 2020 Oy</b>			
Asunto Oy Kuopion Vuorikatu 22	Kuopio	100.00	100.00

		Parent company holding %	Group holding %
<b>Subsidiaries and joint arrangements</b>			
<b>Lumo 2021 Oy</b>			
Asunto Oy Kuopion Vilhelmiina	Kuopio	78.38	100.00

		Parent company holding %	Group holding %
<b>Subsidiaries and joint arrangements</b>			
<b>Group</b>			
Katajapysäköinti Oy	Tampere	50.93	50.93



Subsidiaries and joint arrangements		Parent company holding %	Group holding %
<b>Kojamo Palvelut Oy</b>			
Kiinteistö Oy Mannerheimintie 168a	Helsinki	100.00	100.00
<b>Associated companies</b>			
<b>Kojamo plc</b>			
Asunto Oy Nilsin Ski	Nilsin	28.33	28.33
SV-Asunnot Oy	Helsinki	50.00	50.00
<b>Lumo Kodit Oy</b>			
Asunto Oy Espoon Otsonkulma	Espoo	28.98	28.98
Asunto Oy Kuopion Vilhelmiina	Kuopio	21.62	100.00
Fastighets Ab Lovisa Stenborg Kiinteistö Oy	Loviisa	45.50	45.50
Hatanpäänhoivin Pysäköinti Oy	Tampere	41.88	41.88
Katajapysäköinti Oy	Tampere	34.26	50.93
Kiinteistö Oy Bäckisäker	Espoo	50.00	50.00
Kiinteistö Oy Jyväskylän Torikulma	Jyväskylä	42.63	42.63
Kiinteistö Oy Lappeenrannan Koulukatu 1	Lappeenranta	24.45	24.45
Kiinteistö Oy Mannerheimintie 40	Helsinki	29.42	29.42
Kiinteistö Oy Myllytullin Autotalo	Oulu	24.39	24.39
Kiinteistö Oy Oulun Tullivahdin Parkki	Oulu	33.60	33.60
Kiinteistö Oy Pohjois-Suurlpelto	Espoo	50.00	50.00
Kiinteistö Oy Tampereen Tieteen Parkki	Tampere	41.71	41.71
Lehtolantien Pysäköinti Oy	Riihimäki	22.60	22.60
Leinälän Kehitys Oy	Vantaa	20.00	20.00
Marin autopaikat Oy	Espoo	21.00	21.00
Mummunkujan pysäköinti Oy	Tampere	26.51	26.51
Paavolan Parkki Oy	Lahti	24.93	32.98
Pihlajapysäköinti Oy	Tampere	30.56	30.56
Ristikedonkadun Lämpö Oy	Salo	34.40	34.40
Ruukinpuiston Pysäköinti Oy	Kerava	23.49	23.49
Ruukuntekijäntien paikoitus Oy	Vantaa	26.24	26.24
SKIPA Kiinteistöpalvelut Oy	Espoo	20.63	20.63
Suurpellon Kehitys Oy	Espoo	50.00	50.00
Virvatulentien Pysäköinti Oy	Helsinki	25.15	25.15
Asunto Oy Vantaan Lehtikallio 4:			
Kiinteistö Oy Lehtikallion pysäköinti	Vantaa	39.84	39.84
Asunto Oy Järvenpään Sibeliuksenkatu 27:			
Kiinteistö Oy Järvenpään Tupalantalli	Järvenpää	33.51	33.51
Asunto Oy Vantaan Leinälänkaari 13:			
Leinälänkaaren Pysäköinti Oy	Vantaa	21.63	21.63
Asunto Oy Oulun Revonkuja 1:			
Kiinteistö Oy Revonparkki	Oulu	20.37	20.37
Asunto Oy Tampereen Keskisenkatu 4:			
Kiinteistö Oy Tampereen Seponparkki	Tampere	29.91	45.98
Asunto Oy Vantaan Arinatie 10:			
Kiinteistö Oy Arinaparkki Vantaa	Vantaa	25.59	25.59
Asunto Oy Lahden Radanpää 6:			
Asemantaustan Pysäköinti Oy	Lahti	39.76	39.76
Asunto Oy Espoon Ajurinkuja 1			
Kiinteistö Oy Valliparkki	Espoo	31.31	31.31
Asunto Oy Vantaan Lautamiehentie 9:			
Sandbackan Autopaikat Oy	Vantaa	24.62	44.23
Asunto Oy Espoon Forstmestarinpiha 2:			



Kiinteistö Oy Espoon Lehto	Espoo	25.00	25.00
<b>Lumo Vuokratalot Oy</b>			
Asunto Oy Viljapelto	Vantaa	21.11	76.67
Kiinteistö Oy Keinulaudantie 4	Helsinki	41.62	41.62
Pajalan Parkki Oy	Järvenpää	31.44	44.06
<b>Lumo 2020 Oy</b>			
Lintulammenkadun Pysäköintilaitos oy	Kerava	39.19	39.19

## 7.4 Impacts of COVID-19

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

## 7.5 Events after the financial year

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



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

	Formula	2020	2019	2018	2017	2016
Total revenue, M€		383.9	375.3	358.8	337.0	351.5
Net rental income, M€	1	257.6	247.3	234.0	216.0	222.0
Net rental income margin, %	2	67.1	65.9	65.2	64.1	63.2
Profit before taxes, M€	3	391.2	1,031.3	277.3	266.7	289.7
EBITDA, M€	4	447.6	1,083.1	325.1	308.2	336.8
EBITDA margin, %	5	116.6	288.6	90.6	91.5	95.8
Adjusted EBITDA, M€	6	222.6	210.3	196.5	179.5	186.3
Adjusted EBITDA margin, %	7	58.0	56.0	54.8	53.3	53.0
Funds From Operations (FFO), M€	8	151.5	140.7	116.4	107.8	112.2
FFO margin, %	9	39.5	37.5	32.4	32.0	31.9
Funds From Operations (FFO) per share, € <sup>1)</sup>	10	0.61	0.57	0.49	0.47	0.49
FFO excluding non-recurring costs, M€	11	151.5	140.7	117.3	107.8	112.2
Adjusted Funds From Operations (AFFO), M€	12	124.4	110.0	92.7	82.3	82.9
Investment properties, M€ <sup>2)</sup>		6,863.1	6,260.8	5,093.2	4,710.2	4,298.9
Financial occupancy rate, %	26	96.4	97.2	97.0	96.7	97.4
Interest-bearing liabilities, M€ <sup>3)</sup>	13	3,053.3	2,674.2	2,485.5	2,283.0	2,122.8
Return on equity, % (ROE)	14	9.8	30.3	10.1	10.9	12.9
Return on investment, % (ROI)	15	7.4	20.5	7.2	7.5	8.8
Equity ratio, %	16	45.6	46.9	43.0	41.3	40.7
Loan to Value (LTV), % <sup>4) 5) 6)</sup>	17	41.4	40.5	45.9	46.0	47.1
Unencumbered asset ratio, %	18	79.4	69.8	65.8	54.8	-
Coverage ratio	19	4.1	4.2	4.3	4.2	4.8
Solvency ratio <sup>7)</sup>	20	0.39	0.39	0.43	0.44	0.44
Secured solvency ratio	21	0.14	0.20	0.25	0.34	0.43
Earnings per share, € <sup>1)</sup>		1.27	3.34	0.93	0.93	1.01
Equity per share, € <sup>1)</sup>		13.39	12.51	9.54	8.88	8.10
Dividend/share, € <sup>1) 8)</sup>		0.37	0.34	0.29	0.22	0.51
Dividend/earnings, %	22	29.1	10.2	31.2	23.7	50.5
Price/Earnings ratio (P/E)	23	14.3	4.9	8.7	-	-
Effective dividend yield, %	24	2.0	2.1	3.6	-	-
Gross investments, M€	25	371.2	259.9	365.2	367.3	696.0
Average number of personnel		315	305	319	310	298

<sup>1)</sup> Key figures per share have been adjusted to reflect the impact of the decision by the Extraordinary General Meeting of Shareholders on 25 May 2018 regarding the share split. In the share split, the shareholders received 30 new shares per each existing share.

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

<sup>3)</sup> Does not include liabilities related to non-current assets held for sale.

<sup>4)</sup> Does not include non-current assets held for sale or liabilities related to non-current assets held for sale.

<sup>5)</sup> The formula used in the calculation was changed in 2017, and the comparison figures have been adjusted to reflect the current calculation method.

<sup>6)</sup> On 1 January 2017, EUR 20 million of liquid investments were reclassified to cash and cash equivalents. The comparative data have not been changed to correspond to the current classification.

<sup>7)</sup> Includes liabilities related to non-current assets held for sale.

<sup>8)</sup> 2020: The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.37 per share be paid. 2016: includes an extra dividend of EUR 0.29 per share.





## Alternative Performance Measures

Kojamo presents Alternative Performance Measures to illustrate the financial development of its business operations and improve comparability between reporting periods. The Alternative Performance Measures, i.e. performance measures that

are not based on financial reporting standards, provide significant additional information for the management, investors, analysts and other parties. The Alternative Performance Measures should not be considered substitutes for IFRS performance measures.

## Formulas used in the calculation of the key figures

### Alternative Performance Measures (APM) based on ESMA guidelines

- 1) Net rental income = Total revenue - Maintenance expenses - Repair expenses  
  
Net rental income measures the profitability of the Group's rental business after the deduction of maintenance and repair costs.
- 2) Net rental income margin, % =  $\frac{\text{Net rental income}}{\text{Total revenue}} \times 100$   
  
This figure reflects the ratio between net rental income and total revenue.  
  
Net rental income - Administrative expenses + Other operating income - Other operating expenses +/- Profit/loss on sales of investment properties +/- profit/loss on sales of trading
- 3) Profit before taxes = properties Profit/loss on fair value of investment properties – Depreciation, amortisation and impairment losses +/- Financial income and expenses +/- Share of result from associated companies  
  
Profit before taxes measures profitability after operative costs and financial expenses.
- 4) EBITDA = Profit for the period + Depreciation, amortisation and impairment losses +/- Financial income and expenses +/- Share of result from associated companies + Current tax expense + Change in deferred taxes  
  
EBITDA measures operative profitability before financial expenses, taxes and depreciation.
- 5) EBITDA margin, % =  $\frac{\text{EBITDA}}{\text{Total revenue}} \times 100$   
  
EBITDA margin discloses EBITDA in relation to net sales.  
  
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
- 6) Adjusted EBITDA = 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)	$= \frac{\text{Adjusted EBITDA} - \text{Adjusted net interest charges} - \text{Current tax expense}}{\text{FFO}}$ <p>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.</p>
9) FFO margin, %	$= \frac{\text{FFO}}{\text{Total revenue}} \times 100$ <p>FFO margin discloses FFO in relation to total revenue.</p>
10) FFO per share	$= \frac{\text{FFO}}{\text{Weighted average number of shares outstanding during the financial period}}$ <p>FFO per share illustrates FFO for an individual share.</p>
11) FFO excluding non-recurring costs	$= \text{FFO} + \text{non-recurring costs}$ <p>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.</p>
12) Adjusted FFO (AFFO)	$= \text{FFO} - \text{Modernisation investments}$ <p>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.</p>
13) Interest-bearing liabilities	$= \text{Non-current loans and borrowings} + \text{Current loans and borrowings}$ <p>Interest-bearing liabilities measures the Group's total debt.</p>
14) Return on equity, % (ROE)	$= \frac{\text{Profit for the period}}{\text{Total equity, average during the period}} \times 100$ <p>ROE measures the financial result in relation to equity. This APM illustrates Kojamo's ability to generate a return for the shareholders.</p>
15) Return on investment, % (ROI)	$= \frac{\text{Profit before taxes} + \text{Interests and other financial expenses}}{\text{Total assets} - \text{Non-interest-bearing liabilities (average during the period)}} \times 100$ <p>ROI measures the financial result in relation to invested capital. This APM illustrates Kojamo's ability to generate a return on the invested funds.</p>
16) Equity ratio, %	$= \frac{\text{Total equity}}{\text{Balance sheet total} - \text{Advances received}} \times 100$ <p>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.</p>
17) Loan to Value (LTV), %	$= \frac{\text{Interest-bearing liabilities} - \text{Cash and cash equivalents}}{\text{Investment properties}} \times 100$ <p>Loan to value discloses the ratio of net debt to investment properties. This APM illustrates the Group's indebtedness.</p>



- 18) Unencumbered asset ratio, % =  $\frac{\text{Unencumbered assets}}{\text{Assets total}} \times 100$
- This APM illustrates the amount of unencumbered assets relative to total assets.
- 19) Coverage Ratio =  $\frac{\text{Adjusted EBITDA, rolling 12 months}}{\text{Adjusted net financial expenses, rolling 12 months}}$
- The ratio between EBITDA and net financial expenses. This APM illustrates the Group's ability to service its debts.
- 20) Solvency ratio =  $\frac{\text{Interest-bearing debt* - Cash and cash equivalents}}{\text{Assets total}}$
- The solvency ratio illustrates the ratio of net debt to total assets.  
\*For this APM, interest-bearing debt includes interest-bearing liabilities, interest-bearing liabilities related to non-current assets held for sale and purchase prices due after more than 90 days.
- 21) Secured solvency ratio =  $\frac{\text{Secured interest-bearing liabilities}}{\text{Assets total}}$
- This APM illustrates the ratio of secured loans to total assets.
- 22) Dividend/earnings, % =  $\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
- Dividend/earnings measures the ratio of dividends to earnings. This APM illustrates how large a proportion of its earnings the Group distributes to its shareholders.
- 23) Price/Earnings ratio (P/E) =  $\frac{\text{Closing price of the share}}{\text{Earnings per share}}$
- The P/E ratio illustrates the ratio between the share price and earnings per share. This APM illustrates the share's payback period based on the closing price and current earnings.
- 24) Effective dividend yield, % =  $\frac{\text{Dividend per share}}{\text{Closing price of the share}} \times 100$
- Effective dividend yield illustrates the ratio between earnings per share and the share price.
- 25) Gross investments =  $\frac{\text{Acquisition and development of investment properties} + \text{Modernisation investments} + \text{Capitalised borrowing costs}}{\text{Assets total}}$
- 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€	2020	2019	2018	2017	2016
Profit for the period	312.9	825.2	221.8	212.9	232.3
Depreciation, amortisation and impairment losses	1.3	1.1	0.8	1.1	1.2
Profit/loss on sales of investment properties	0.7	-0.1	-1.0	-2.5	10.4
Profit/loss on sales of trading properties	-	-0.2	-0.1	0.0	-0.1
Profit/loss on sales of other non-current assets	-	0.0	0.0	0.0	2.5
Profit/loss on fair value of investment properties	-225.8	-872.4	-127.5	-126.2	-163.3
Financial income	-1.8	-2.6	-3.2	-5.0	-2.4
Financial expenses	57.0	53.4	50.3	45.5	48.4
Share of result from associated companies	-0.2	-0.2	-0.2	-0.1	-0.1
Current tax expense	16.9	19.9	34.1	28.6	35.4
Change in deferred taxes	61.5	186.2	21.4	25.1	22.1
<b>Adjusted EBITDA</b>	<b>222.6</b>	<b>210.3</b>	<b>196.5</b>	<b>179.5</b>	<b>186.3</b>
Financial income and expenses	-55.3	-50.8	-47.1	-40.5	-46.0
Profit/loss on fair value measurement of financial assets	1.0	1.1	1.2	-2.7	7.3
<b>Adjusted net interest charges</b>	<b>-54.2</b>	<b>-49.7</b>	<b>-46.0</b>	<b>-43.1</b>	<b>-38.7</b>
Current tax expense	-16.9	-19.9	-34.1	-28.6	-35.4
<b>FFO</b>	<b>151.5</b>	<b>140.7</b>	<b>116.4</b>	<b>107.8</b>	<b>112.2</b>
Non-recurring costs	-	-	0.8	-	-
<b>FFO excluding non-recurring costs</b>	<b>151.5</b>	<b>140.7</b>	<b>117.3</b>	<b>107.8</b>	<b>112.2</b>
Equity	3,309.5	3,090.6	2,358.1	2,038.6	1,859.5
Assets total	7,261.5	6,590.4	5,485.4	4,943.5	4,572.2
Advances received	-6.6	-6.7	-6.1	-5.1	-4.6
<b>Equity ratio, %</b>	<b>45.6</b>	<b>46.9</b>	<b>43.0</b>	<b>41.3</b>	<b>40.7</b>
Unencumbered investment properties	5,327.0	4,296.3	3,241.7	2,473.6	
Non-current assets, other than investment properties	97.6	25.6	24.4	56.2	
Current assets	342.7	277.6	341.1	177.0	
<b>Unencumbered assets total</b>	<b>5,767.3</b>	<b>4,599.6</b>	<b>3,607.2</b>	<b>2,706.9</b>	
Total assets	7,261.5	6,590.4	5,485.4	4,943.5	
<b>Unencumbered asset ratio, %</b>	<b>79.4</b>	<b>69.8</b>	<b>65.8</b>	<b>54.8</b>	
Adjusted EBITDA, rolling 12 months	222.6	210.3	196.5	179.5	186.3
Adjusted net interest charges, rolling 12 months	-54.2	-49.7	-46.0	-43.1	-38.7
<b>Coverage ratio</b>	<b>4.1</b>	<b>4.2</b>	<b>4.3</b>	<b>4.2</b>	<b>4.8</b>
Interest-bearing liabilities	3,053.3	2,674.2	2,485.5	2,283.0	2,122.8
Interest-bearing liabilities related to non-current assets held for sale	-	-	-	-	0.1
Deferred purchase price due after 90 days	-	8.7	19.7	19.2	-
Cash and cash equivalents	210.5	137.3	150.1	117.8	132.0
<b>Total indebtedness- Cash and cash equivalents</b>	<b>2,842.8</b>	<b>2,545.6</b>	<b>2,355.2</b>	<b>2,184.4</b>	<b>1,990.9</b>
Total assets	7,261.5	6,590.4	5,485.4	4,943.5	4,572.2
<b>Solvency ratio</b>	<b>0.39</b>	<b>0.39</b>	<b>0.43</b>	<b>0.44</b>	<b>0.44</b>
Secured loans	1,048.5	1,298.1	1,367.0	1,656.9	1,986.5
Total assets	7,261.5	6,590.4	5,485.4	4,943.5	4,572.2
<b>Secured solvency ratio</b>	<b>0.14</b>	<b>0.20</b>	<b>0.25</b>	<b>0.34</b>	<b>0.43</b>



# PARENT COMPANY'S FINANCIAL STATEMENTS

## Parent company's income statement, FAS

€	Note	1-12/2020	1-12/2019
Rental income		442,279.68	440,059.92
Sales revenue from administration		10,634,658.00	11,827,167.00
<b>Total revenue</b>	<b>1</b>	<b>11,076,937.68</b>	<b>12,267,226.92</b>
Other operating income	2	3,153.10	6,318.32
Personnel costs	3	-4,336,967.51	-5,709,950.34
Depreciation, amortisation and impairment	4	-271,236.01	-248,252.18
Other operating expenses	5	-9,756,676.61	-10,249,486.70
<b>Operating profit</b>		<b>-3,284,789.35</b>	<b>-3,934,143.98</b>
Investment income		176,044.00	19,380.00
Financial income		32,882,892.86	27,962,508.56
Value adjustments in investments held as current assets		9,428.82	365,648.21
Financial expenses		-34,072,262.40	-26,541,754.88
<b>Total amount of financial income and expenses</b>	<b>6</b>	<b>-1,003,896.72</b>	<b>1,805,781.89</b>
<b>Profit before appropriations and taxes</b>		<b>-4,288,686.07</b>	<b>-2,128,362.09</b>
Appropriations	7	69,768,562.18	81,789,389.59
Income taxes	8	-13,073,609.16	-15,889,895.16
<b>Profit for the period</b>		<b>52,406,266.95</b>	<b>63,771,132.34</b>



## Parent company's balance sheet, FAS

€	Note	31 Dec 2020	31 Dec 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	9		
Intangible rights		29,051.16	51,901.11
Other long-term expenses		317,995.85	190.80
<b>Intangible assets, total</b>		<b>347,047.01</b>	<b>52,091.91</b>
Tangible assets	10		
Land and water areas		4,520,734.02	4,520,734.02
Machinery and equipment		220,447.97	371,784.81
Other tangible assets		194,397.12	194,397.12
<b>Tangible assets, total</b>		<b>4,935,579.11</b>	<b>5,086,915.95</b>
Investments	11		
Shares in subsidiaries		82,571,717.75	82,571,717.75
Shares in associates		176,951.96	176,951.96
Other securities and shares		829,061.25	829,061.25
<b>Investments, total</b>		<b>83,577,730.96</b>	<b>83,577,730.96</b>
<b>Non-current assets, total</b>		<b>88,860,357.08</b>	<b>88,716,738.82</b>
<b>Current assets</b>			
Non-current receivables	12	1,471,841,277.14	1,435,930,898.93
Current receivables	13	675,186,117.84	275,338,608.01
Financial securities	14	103,990,682.84	110,922,575.83
Cash and cash equivalents		156,449,990.78	89,676,390.15
<b>Current assets, total</b>		<b>2,407,468,068.60</b>	<b>1,911,868,472.92</b>
<b>ASSETS</b>		<b>2,496,328,425.68</b>	<b>2,000,585,211.74</b>
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>			
<b>Comprehensive income</b>			
Share capital	15	58,025,136.00	58,025,136.00
Share premium reserve		35,786,180.04	35,786,180.04
Contingency fund		16,920.33	16,920.33
Reserve for Invested unrestricted equity		167,856,001.50	167,856,001.50
Retained earnings		136,134,140.94	156,969,691.08
Profit for total period		52,406,266.95	63,771,132.34
<b>Total equity</b>		<b>450,224,645.76</b>	<b>482,425,061.29</b>
<b>Accumulated appropriations</b>	16	<b>15,143.96</b>	<b>1,973.14</b>
<b>Liabilities</b>			
Non-current liabilities	17	1,957,154,585.84	1,333,997,754.87
Current liabilities	18	88,934,050.12	184,160,422.44
<b>Total liabilities</b>		<b>2,046,088,635.96</b>	<b>1,518,158,177.31</b>
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>		<b>2,496,328,425.68</b>	<b>2,000,585,211.74</b>



## Parent company's cash flow statement, FAS

€	1-12/2020	1-12/2019
Cash flow from operating activities		
Profit before appropriations and taxes	-4,288,686.07	-2,128,362.09
Adjustments:		
Planned depreciation and impairment	271,236.01	248,252.18
Asset purchase	-586.02	-111.34
Financial income and expenses	1,013,325.54	-1,440,133.68
Other adjustments	-577,586.82	-437,755.32
<b>Cash flow from operating activities before change in working capital</b>	<b>-3,582,297.36</b>	<b>-3,758,110.25</b>
Change in working capital:		
Change in trade and other receivables	-1,080,645.28	256,572.58
Change in trade and other payables	-824,437.64	-759,653.37
<b>Cash flow from operating activities before financial items, provisions and taxes</b>	<b>-5,487,380.28</b>	<b>-4,261,191.04</b>
Interest paid and payments on other operational financial costs	-32,132,134.13	-24,114,614.63
Financial income from operating activities Direct taxes paid	7,371,218.03	2,085,858.05
Direct taxes paid	-15,890,082.54	-28,513,135.94
<b>Cash flow from operating activities</b>	<b>-46,138,378.92</b>	<b>-54,803,083.56</b>
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets	-414,854.27	-89,154.47
Capital gains from the disposal of tangible and intangible assets	-	11,142.00
Non-current loans, granted	-33,628,341.82	-13,566,759.49
Repayments of non-current loan receivables	500,000.00	1,614,592.00
Financial securities acquired	-209,956,297.77	-111,471,670.44
Capital gains from financial securities	216,898,281.60	147,475,400.73
Interest and dividends received on investments	25,610,065.86	25,654,890.57
<b>Cash flow from investing activities</b>	<b>-991,146.40</b>	<b>49,628,440.90</b>
<b>Cash flow from financing activities</b>		
Non-current loans and borrowings, raised	625,000,000.00	128,200,000.00
Non-current loans and borrowings, repayments	-101,415,687.28	-29,026,042.64
Current loans and borrowings, raised	261,791,502.68	139,861,492.73
Current loans and borrowings, repayments	-261,736,409.62	-139,828,299.41
Change in the Group's internal bank	-407,495,916.17	-160,967,044.08
Dividends paid	-84,029,095.66	-71,671,875.71
Group contributions received	81,788,732.00	153,044,111.00
<b>Cash flow from financing activities</b>	<b>113,903,125.95</b>	<b>19,612,341.89</b>
<b>Change in cash and cash equivalents</b>	<b>66,773,600.63</b>	<b>14,437,699.23</b>
Cash and cash equivalents at the beginning of the period	89,676,390.15	75,238,690.92
Cash and cash equivalents at the end of the period	156,449,990.78	89,676,390.15





## Parent company accounting policies

Kojamo plc's financial statements have been prepared in accordance with the provisions of the Finnish Accounting Act and the Finnish Limited Liability Companies Act.

### Income related to rental operations and compensation for administration costs

Income related to rental operations and compensation for administration costs are recognised on an accrual basis during the agreement period.

### Valuation of fixed assets

Tangible and intangible assets are recognised in the balance sheet at original acquisition cost less depreciation according to plan and possible impairment. Depreciations according to plan are calculated as straight-line depreciation on the basis of the estimated useful life of the assets.

The depreciation periods according to plan, based on the useful life, are as follows:

IT hardware and software	4–5 years
Office machinery and equip-	4 years
Cars	4 years

Costs that arise later are included in the carrying amount of a tangible asset only if it is likely that the future economic benefit related to the asset will benefit the Group. Other repair and maintenance costs are recognised as incurred through profit and loss.

Capital gains from the sale of fixed assets are recorded under other operating income and losses under other operating expenses.

### Development expenditure

Capitalised development costs, depreciation periods and methods (Finnish Accounting Act 2:4.1, paragraph 3).

Development expenses are capitalised as intangible assets when it can be shown that a development project will generate a probable future economic benefit and the costs attributable to the development stage can be reliably measured.

Capitalised development costs are presented as a separate item and depreciated over their useful life, at most 10 years.

Other development costs are recognised in the income statement when they are incurred. Previously recognised development costs are not capitalised in subsequent periods.

### Valuation of financial assets

Financial securities have been recognised at the lower of cost or market price on the balance sheet date.

### Statutory provisions

Future costs and apparent losses with a reasonably estimable monetary value which will no longer generate future income and which Kojamo is obligated or committed to perform are recognised as expenses in the income statement and as statutory provisions in the balance sheet.

### Accumulated appropriations

Appropriations consist of accumulated depreciation differences.

### Accrual of pension costs

The pension cover of Group companies is handled by external pension insurance companies in all respects. Pension costs are recognised as costs in the income statement on an accrual basis.

### Accounting principles for the cash flow statement

The cash flow statement has been compiled on the basis of the information in the income statement and balance sheet and their supplementary information.

Cash and cash equivalents include bank accounts, liquid deposit notes and certificates of deposit.

### Items denominated in foreign currencies

All of the receivables and liabilities are euro-denominated.

### Derivative instruments

Changes in the fair value of derivative instruments are presented in the notes to the financial statements.

Derivative instruments that hedge against the interest rate risks of long-term loans have not been entered into the balance sheet. They are reported in the notes to the financial statements.

The interest income and expenses based on derivative instruments are allocated over the agreement period and are used to adjust the interest rates of the hedged asset.



## Notes to the parent company financial statements

### 1. Total revenue

€	1-12/2020	1-12/2019
<b>Intragroup revenue</b>		
Plot rental income	321,667.08	319,547.40
<b>Rental income, total</b>	<b>321,667.08</b>	<b>319,547.40</b>
Central administration services	6,772,110.00	8,306,796.00
IT rental income	3,862,548.00	3,520,371.00
<b>Other sales revenue, total</b>	<b>10,634,658.00</b>	<b>11,827,167.00</b>
<b>Intragroup revenue, total</b>	<b>10,956,325.08</b>	<b>12,146,714.40</b>
<b>Other operating revenue</b>		
Plot rental income	119,862.60	119,072.52
Other rental income	750.00	1,440.00
<b>Other operating revenue, total</b>	<b>120,612.60</b>	<b>120,512.52</b>
<b>Revenue, total</b>	<b>11,076,937.68</b>	<b>12,267,226.92</b>

### 2. Other operating income

€	1-12/2020	1-12/2019
Income from debt collection	1,961.12	3,540.91
Other operating income	1,191.98	2,777.41
<b>Total</b>	<b>3,153.10</b>	<b>6,318.32</b>

### 3. Personnel costs

€	1-12/2020	1-12/2019
Wages, salaries and fees	3,610,481.07	4,482,175.69
Pension costs	633,810.73	1,001,450.92
Other employer contributions	92,675.71	226,323.73
<b>Total</b>	<b>4,336,967.51</b>	<b>5,709,950.34</b>

The management's performance bonuses have been calculated based on the closing price on 30 December 2020.



## Wages, salaries and fees paid to the CEO, the Board of Directors and the Board's committees

€	1-12/2020	1-12/2019
CEO Jani Nieminen	1,048,663.49	923,165.13
Fees paid to the Board of Directors and Board committees		
Riku Aalto	-	16,200.00
Mikael Aro	72,487.54	52,800.00
Matti Harjuniemi	40,653.78	40,200.00
Anne Leskelä	47,150.46	44,700.00
Minna Metsälä	40,068.11	39,000.00
Mikko Mursula	46,571.38	46,200.00
Heli Puura	40,657.26	30,900.00
Reima Rytölä	40,109.19	39,000.00
Jan-Erik Saarinen	-	9,300.00
<b>Total</b>	<b>1,376,361.21</b>	<b>1,241,465.13</b>
	<b>2020</b>	<b>2019</b>
Average number of personnel	24	23

For the 2020–2021 term of office, the Board of Directors and the Board committees have been paid fees totalling EUR 332,947.72, of which EUR 327,697.72 is allocated to the financial year 2020. The annual fee paid for the term of office beginning from the Annual General Meeting of 12 March 2020 was paid 60% in cash and 40% as shares.

Kojamo plc's CEO and Management Team receive total pay and their retirement age is 63 years. The pension liability is offset by a pension insurance plan, in which an insurance pre-

mium corresponding to two months' taxable income is paid annually into a group pension insurance plan. The period of notice for terminating the CEO's employment is 12 months. In 2020, the cost of the Finnish statutory pension plan for the CEO was EUR 0.1 (0.2) million, and payments to the voluntary pension plan amounted to EUR 0.1 (0.1) million.

In 2020, the cost of the Finnish statutory pension plan for the whole Management Team was EUR 0.4 (0.5) million, and payments to the voluntary pension plan amounted to EUR 0.2 (0.2) million.

## 4. Depreciation according to plan

€	1-12/2020	1-12/2019
Intangible assets	22,849.95	34,176.82
Other long-term expenses		
Other long-term expenses	190.80	26,271.30
Development expenses	56,116.92	-
Other long-term expenses, total	56,307.72	26,271.30
Machinery and equipment	192,078.34	187,804.06
<b>Total</b>	<b>271,236.01</b>	<b>248,252.18</b>



## 5. Other operating expenses

€	1-12/2020	1-12/2019
Property tax	144,413.22	144,413.31
Rents and maintenance charges	480,536.96	481,333.23
Central administration	9,131,726.43	9,623,740.16
<b>Total</b>	<b>9,756,676.61</b>	<b>10,249,486.70</b>
<b>Audit fees</b>		
KPMG Oy Ab		
Audit	152,387.32	68,569.38
Statutory statements	-	67,870.16
Tax services	12,803.00	-
Advisory services	107,336.88	10,183.50
<b>Total</b>	<b>272,527.20</b>	<b>146,623.04</b>

## 6. Total amount of financial income and expenses

€	1-12/2020	1-12/2019
Dividend income		
From others	176,044.00	19,380.00
<b>Total</b>	<b>176,044.00</b>	<b>19,380.00</b>
Interest income		
From Group companies	32,537,683.05	27,477,535.84
From others	182,338.70	111,772.16
Other financial income	162,871.11	373,200.56
<b>Total</b>	<b>32,882,892.86</b>	<b>27,962,508.56</b>
<b>Dividend, interest and financial income total</b>	<b>33,058,936.86</b>	<b>27,981,888.56</b>
Value adjustments in investments		
Value adjustments in investments held as current assets	9,496.34	375,144.55
Impairment of financial securities held as current assets	-67.52	-9,496.34
<b>Total</b>	<b>9,428.82</b>	<b>365,648.21</b>
Interest and other financial expenses		
To others	-34,072,262.40	-26,541,754.88
<b>Total</b>	<b>-34,072,262.40</b>	<b>-26,541,754.88</b>
<b>Total financial income and expenses</b>	<b>-1,003,896.72</b>	<b>1,805,781.89</b>

## 7. Appropriations

€	1-12/2020	1-12/2019
Group contributions, received	69,781,733.00	81,788,732.00
Depreciation difference for machinery and equipment	-13,170.82	657.59
<b>Total</b>	<b>69,768,562.18</b>	<b>81,789,389.59</b>



## 8. Income tax

€	1-12/2020	1-12/2019
Income tax on operational income	13,073,609.16	15,890,082.56
Tax for earlier years	-	-187.40
<b>Total</b>	<b>13,073,609.16</b>	<b>15,889,895.16</b>

## 9. Intangible assets

€	Rights	Development expenses	Other long-term expenses	Total
Acquisition cost 1 Jan 2020	2,389,414.34	-	2,135,779.66	4,525,194.00
Increases	-	374,112.77	-	374,112.77
<b>Acquisition cost 31 Dec 2020</b>	<b>2,389,414.34</b>	<b>374,112.77</b>	<b>2,135,779.66</b>	<b>4,899,306.77</b>
Accumulated depreciation 1 Jan 2020	-2,337,513.23	-	-2,135,588.86	-4,473,102.09
Depreciation for the financial year	-22,849.95	-56,116.92	-190.80	-79,157.67
<b>Accumulated depreciation 31 Dec 2020</b>	<b>-2,360,363.18</b>	<b>-56,116.92</b>	<b>-2,135,779.66</b>	<b>-4,552,259.76</b>
<b>Carrying value 31 Dec 2020</b>	<b>29,051.16</b>	<b>317,995.85</b>	<b>0.00</b>	<b>347,047.01</b>

€	Rights	Development expenses	Other long-term expenses	Total
Acquisition cost 1 Jan 2019	2,389,414.34	-	2,135,779.66	4,525,194.00
<b>Acquisition cost 31 Dec 2019</b>	<b>2,389,414.34</b>	<b>-</b>	<b>2,135,779.66</b>	<b>4,525,194.00</b>
Accumulated depreciation 1 Jan 2019	-2,303,336.41	-	-2,109,317.56	-4,412,653.97
Depreciation for the financial year	-34,176.82	-	-26,271.30	-60,448.12
<b>Accumulated depreciation 31 Dec 2019</b>	<b>-2,337,513.23</b>	<b>-</b>	<b>-2,135,588.86</b>	<b>-4,473,102.09</b>
<b>Carrying value 31 Dec 2019</b>	<b>51,901.11</b>	<b>-</b>	<b>190.80</b>	<b>52,091.91</b>



## 10. Tangible assets

€	Land areas	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan 2020	4,520,734.02	1,130,910.25	194,397.12	5,846,041.39
Increases	-	40,741.50	-	40,741.50
<b>Acquisition cost 31 Dec 2020</b>	<b>4,520,734.02</b>	<b>1,171,651.75</b>	<b>194,397.12</b>	<b>5,886,782.89</b>
Accumulated depreciation 1 Jan 2020		-759,125.44	-	-759,125.44
Depreciation for the financial year		-192,078.34	-	-192,078.34
<b>Accumulated depreciation 31 Dec 2020</b>		<b>-951,203.78</b>	<b>-</b>	<b>-951,203.78</b>
<b>Carrying value 31 Dec 2020</b>	<b>4,520,734.02</b>	<b>220,447.97</b>	<b>194,397.12</b>	<b>4,935,579.11</b>

€	Land areas	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan 2019	4,520,734.02	1,149,266.19	194,397.12	5,864,397.33
Increases	-	83,199.99	-	83,199.99
Decreases	-	-101,555.93	-	-101,555.93
<b>Acquisition cost 31 Dec 2019</b>	<b>4,520,734.02</b>	<b>1,130,910.25</b>	<b>194,397.12</b>	<b>5,846,041.39</b>
Accumulated depreciation 1 Jan 2019		-614,946.43	-	-614,946.43
Depreciation for the financial year		-187,804.06	-	-187,804.06
Accumulated depreciation on decreases		43,625.05	-	43,625.05
<b>Accumulated depreciation 31 Dec 2019</b>		<b>-759,125.44</b>	<b>-</b>	<b>-759,125.44</b>
<b>Carrying value 31 Dec 2019</b>	<b>4,520,734.02</b>	<b>371,784.81</b>	<b>194,397.12</b>	<b>5,086,915.95</b>

## 11. Investments

€	Shares in subsidiaries	Shares in associates	Other securities and shares	Total
Acquisition cost 1 Jan 2020	82,571,717.75	176,951.96	829,061.25	83,577,730.96
<b>Acquisition cost 31 Dec 2020</b>	<b>82,571,717.75</b>	<b>176,951.96</b>	<b>829,061.25</b>	<b>83,577,730.96</b>
<b>Carrying value 31 Dec 2020</b>	<b>82,571,717.75</b>	<b>176,951.96</b>	<b>829,061.25</b>	<b>83,577,730.96</b>

€	Shares in subsidiaries	Shares in associates	Other securities and shares	Total
Acquisition cost 1 Jan 2019	82,571,717.75	176,951.96	829,061.25	83,577,730.96
<b>Acquisition cost 31 Dec 2019</b>	<b>82,571,717.75</b>	<b>176,951.96</b>	<b>829,061.25</b>	<b>83,577,730.96</b>
<b>Carrying value 31 Dec 2019</b>	<b>82,571,717.75</b>	<b>176,951.96</b>	<b>829,061.25</b>	<b>83,577,730.96</b>



## 12. Non-current receivables

€	31 Dec 2020	31 Dec 2019
Loan receivables from Group companies	1,463,144,886.00	1,429,598,153.71
Prepaid expenses and accrued income	8,696,391.14	6,332,745.22
<b>Total</b>	<b>1,471,841,277.14</b>	<b>1,435,930,898.93</b>
Amortized loan costs recognised in non-current receivables	8,643,398.68	6,146,682.14

## 13. Current receivables

€	31 Dec 2020	31 Dec 2019
Trade receivables	1,048.00	590.88
<b>From Group companies</b>		
Trade receivables	1,126,727.27	1,375,325.24
Loan receivables	15,000.00	15,000.00
Other receivables	667,512,327.19	271,394,106.29
<b>From Group companies, total</b>	<b>668,654,054.46</b>	<b>272,784,431.53</b>
Loan receivables	28,360.34	38,893.93
Other receivables	268,267.79	14,634.80
Prepaid expenses and accrued income	6,234,387.25	2,500,056.87
<b>Total</b>	<b>675,186,117.84</b>	<b>275,338,608.01</b>
Amortized loan costs recognised in current receivables	3,195,914.08	2,153,749.41

## 14. Financial securities

€	31 Dec 2020	31 Dec 2019
Financial securities		
Other securities and funds	103,990,682.84	110,922,575.83
<b>Total</b>	<b>103,990,682.84</b>	<b>110,922,575.83</b>

Financial securities include fund units, bonds, shares and other publicly listed investments.





## 15. Comprehensive income

€	31 Dec 2020	31 Dec 2019
Share capital as at 1 Jan	58,025,136.00	58,025,136.00
<b>Share capital as at 31 Dec</b>	<b>58,025,136.00</b>	<b>58,025,136.00</b>
Share premium as at 1 Jan	35,786,180.04	35,786,180.04
<b>Share premium as at 31 Dec</b>	<b>35,786,180.04</b>	<b>35,786,180.04</b>
Other reserves as at 1 Jan		
Contingency fund as at 1 Jan	16,920.33	16,920.33
Contingency fund as at 31 Dec	16,920.33	16,920.33
Reserve for invested unrestricted equity as at 1 Jan	167,856,001.50	167,856,001.50
Reserve for invested unrestricted equity as at 31 Dec	167,856,001.50	167,856,001.50
<b>Other reserves as at 31 Dec</b>	<b>167,872,921.83</b>	<b>167,872,921.83</b>
Retained earnings as at 1 Jan	220,740,823.42	229,126,110.99
Dividend payment	-84,029,095.66	-71,671,875.71
Share-based incentive scheme	-577,586.82	-484,544.20
<b>Retained earnings as at 31 Dec</b>	<b>136,134,140.94</b>	<b>156,969,691.08</b>
Profit for the period	52,406,266.95	63,771,132.34
<b>Total</b>	<b>450,224,645.76</b>	<b>482,425,061.29</b>
<b>Calculation on distributable equity</b>		
Reserve for invested unrestricted equity	167,856,001.50	167,856,001.50
Retained earnings	136,134,140.94	156,969,691.08
Capitalised development expenses	-374,112.77	-
Profit for the period	52,406,266.95	63,771,132.34
<b>Total</b>	<b>356,396,409.39</b>	<b>388,596,824.92</b>
<b>pcs</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
The number of shares in Kojamo plc	247,144,399	247,144,399

In 2018, Kojamo plc raised a total of approximately EUR 150 million in gross proceeds in the initial public offering and issued a total of 17,665,039 new shares.

Kojamo plc's registered share capital is EUR 58,025,136 and the company has 247,144,399 shares. Kojamo has a single series of shares, and each share entitles its holder to one vote

in the Annual General Meeting. There are no voting restrictions related to the shares. The shares have no nominal value. All shares carry an equal right to dividends and other distribution of Kojamo plc's assets. The company shares belong to the book-entry system.

## 16. Accumulated appropriations

€	31 Dec 2020	31 Dec 2019
Accumulated depreciation difference		
Machinery and equipment	15,143.96	1,973.14
<b>Total</b>	<b>15,143.96</b>	<b>1,973.14</b>



## 17. Non-current liabilities

€	31 Dec 2020	31 Dec 2019
Loans from financial institutions	253,238,998.41	129,038,998.42
Bonds	1,700,000,000.00	1,200,000,000.00
Accrued expenses, wages and salaries	1,449,055.83	1,357,641.00
Bond derivative profit periodisation	2,466,531.60	3,601,115.45
<b>Total</b>	<b>1,957,154,585.84</b>	<b>1,333,997,754.87</b>

## 18. Current liabilities

€	31 Dec 2020	31 Dec 2019
Loans from financial institutions, instalments in the next financial year	800,000.01	101,415,687.28
Trade payables	506,064.89	328,179.11
Liabilities to Group companies		
Trade payables	47,786.24	48,993.46
Other debts	16,216,136.84	15,133,901.13
Other debts	50,551,172.10	50,440,733.66
Accrued expenses and deferred income		
Accrued financial liabilities	17,992,642.59	13,745,558.87
Personnel expenses	1,521,113.06	1,625,589.40
Tax liabilities	-	220,537.26
Other items	166,617.17	68,725.05
Bond derivative profit periodisation	1,132,517.22	1,132,517.22
<b>Total</b>	<b>88,934,050.12</b>	<b>184,160,422.44</b>

## 19. Derivative instruments

### Interest rate derivatives

€	31 Dec 2020	31 Dec 2019
Fair values of derivative instruments		
Interest rate derivatives		
Interest rate swap, cash flow hedging	-5,358,768.56	-3,239,307.43
<b>In total</b>	<b>-5,358,768.56</b>	<b>-3,239,307.43</b>
Nominal values of derivative instruments		
Interest rate derivatives		
Interest rate swap, cash flow hedging	127,600,000.00	158,200,000.00
<b>In total</b>	<b>127,600,000.00</b>	<b>158,200,000.00</b>

Hedge accounting is applied to interest rate swaps as their terms and conditions are similar to the terms and conditions of the hedged loan agreements. Interest rate swaps have not

been recognised through profit and loss. If the duration of the derivative is longer than that of the loan, it is highly likely that the loan will be extended.



## 20. Guarantees and commitments

€	31 Dec 2020	31 Dec 2019
Loans that mature in more than five year		
Market-based loans	625,038,998.40	625,838,998.40
Loans for which mortgage on and shares in property have been given as a guarantee		
Loans from financial institutions	1,438,998.40	1,638,998.40
Mortgages given	4,015,000.00	4,015,000.00
Guarantees given		
Counter-guarantee	229,448,478.67	286,519,512.20

## 21. Other liabilities

€	31 Dec 2020	31 Dec 2019
Car leasing liabilities		
Payable during the next financial year	82,723.63	121,462.32
Payable later	75,766.90	187,813.83

### Electricity hedging

Electricity prices were hedged with electricity derivatives quoted on the Nordic electricity exchange Nord Pool in accordance with the Kojamo's electricity procurement and hedging agreement. The market value of the hedges due in 2021–2022

was EUR -123,845.70 (501,494.94) at the closing date. Unrealised changes in fair value have not been taken into account in the income statement or balance sheet of Kojamo plc.

## 22. Related party transactions

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

These shares represent 0.07 per cent of the company's entire share capital.

The terms in related party transactions correspond to those observed in transactions between independent parties. Kojamo had no related party transactions deviating from the company's normal business operations in 2019 and 2020.



# SIGNATURES TO THE BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Helsinki, 18 February 2021

Mikael Aro

Chairman of the Board of Directors

Mikko Mursula

Vice-Chairman of the Board of Directors

Matti Harjuniemi

Anne Leskelä

Minna Metsälä

Reima Rytsölä

Heli Puura

Jani Nieminen

CEO

A report on the audit has been issued today

Helsinki, 18 February 2021

KPMG Oy Ab

Esa Kailiala, APA

*This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.*

# Auditor's Report

To the Annual General Meeting of Kojamo plc

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of Kojamo plc (business identity code 0116336-2) for the year ended 31 December 2020. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

### **Basis for Opinion**

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 2.2. to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Materiality**

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
<b>Valuation of investment properties (refer to Note 3.1 to the consolidated financial statements)</b>	
<ul style="list-style-type: none"> <li>— Investment properties measured at fair value (EUR 6,861 million) represent 94% of the consolidated total assets as at 31 December 2020. Valuation of investment properties is considered a key audit matter due to management estimates used in forecasts underlying the valuations, and significance of the carrying amounts involved.</li> <li>— The gain on fair value measurement of investment properties was EUR 226 million.</li> <li>— The fair values of investment properties are determined a property-specific basis using the yield value or cost. Determining the underlying key assumptions requires management to make judgements in respect of return requirements, vacancy rate and future developments of rent level, among others.</li> </ul>	<ul style="list-style-type: none"> <li>— We assessed the assumptions used requiring management judgement, as well as the grounds for substantial changes in fair values. We also tested controls in place in the company over the fair value accounting.</li> <li>— We involved KPMG valuation specialists, to test the technical appropriateness of the calculations, and to compare the assumptions used to market and industry data.</li> <li>— We met with the external property valuer (Authorised Property Valuer, AKA) used by the Group, to evaluate the appropriateness of the valuation method applied by Kojamo.</li> <li>— We assessed the appropriateness of the disclosures provided on the investment properties.</li> </ul>
<b>Total revenue: recognition of rental income (refer to Note 2.1 to the consolidated financial statements)</b>	
<ul style="list-style-type: none"> <li>— The Group's total revenue consists almost solely of rental income from investment properties.</li> </ul>	<ul style="list-style-type: none"> <li>— We evaluated and tested controls over the accuracy of rental income, to assess the completeness and accuracy of total revenue.</li> </ul>

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- The industry is marked by a large lease portfolio with a substantial number of invoicing and payment transactions monthly.

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#### **Property acquisitions, divestments and investments (refer to note 3.1 to the consolidated financial statements)**

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- In the financial year 2020 the acquired investment properties and modernisation investments totaled EUR 376 million.
- The sale and purchase agreements for property acquisitions and disposals may have terms, which require judgement from management to consider the accounting treatment.
- We evaluated the internal control environment and tested controls over the approval process for investment projects and property transactions.
- Our substantive procedures included assessment of the appropriateness of the accounting treatment and the related documentation for major property transactions.

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#### **Accounting for interest-bearing liabilities and derivative instruments (refer to notes 4.4 and 4.5 to the consolidated financial statements)**

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- At the year-end 2020, Kojamo's interest-bearing liabilities totaled EUR 3,053 million, representing 42% of the consolidated balance sheet total.
- The Group utilises interest rate derivative contracts, measured at fair value. The total nominal value of these derivatives was EUR 961 million as at 31 December 2020. Kojamo uses derivative contracts mainly to hedge its interest rate risk exposure. The Group applies hedge accounting to qualifying interest rate derivative instruments.
- Our audit procedures included evaluation of the appropriateness of the recognition and measurement principles for financial instruments, and testing of the controls relevant to the accuracy and measurement of financial instruments.
- We tested the accuracy of the measurements and the accruals for financial items, on a sample basis.
- We assessed the appropriateness of the hedge accounting as applied by Kojamo.
- We considered the appropriateness of the disclosures provided on the interest-bearing liabilities and derivative instruments.

#### **Responsibilities of the Board of Directors and the Managing Director for the Financial Statements**

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control



as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Reporting Requirements**

#### **Information on our audit engagement**

We were first appointed as auditors by the Annual General Meeting on 7.4.2005, and our appointment represents a total period of uninterrupted engagement of 15 years.

#### **Other Information**

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 18 February 2021

KPMG OY AB

ESA KAILIALA

*Authorised Public Accountant, KHT*