



2021

Board of Directors' Report and Financial Statements



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BOARD OF DIRECTORS' REPORT

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. Lumo is our housing brand, offering great rental living and housing services in growth centres across Finland.

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 2021

- Total revenue increased by 2.0 per cent to EUR 391.7 (383.9) million.
- Net rental income increased by 1.8 per cent, totalling EUR 262.3 (257.6) million. Net rental income represented 67.0 (67.1) per cent of revenue.
- Profit before taxes was EUR 1,278.9 (391.2) million. The profit includes EUR 1,105.7 (225.8) million in net gain on the valuation of investment properties at fair value and EUR 0.3 (-0.7) million in profits and losses from the sale of investment properties. Earnings per share was EUR 4.14 (1.27).
- Funds From Operations (FFO) increased by 1.1 per cent and amounted to EUR 153.1 (151.4) million.
- The fair value of investment properties was 8.3 (6.9) billion at the end of the financial year, including EUR 1.1 (2.4) million in Investment properties held for sale.
- The financial occupancy rate stood at 93.9 (96.4) per cent during the financial year.
- Gross investments totalled EUR 356.9 (371.2) million, representing 91.1 (96.7) per cent of total revenue.
- Equity per share was EUR 17.25 (13.39) and return on equity was 27.0 (9.8) per cent. Return on investment was 19.2 (7.4) per cent.
- EPRA NRV per share (net reinstatement value) grew by 28.1 per cent and amounted to EUR 22.04 (17.21).
- At the end of the financial year, there were 2,675 (2,624) Lumo apartments under construction.
- The Board of Directors' dividend proposal is EUR 0.38 per share.

Kojamo owned 36,897 (35,802) rental apartments at the end of the financial year. In 2021, Kojamo acquired 0 (71) apartments, completed 1,282 (532) apartments, sold 0 (18) apartments and demolished or otherwise altered -187 (-55) 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 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 COVID-19 restrictions, work-related migration and travel decreased. Towards the end of the year, the demand for rental housing in Turku and Tampere increased significantly. The uncertainty

surrounding the restrictions has delayed the recovery in the capital region. These factors have had a substantial effect on the Group's financial occupancy rate.

The rapid spread of the Omicron variant at the end of the year increased uncertainty and the COVID-19 restrictions were tightened again. However, it is expected that the COVID-19 situation will ease rapidly and economic growth will continue. Kojamo expects the impacts of the pandemic to be short-lived and that migration will gradually recover to the level seen before the COVID-19 pandemic.



Key figures

	2021	2020	Change%
Total revenue, M€	391.7	383.9	2.0
Net rental income, M€ *	262.3	257.6	1.8
Net rental income margin, % *	67.0	67.1	
Profit before taxes, M€ *	1,278.9	391.2	226.9
EBITDA, M€ *	1,334.8	447.6	198.2
EBITDA margin, % *	340.8	116.6	
Adjusted EBITDA, M€ *	228.5	222.6	2.6
Adjusted EBITDA margin, % *	58.3	58.0	
Funds From Operations (FFO), M€ *	153.1	151.4	1.1
FFO margin, % * ¹⁾	39.1	39.5	
FFO excluding non-recurring costs, M€ *	153.1	151.4	1.1
Investment properties, M€ ²⁾	8,327.5	6,863.1	21.3
Financial occupancy rate, %	93.9	96.4	
Interest-bearing liabilities, M€ *	3,334.5	3,053.3	9.2
Return on equity (ROE), % *	27.0	9.8	
Return on investment (ROI), % *	19.2	7.4	
Equity ratio, % *	49.0	45.6	
Loan to Value (LTV), % * ³⁾	37.7	41.4	
EPRA Net Reinstatement Value (NRV), M€	5,447.9	4,254.6	28.0
Gross investments, M€ *	356.9	371.2	-3.9
Number of personnel, end of the period	325	317	
Key figures per share, €	2021	2020	Change%
FFO per share *	0.62	0.61	1.6
Earnings per share	4.14	1.27	226.0
EPRA NRV per share	22.04	17.21	28.1
Equity per share	17.25	13.39	28.8
Dividend per share ⁴⁾	0.38	0.37	2.7

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

¹⁾ The formula used in the calculation was changed during the review period regarding current taxes from disposals. The comparison figures for 2020 have been adjusted to reflect the current calculation method

²⁾ Contains Non-current assets held for sale

³⁾ Excluding Non-current assets held for sale

⁴⁾ 2021: The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.38 per share be paid



Outlook for 2022

Kojamo estimates that in 2022, the Group's total revenue will increase by 3–6 per cent year-on-year. In addition, Kojamo estimates that the Group's FFO for 2022 will amount to between EUR 153–165 million, excluding non-recurring items.

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

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

The management can influence total revenue and FFO through the company's business operations. In contrast, the management has no influence over COVID-19 restrictions, 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

%	2022E	2021E
GDP growth	3.0	3.4
Unemployment	6.7	7.6
Inflation	2.6	2.2
Coverage of vaccination against COVID-19-virus, over 18 years old (1st vaccine / 2nd vaccine)	87.4 / 84.7	

Sources: Ministry of Finance, Economic survey 12/2021; Finnish Institute for Health and Welfare 2.2.2022

According to the economic survey of the Ministry of Finance, the global economy has recovered quickly from the downturn caused by the COVID-19 pandemic but the growth prospects are overshadowed by the prolongation of the pandemic, supply chain disturbances and quickly accelerating inflation. The forecast by the Ministry of Finance assumes that the rise in inflation is temporary, and inflation will slow down during 2022 as energy prices are expected to decrease and the disruptions in demand and supply are expected to ease. There are, however, significant risks to the inflation outlook.

In Finland, the rapid economic growth continues in 2022 driven by domestic demand. Consumers' confidence in their own economy has remained high and the services are estimated to continue their growth. The overall view of the economy is stable in spite of the new acceleration of the COVID-19 pandemic. Growth in private investments has come from residential construction but there are signs of recovery in other investments as well.

Industry operating environment

Industry key figures

	2022E	2021E
Residential start-ups, units	40,000	44,000
of which non-subsidised block-of-flats	20,000	23,000
start-ups in the capital region	n/a	14,278
Building permits granted, annual, units *	n/a	44,534
Construction costs, change %	1.5	3.5

* Rolling 12 months, November 2021

Sources: Confederation of Finnish Construction Industries, business survey October 2021; Housing production information of the municipalities in the capital region; Statistics Finland, Building and dwelling production



According to the business survey by the Confederation of Finnish Construction Industries (RT), the volume of new housing production turned to growth last year and the construction of apartment buildings is expected to have grown to almost record levels supported by economic recovery, low interest rates and low level of housing supply. Residential construction will remain high this year. According to the Ministry of Finance's economic survey, residential investments will, however, turn to a slight decline towards the end of 2022 and return closer to the long-term average in 2023.

According to RT's housing production survey in October, the construction of apartment buildings and terraced houses continues to be vivid especially in larger cities outside the Helsinki region. The focus is shifting even more clearly towards developer contracting and the share of investor demand is declining. In the longer term, housing production will be more concentrated in areas with a growing population.

The foundation of the Finnish housing market is stable and the rise in house prices has been very moderate compared to the western neighbours. Nevertheless, rapidly increasing costs and problems with the availability of materials and labour may significantly slow down housing production.

Effects of urbanisation

Area	Population growth forecast, %	Share of rental household-dwelling units, %	
	2020–2040	2010	2020
Helsinki	18.8	47.1	49.4
Capital region ¹⁾	21.1	41.9	45.6
Helsinki region ²⁾	n/a	37.7	41.6
Jyväskylä	4.2	40.2	45.0
Kuopio	0.0	36.5	40.5
Lahti	-1.1	37.3	41.1
Oulu	5.0	36.7	42.3
Tampere	11.1	42.2	49.4
Turku	11.7	43.0	49.9
Other areas	n/a	23.8	26.2

¹⁾ Helsinki, Espoo, Kauniainen, Vantaa

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

Sources: Statistics Finland, Dwellings and Housing Conditions 2020; MDI, New population forecast 2021

According to the population forecast published by MDI in June, the capital region will continue to attract people in the future. The forecasts present three growth scenarios that take the impacts of the COVID-19 pandemic into account. The population of the capital region is predicted to grow by 13–21 per cent during the period 2020–2040 in the three scenarios. Turku and Tampere will also grow by more than 10 per cent in all three scenarios.

According to the forecast, population growth will be driven by the growth of the non-Finnish-speaking population. This is predicted to be the case particularly in the capital region, where

growth is driven by the positive net migration of non-Finnish speakers from other countries and from other regions of Finland. The future population trends will increase regional divergence, with significant population growth only seen in the largest urban areas.

According to Statistics Finland, three out of five households of people under 40 years of age currently rent their homes. In changing life circumstances, rental housing is more flexible than owner-occupied housing.

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 36,897 (35,802) rental apartments. The fair value of Kojamo's investment properties amounted to EUR 8.3 (6.9) billion at the end of the financial year. Investment properties include completed apartments as well as development projects and land areas.

Measured at fair value on 31 December 2021, 97.6 per cent of Kojamo's rental apartments were located in the seven largest Finnish growth centres, 88.1 per cent in the Helsinki, Tampere and Turku regions and 76.0 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 signifi-



cant 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 391.7 (383.9) million. Total revenue is generated entirely by income from rental operations.

The completion of rental apartments in 2020 and 2021 and rental growth had a positive impact and the decrease of financial occupancy rate had a negative impact on the total revenue.

Result and profitability

Net rental income increased to EUR 262.3 (257.6) million, which corresponds to 67.0 (67.1) per cent of revenue. The growth of total revenue and the decrease of repair costs had a positive impact and higher property maintenance costs had a negative impact on the net rental income. Heating costs, in particular, increased year-on-year due to the cold weather in the first quarter.

Profit before taxes was EUR 1,278.9 (391.2) million. The profit includes EUR 1,105.7 (225.8) million in net gain on the valuation of investment properties at fair value and EUR 0.3 (-0.7) million in profits and losses from the sale of investment properties. The net gain on the valuation of investment properties at fair value was mainly attributable to yield compression. Profit before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 7.8 million.

Financial income and expenses totalled EUR -54.9 (-55.3) million. Financial income and expenses decreased EUR 0.4 million year-on-year. Gains and losses on the valuation of investments amounted to EUR 0.1 (-0.2) million and the unrealised change in the fair value of derivatives EUR 3.0 (-0.8) million. Interest expenses increased by EUR 3.4 million year-on-year due to the higher amount of interest-bearing liabilities.

Funds From Operations (FFO) amounted to EUR 153.1 (151.4) million. The increase in FFO was attributable to the improvement in net rental income during the financial year.

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

Balance sheet, cash flow and financing

	31 Dec 2021	31 Dec 2020
Balance sheet total, M€	8,716.8	7,261.5
Equity, M€	4,263.3	3,309.5
Equity per share, €	17.25	13.39
Equity ratio, %	49.0	45.6
Return on equity (ROE), %	27.0	9.8
Return on investment (ROI), %	19.2	7.4
Interest-bearing liabilities, M€	3,334.5	3,053.3
Loan to Value (LTV), %	37.7	41.4
Average interest rate of loan portfolio, % *	1.8	1.8
Average loan maturity, years	4.3	4.5
Cash and cash equivalents, M€	197.0	210.5

* Includes interest rate derivatives

Kojamo's liquidity was good in the financial year. At the end of the financial year, Kojamo's cash and cash equivalents stood at EUR 197.0 (210.5) million and liquid financial assets at EUR 128.8 (117.5) 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 300 million and an uncommitted credit facility of EUR 5 million that were unused at the end of the financial year.



The following financing arrangements were made during the financial year:

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

In March, Kojamo plc signed a committed EUR 100 million revolving credit facility linked to its sustainability targets with Handelsbanken. The revolving credit facility is unsecured and has a maturity of five years. The revolving credit facility will be used for the Group's general financing needs and it replaced EUR 100 million revolving credit facility signed with Handelsbanken, maturing in 2022.

In March, Lumo Kodit Oy signed an unsecured loan agreement of EUR 100 million with Swedbank AB (publ). The maturity of

the loan is 5 years and it was used to refinance the secured loan facility signed with Swedbank, maturing in 2021.

In March, Kojamo published its Green Finance Framework, which links the Group's sustainability targets and climate actions with the Group's investments and their financing. Within the framework, Kojamo can finance or refinance investments that promote sustainable and low-carbon urban development with green bonds or other green debt instruments.

In May, Kojamo plc issued inaugural green bond of EUR 350 million under its EMTN programme of EUR 2,500,000,000. The maturity of the senior unsecured Notes is 8 years and the maturity date is 28 May 2029. The Notes carry a fixed annual coupon of 0.875 per cent.

In November, Kojamo plc and OP Corporate Bank signed an unsecured loan agreement of EUR 50 million. The loan matures in January 2028 and it was used to refinance a secured loan from OP, maturing in 2021.

Real estate property and fair value

M€	31 Dec 2021	31 Dec 2020
Fair value of investment properties on 1 Jan ¹⁾	6,863.1	6,260.8
Acquisition of investment properties ^{1) 2)}	343.7	348.7
Modernisation investments	11.9	27.1
Disposals of investment properties	-2.5	-4.2
Capitalised borrowing costs	5.4	3.8
Transfer from property, plant and equipment	0.0	1.2
Profit/loss on fair value of investment properties ¹⁾	1,105.7	225.8
Fair value of investment properties at the end of the period	8,327.5	6,863.1

The value of investment properties includes EUR 1.1 (2.4) million in Investment properties held for sale

¹⁾ Includes IFRS 16 Leases. The net gain on the valuation of investment properties at fair value was mainly attributable to yield compression.

²⁾ Includes the existing apartment stock and the acquisition costs of new projects under construction

Right-of-use assets included in the fair values of investment properties

M€	31 Dec 2021	31 Dec 2020
Fair value on 1 Jan	67.4	60.2
Increases/decreases	4.2	8.3
Profit/loss on fair value of investment properties	-1.0	-1.1
Fair value of investment properties at the end of the period	70.6	67.4

Kojamo owned a total of 36,897 (35,802) rental apartments at the end of the financial year.

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

sued on the situation as at 31 Dec 2021. 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 162,000 (172,000) floor sq.m. The fair value of the plot and real estate development reserve (including the Metropolia properties) was EUR 131.1 (139.8) million at the end of the financial year.



Rental housing

Lumo brand	31 Dec 2021	31 Dec 2020
Number of apartments	36,617	35,476
Average rent, €/m ² /month	16.97	16.48
Average rent, €/m ² /month, yearly average	16.75	16.35

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

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

Rental housing key figures

%	1-12/2021	1-12/2020
Financial occupancy rate	93.9	96.4
Tenant turnover rate, excluding internal turnover	33.3	32.5
Like-for-Like rental income growth *	-0.3	1.2
Rent receivables in proportion to revenue	1.2	1.2

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

The financial occupancy rate was 93.9 (96.4) per cent at the end of the financial year. The COVID-19 pandemic had a substantial effect on the Group's financial occupancy rate. At year-end, 223 (367) apartments were vacant due to renovations.

Kojamo's property portfolio by region as at 31 December 2021

%	Helsinki region	Tampere region	Turku region	Oulu	Jyväskylä	Kuopio region	Lahti region	Others
Distribution by number of apartments	60.1	10.6	5.0	6.0	4.8	4.5	3.9	5.0
Distribution by fair value	76.0	8.3	3.8	2.6	2.5	2.3	2.0	2.4



Information on the property portfolio as at 31 December 2021

Area	Number of apartments, units	Number of commercial premises and other leased premises, units	Fair value, M€	Fair value, € 1,000/unit	Fair value, €/m ²	Financial occupancy rate, % ³⁾
Helsinki region	22,191	414	5,871.6	260	4,710	93.2
Tampere region	3,899	116	642.2	160	3,112	97.4
Turku region	1,855	20	290.5	155	2,730	97.4
Other	8,952	145	917.8	101	1,891	93.7
Total	36,897	695	7,722.2 ¹⁾	205	3,776	93.9
Other			605.3 ²⁾			
Total portfolio	36,897	695	8,327.5			

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

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

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

Investments, divestments and real estate development

Investments

M€	31 Dec 2021	31 Dec 2020
Acquisition of investment properties *	339.5	340.4
Modernisation investments	11.9	27.1
Capitalised borrowing costs	5.4	3.8
Total	356.9	371.2
Repair expenses, M€	32.4	35.8

* Not including IFRS 16 Leases

Number of apartments

Units	31 Dec 2021	31 Dec 2020
Apartments at the start of the financial year	35,802	35,272
Divestments	-	-18
Acquisitions	-	71
Completed	1,282	532
Demolished or altered	-187	-55
Apartments at the end of the financial year	36,897	35,802
Started during the financial year	1,333	1,840
Under construction at the end of the financial year	2,675	2,624
Preliminary agreements for new construction	636	965

Kojamo estimates that investments in development projects will amount to EUR 310–360 million in 2022.

No apartments were acquired during the financial year.

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

- 18 January 2021: an agreement with Hausia Oy on the acquisition of two properties in Tillinmäki and Jousenpuisto,



Espoo. The properties will comprise a total of 120 apartments.

- 31 May 2021: an agreement with Suomen Kaupunkikodit Oy on the acquisition of two properties. A conversion project in Helsinki's Pohjois-Haaga district will have 119 apartments, while 142 new apartments will be built in Tampere's Hervanta district.
- 30 June 2021: an agreement with Newil & Bau and Samla Asunnot on the acquisition of a newly constructed property in Helsinki's Lehtisaari district. The property will consist of 54 new apartments.
- 12 July 2021: an agreement with SRV on the construction of two properties in Helsinki's Pasila district as part of the cooperation agreement signed by Kojamo and SRV in March 2020. The properties will comprise a total of 129 apartments.
- 12 July 2021: an agreement with SRV on the construction of 65 apartments in Vantaa's Veromies district as part of the cooperation agreement signed by Kojamo and SRV in August 2019.
- 12 July 2021: an agreement with Pohjola Rakennus Oy on the construction of two properties in Helsinki's Kannelmäki and Malmi districts. The properties will comprise a total of 113 apartments.

- 12 July 2021: an agreement with Hartela on the construction of 80 apartments in Espoo's Olari district as part of the previously signed cooperation agreement with Hartela.
- 12 July 2021: an agreement with Hausia on the construction of 126 apartments in Vantaa's Tikkurila district as part of the cooperation agreement signed with Hausia in January 2021.
- 13 December 2021: an agreement with Arkta Reponen Oy on the construction of one property in Espoo's Olari district. The property will comprise 60 apartments.
- 14 December 2021: an agreement with SRV on the construction of 78 apartments in Helsinki's Munkkivuori district as part of the cooperation agreement signed by Kojamo and SRV in 2019.
- 31 December 2021: an agreement with Jalo Oy on the construction of 113 apartments in Helsinki's Puotila district.

Of the apartments under construction, 2,626 (2,624) are located in the Helsinki region and 49 (-) in other Finnish growth centres. A total of 1,282 (532) apartments were completed during the financial year.

Modernisation investments during the financial year amounted EUR 11.9 (27.1) million and repair costs totalled EUR 32.4 (35.8) million.

Binding acquisition agreements for new development

M€	31 Dec 2021	31 Dec 2020
Actual costs incurred from new construction in progress	392.1	370.0
Cost of completing new construction in progress	267.6	262.9
Total	659.6	633.0

Plots and real estate development sites owned by the company

	31 Dec 2021		31 Dec 2020	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Plots	29.5	52	29.3	55
Plots and existing residential building	21.6	32	25.0	37
Conversions	80.0	78	85.5	80
Total *	131.1	162	139.8	172

* 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 2021		31 Dec 2020	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Preliminary agreements for new construction ¹⁾	122.9		214.0	
Estimate of the share of plots of preliminary agreements for new development ²⁾	20.9	30	37.8	53
Preliminary agreements and reservations for plots ²⁾	23.8	39	35.4	52

¹⁾ Including plots

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



Progress of strategy implementation and targets

Strategic targets 2020–2023

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

According to its strategy, Kojamo's operations are focused on the largest growth centres in Finland. As a part of implementing its strategy Kojamo's Board of Directors has decided to evaluate options for investment properties located outside of the key growth centres, including potential disposals of properties.

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

Shares and shareholders

Issued shares and share capital

Kojamo's share capital on 31 Dec 2021 was EUR 58,025,136 and the number of shares at the end of the financial year was 247,144,399.

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

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

Information on the share and share capital

	2021	2020	2019
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	247,144,399
Weighted average number of outstanding shares, diluted	247,144,399	247,144,399	247,144,399

Trading in the company's share

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

Share price and trading

	2021	2020	2019
Lowest price, €	15.64	13.64	8.00
Highest price, €	21.42	21.45	16.48
Average price, €	18.97	17.95	13.48
Closing price, €	21.24	18.10	16.20
Market value of share capital, 31 Dec, M€	5,249.3	4,473.3	4,003.7
Share trading, million units	125.0	159.2	51.1
Share trading of total share stock, %	50.6	64.4	20.7
Share trading, M€	2,370.9	2,858.1	688.7



In addition to the Nasdaq Helsinki stock exchange, Kojamo shares were traded on other marketplaces. From 1 January to 31 December 2021, more than 135 million (approximately 300 million) Kojamo shares were traded on alternative marketplaces, corresponding to over 50 per cent (approximately 40 per cent) of the total trading volume (Sources: 2021, Monitor finance; 2020, Reuters).

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 17 March 2021 decided that a dividend of EUR 0.37 per share, or EUR 91,443,427.63 in total, be paid for the financial year and that EUR 264,578,868.99 be retained in unrestricted equity. The dividend payment date was 8 April 2021.

Shareholders

At the end of the review period, the number of registered shareholders was 11,843, including nominee-registered shareholders. The proportion of nominee-registered and direct foreign shareholders was 52.4 per cent of the company's shares at the end of the financial year. The 10 largest shareholders owned in aggregate 39.3 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 17 March 2021 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 2022.

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 2022.

The Board has not used authorisations.

Flagging notifications

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

Managers' transactions and shareholdings

Managers' transactions at Kojamo in 2021 have been published as stock exchange releases and they are available on the Kojamo website at www.kojamo.fi/en/news.

The members of the Board of Directors or corporations over which they exercise control owned a total of 51,741 (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 159,768 (123,536) shares and share-based rights in the company or in companies belonging to the same Group as the company. These shares represent 0.09 (0.07) per cent of the company's entire share capital.



Shareholdings

There are a total of 11,843 shareholders in Kojamo plc, the ten largest shareholders being (share register at 31 Dec 2021):

10 largest shareholders as at 31 December 2021

Shareholder	No. of shares	Holding, %
Ilmarinen Mutual Pension Insurance Company	20,537,814	8.31
Varma Mutual Pension Insurance Company	19,362,375	7.83
The Finnish Industrial Union	16,506,142	6.68
Trade Union of Education in Finland	12,081,498	4.89
Finnish Construction Trade Union	8,278,075	3.35
Trade Union for the Public and Welfare Sectors	5,700,000	2.31
Trade Union PRO	5,154,150	2.09
Service Union United PAM	5,150,000	2.08
Elo Mutual Pension Insurance Company	2,661,113	1.08
The Åbo Akademi University Foundation	1,700,643	0.69
Other	150,012,589	60.70
Total	247,144,399	100.00

Breakdown of share ownership

Shares	No. of owners	%	No. of shares	% of shares
1–100	7,201	60.80	282,602	0.11
101–500	3,352	28.30	847,512	0.34
501–1,000	665	5.62	513,927	0.21
1,001–5,000	441	3.72	924,089	0.37
5,001–10,000	57	0.48	398,151	0.16
10,001–50,000	60	0.51	1,484,931	0.60
50,001–100,000	17	0.14	1,129,328	0.46
100,001–500,000	21	0.18	3,835,645	1.55
500,001–	29	0.24	237,728,214	96.19
Total	11,843	100.00	247,144,399	100.00

Ownership structure

Shareholders	No. of shares	% of shares
Public sector	44,678,702	18.08
Financial and insurance corporations	108,359,666	43.84
Households	2,943,142	1.19
Non-financial corporations	1,195,133	0.48
Non-profit institutions	62,978,213	25.48
Other countries	26,989,543	10.92
Total	247,144,399	100.00
Nominee-registered	128,248,664	51.89



Governance

Annual General Meeting

Kojamo's Annual General Meeting (AGM) of 17 March 2021 adopted the financial statements for the financial year 2020 and discharged the members of the Board of Directors and the CEO from liability. The AGM also decided on dividend payment, the number of members of the Board of Directors, the Board of Director's remuneration and composition and the election and remuneration of the auditor. The AGM approved the Remuneration Report for the members of the Board of Directors, the CEO and the Deputy CEO. The AGM authorised the Board of Directors to resolve on one or more share issues or the issuance of special rights entitling to shares, as referred to in Chapter 10, Section 1 of the Companies Act. The minutes of the AGM are available at <https://kojamo.fi/en/investors/corporate-governance/annual-general-meeting/>.

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, Reima Rytsölä and Catharina Stackelberg-Hammarén. The company's auditor is KPMG Oy Ab, with Authorised Public Accountant Esa Kailiala as the auditor with principal responsibility.

Board committees

Kojamo's Board of Directors has established two permanent committees, an Audit Committee and a Remuneration Committee. Anne Leskelä (Chairman), Matti Harjuniemi, Mikko Mursula and Catharina Stackelberg-Hammarén 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 6 September 2021 announcing the composition of Kojamo plc's Nomination

Board. Kojamo's three largest shareholders nominated the following members to the Shareholders' Nomination Board: Riku Aalto, President, Finnish Industrial Union; Jouko Pölonen, CEO, Ilmarinen Mutual Pension Insurance Company; and Risto Murto, CEO, Varma Mutual Pension Insurance Company. In addition, the Chairman of Kojamo's Board of Directors serves as an expert member of the Nomination Board.

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

The proposal of the Nomination Board to the Annual General Meeting were published as a stock exchange release on 30 November 2021.

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.

Personnel

At the end of 2021, Kojamo had a total of 325 (317) employees, of who 284 (282) were on permanent contracts and 41 (35) were on temporary contracts. The average number of personnel during the year was 321 (315). The average length of service was 9.4 (9.3) years. Personnel turnover in 2021 was 10.9 (9.8) per cent. The company hired nearly 50 summer employees in 2021.

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

Annual performance bonus and incentive system

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

Kojamo also has a long-term share-based incentive plan for the Group's key personnel. The reward is based on reaching the targets set for Kojamo's key business criteria in relation to the Group's strategic goals. Three performance periods were ongoing at the end of the financial year: 2019–2021, 2020–2022, 2021–2023.

On 18 February 2021, Kojamo's Board of Directors resolved on the long-term incentive plan's performance period of 2021–2023. 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 102,277 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 312,161 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 2021 and Kojamo's website.

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 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 2021 Annual Report to describe our sustainability efforts and their results in more detail. Our report on the year 2021 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). Certain energy, emissions and water data related to sustainability reporting have been validated by an independent third party, KPMG, and a correspondence check will be carried out on the corresponding data in English. Information on verified key figures as well as an assurance report will be published in the company's Annual Report.

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 2020 with a Gold award for the third consecutive year and our sustainability report for 2019 with a Silver award. In 2020, we also received a Most Improved award for the development of our sustainability reporting.

In 2021, we participated in the Global Real Estate Sustainability Benchmark (GRESB) survey for the second time. We improved our score compared to the previous year, receiving 77 points out of 100, three stars out of five and our second consecutive Green Star recognition for our sustainability efforts. Our score improved by seven points compared to the previous year. The score exceeded the average result of all the participants in the assessment (73). We also exceeded the average score (72) of our comparison group (Europe, Listed Residential) and placed second in the group.

In addition, we 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 second in our comparison group (Northern Europe, Residential).

Reporting on compliance with the EU taxonomy

Kojamo has assessed the company's EU taxonomy business operations. The assessment is based on NACE industrial classifications.

The EU taxonomy objectives for mitigating and combatting climate change were published at the end of 2021. The NACE classification of economic activities presented in connection with the objective of mitigating and combatting climate change has been used to define the share of business operations within the taxonomy.

The NACE classifications of economic activities for the purposes of combatting and mitigating climate change that concern Kojamo are:

- F41.1: Construction of buildings and development of construction projects
- L68.1: Buying and selling of own real estate
- L68.2: Renting and operating of own or leased real estate

100% of Kojamo's 2021 total revenue, operational expenses and investments were generated by taxonomically eligible economic activities, and 0% of its total revenue, operational expenses and investments were generated by non-taxonomically eligible economic activities.

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 strategy, 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 of Directors' 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 of sustainability and the sustainability programme

We conducted Kojamo's first materiality analysis of sustainability in 2020 as part of the development of our sustainability programme. In the materiality analysis, we defined the material

aspects of sustainability for our company and 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.

Based on the materiality analysis, the material aspects were compiled into Kojamo's significant sustainability themes, which form the focus areas of our sustainability programme. The material themes of sustainability apply to Kojamo as a whole and they form the foundation for our sustainability programme. We regularly assess whether the materiality analysis is up-to-date and whenever there are significant changes in our business.

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

Regarding 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.

- Good health and well-being. Ensure healthy lives and promote well-being for all at all ages.
- Gender equality. Achieve gender equality and empower all women and girls.

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

- Affordable and clean energy. Ensure access to affordable, reliable, sustainable and modern energy for all.
- Decent work and economic growth. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- Sustainable industry, innovation and infrastructure. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
- Sustainable cities and communities. Make cities and human settlements inclusive, safe, resilient and sustainable.
- Responsible consumption. Ensure sustainable consumption and production patterns.
- Climate action. Take urgent action to combat climate change and its impacts.

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
Key policies, principles, commitments and programmes	<ul style="list-style-type: none"> • Kojamo's strategy • Kojamo's values • Code of Conduct • UN Sustainable Development Goals • Net Zero Carbon Buildings commitment • Voluntary energy efficiency agreement of the Finnish real estate sector 2017–2025 • City of Helsinki Climate Partnership • WWF Green Office • Due diligence • Investment decisions 	<ul style="list-style-type: none"> • Kojamo's strategy • Kojamo's values • Code of Conduct • UN Sustainable Development Goals • Through the Customer's Eyes programme 	<ul style="list-style-type: none"> • Kojamo's strategy • Kojamo's values • Code of Conduct • UN Sustainable Development Goals • A responsible employer • Responsible Summer Job campaign • Personnel policy • Equality and non-discrimination plan • Collective bargaining agreements 	<ul style="list-style-type: none"> • Kojamo's strategy • Kojamo's values • Code of Conduct • Supplier Code of Conduct • UN Sustainable Development Goals • Corporate Governance Code • Whistleblowing procedure • Vastuu Group Oy's Reliable Partner service • Data security policy • Risk management • Lumo sponsorship and grant programme 	<ul style="list-style-type: none"> • Kojamo's strategy • Kojamo's values • Code of Conduct • Supplier Code of Conduct • UN Sustainable Development Goals • GRI Standards • Global Real Estate Sustainability Benchmark (GRESB) • EPRA Sustainability Best Practices Recommendations Guidelines
Assessing the effectiveness of the management approach	<ul style="list-style-type: none"> • Whistleblowing procedure • Property and Building Sector Energy Efficiency Agreement steering group and reporting • Operating in accordance with the Net Zero Carbon Buildings commitment • WWF Green Office audits 	<ul style="list-style-type: none"> • Whistleblowing procedure • Resident satisfaction surveys • NPS • Management Team and steering groups 	<ul style="list-style-type: none"> • Whistleblowing procedure • Overall result of the personnel survey • Personnel satisfaction index • Management Team and steering groups 	<ul style="list-style-type: none"> • Internal auditing • Vastuu Group Oy's Reliable Partner service • Whistleblowing procedure • Tax footprint • Management Team and steering groups • Partner evaluation practices 	<ul style="list-style-type: none"> • Internal auditing • Vastuu Group Oy's Reliable Partner service • Whistleblowing procedure • Management Team and steering groups



	<ul style="list-style-type: none"> Management Team and steering groups 				
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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

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 fourth 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 Energy efficiency level (E-value) 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.
- 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 2021

- 100% of our newly constructed properties are situated in growth centres, in locations with good transport links.
- The heating energy consumption index (kWh/m³ building volume) of our housing stock decreased by 3.5 (3.4)%. The consumption of property electricity relative to building volume (m³) remained unchanged (-6.5) %. Water consumption (l/m³ building volume) decreased by 6.3 (6.4)%
- The share of renewable energy of the property portfolio's total energy consumption was 10.0 (11.0)%.
- 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 (80) of our properties.
- Renovation projects linked to the objective of improving energy efficiency were not completed during the year.
- The carbon footprint per apartment was 1.2 (1.4) t CO₂e, which is a decrease of 20.6% from the previous year. The relative CO₂ emissions were 4.3 (5.5) kg CO₂e / m³.
- In 2021, we calculated the life-cycle carbon footprint for 5 projects.
- The waste recycling rate of our housing stock was 40.0 (37.0)%.
- 82.0 (84.0)% of all of the apartments completed since 2016 using our own plot reserve have an E-value of 82 or less.
- At the end of 2021, 100.0% of the projects under construction in our own plot reserve and where planning started in 2021 have an E-value of 80 or less.
- At the end of 2021, 100.0% of the projects under construction in our own plot reserve whose planning started before 2021 have an E-value of 82 or less.
- The indoor temperatures of approximately 28,000 Kojamo apartments are controlled by means of an artificial intelligence solution.
- We piloted sustainable demolition principles and a 70% recycling rate for two demolition and new construction projects started in 2021.
- 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

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.
- By the end of 2023, the score awarded by our residents for the safety and comfort of Lumo homes
 - regardless of the service channel will be 4.5/5.
 - the score for the convenience and functionality of waste sorting and recycling will be 4/5.
 - the score for the safety and comfort will be 4/5.
 - the score for services that make daily life easier and promote sustainable housing will be 4/5.

Results in 2021

At the end of 2021, Kojamo's Net Promoter Score was at 20 (36).

The score awarded by our residents for the ease of communications with Lumo homes

- regardless of the service channel was 3.9.
- the score for the convenience and functionality of waste sorting and recycling was 3.7.
- the score for the safety and comfort was 3.7.
- the score for services that make daily life easier and promote sustainable housing was 3.6.

Throughout the year, the through the customer's eyes operating model has focused particularly on the safety and comfort of living.

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

Approximately three-quarters of our residents use the My Lumo service. The My Lumo service has over 19,000 monthly users. Our Digital Net Promoter Score was 64.0 (63.0).

During the year, there have been investments in customer communications concerning sorting and recycling, and the guidelines for waste disposal rooms have been improved.

During the year, we expanded our car-sharing service. Lumo residents have access to nearly 700 shared cars around Finland.

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 2021

Women represent 61 (61) % of our total personnel and 45% (46%) of our supervisors.

Personnel turnover 10.9 (9.8) %.

The personnel's sickness absence rate was 2.73 (3.14)%.

The coverage of development discussions was 100 (100)%.

The average number of training hours per employee during the year was 8 h 58 min (10 h 20 min).

The personnel survey results were 4.09/5.

Employee Net Promoter Score (ENPS) was 48.

We employed 46 (50) summer workers.

Reports received via the whistleblowing channel: 0 (0).

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.

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 construc-



tion 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.

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.

At the end of 2021, we also completed an extensive project aimed at clarifying Kojamo's internal processes and practices

related to the processing of personal data as well as identifying and preventing risks related to operating practices. During the year, we comprehensively assessed Kojamo's processes, clarified them and updated them where necessary. In addition, we paid particular attention to the training of our personnel. We created a page dedicated to data protection, complete with practical instructions, and developed new initiatives alongside conventional online training and information sessions, such as the "Data protection Thursday" concept as well as different video and podcast content.

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.

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 2021

Gross investments amounted to EUR 356.9 (371.2) million.

Our indirect employment effect was 7,035 (7,066) person-years.

The actual TR meter result at our construction sites was 95 (94) %.

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

Kojamo's tax footprint was approximately EUR 104.0 (101.0) million.

During the year, 87% of the personnel received training on the company's business principles.

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 tenth year. During the year, we awarded a total of 150 (150) Lumo grants.

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)
Operating environment risks		
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"> Monitoring and analysing the operating environment Regular risk assessments Adapting operations to changes in the operating environment Diversification of investments Strong balance sheet structure
Legislation and other regulation	The risk of new regulations affecting the company's operating conditions and profitability.	<ul style="list-style-type: none"> Monitoring legislative processes Organisations' working groups, e.g. the Finnish Association of Building Owners and Construction Clients (RAKLI) Active dialogue with legislators Preparing for and anticipating changes Training employees
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"> Design management Ensuring the efficiency of project development Ensuring the efficiency of plans and designs Cooperation with partners Ensuring the correct yield level
Financial risks		
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"> Strong balance sheet structure Diverse sources of financing Balanced distribution of loan maturities Diverse financial instruments
Rising market interest rates	The risk of significant changes in variable market interest rates and/or margins with a negative impact on the company's profitability, or of increased demand for revenue or financing due to the market or the acceleration of inflation.	<ul style="list-style-type: none"> Strong balance sheet structure High interest rate risk hedging ratio Balanced distribution of loan maturities
Risks related to business operations		



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"> • Monitoring and analysing the operating environment • Regular risk assessments • Adapting operations to changes in the operating environment • Cooperation with customers and service providers • Management of changes concerning properties • Repairs and modernisation projects • Collecting customer information and reacting to customer feedback
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"> • Monitoring and analysing the operating environment • Regular risk assessments • Diversification of investments • Strong balance sheet structure • Repairs and modernisation projects
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"> • Management system • Active process development • Operating guidelines • Managing the partner network • Controller activities • Developing the corporate culture, competence surveys and personnel development
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"> • Management of the legal aspects of contracts • Anti-grey economy operating model • Selection and tendering of partners, requirements for partners • Operating model for the monitoring of co-operation partners
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"> • Guidelines, operating principles, operating policies, process descriptions, training and models • Technical competencies and expertise • Auditing • Systematic analysis of financial reports • Corporate Governance Code • Implementation of the sustainability programme • Transparent and comprehensive sustainability reporting • Reporting has been validated by an independent third party
Legal risks	The risk of incomplete or erroneous documentation failing to achieve the intended legal outcome.	<ul style="list-style-type: none"> • Ensuring legal competence • Maintaining standardised documentation and ensuring the appropriate training of personnel • Adequate legal resources • Using external advisers
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"> • Systematic maintenance and repair activities • Operating guidelines and models, auditing • Appropriate proactive safety efforts • Increasing automation • Programmatic and technical security systems • Insurances • Data life cycle and risk management
Risks caused by climate change	<p>The physical risk of an increase in extreme weather phenomena caused by climate change and the higher costs associated with mitigating their impacts. Physical risks include, for example, floods, heavy rains, storms and temperature fluctuations.</p> <p>Technological, legal and market-related risks of stricter regulations resulting from climate change related to energy-efficient and low-carbon construction and apartments not corresponding to the required standards.</p>	<ul style="list-style-type: none"> • Assessing flood-prone areas as part of due diligence processes and investment decisions regarding new construction • Taking extreme weather phenomena into account in maintenance management and insurance-related matters



	Reputation risk resulting from climate change if the Group fails in its actions aimed at mitigating climate change.	<ul style="list-style-type: none"> • Actively monitoring changes in EU regulations and national legislation • Measures to increase energy efficiency. • Sustainability programme and carbon-neutral energy consumption roadmap • Improving stakeholder awareness by increasing the frequency and regularity of sustainability-related communications.
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"> • Proactive maintenance, ensuring adequate technical capacity, competence and processes • Adequate condition assessments, surveys and monitoring. • Assessing the property portfolio's long-term repair needs • Defining crisis communication practices and operating models for exceptional situations

Near-term risks and uncertainties

Kojamo estimates that the most significant risks and uncertainties in the current review period are related to the development of the Finnish economy. The near-term risks arise particularly from the COVID-19 pandemic. The risks and their magnitude are affected by the development of the pandemic as well as the scope and duration of the measures introduced to limit the pandemic. The prolongation of the pandemic could have impacts on the housing market and property market, including apartment prices, rents and yield requirements as well as on the operations of the construction companies.

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.

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 inflation continues to accelerate or remains high for longer than previously estimated, costs will generally increase, which could affect Kojamo's result and cash flow as well as the fair value of apartments. Rising construction costs may have an impact on the profitability of new development projects and thereby slow down development investments.

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

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.

In 2021, the main focus areas of internal auditing operations were related to the ICT architecture, procurements, sales, data protection and unit audits.



In 2022, the main focus areas of internal auditing operations will be related to sustainability, the current state of data security, data protection and unit audits.

Group structure and changes therein

At the end of the financial year, the legal Group comprised 352 (342) subsidiaries and 41 (38) associates companies.

Subsidiaries wholly owned by Kojamo plc are Lumo Kodit Oy, Lumo Vuokratalot Oy, Lumo 2021 Oy, Lumohousing 2 Oy, VVOhousing 9 Oy, Lumohousing 10 Oy, Lumohousing 11 Oy, Lumohousing 12 Oy, Lumo Asumisen Palvelut Oy, VVO Hoi-vakiinteistöt Oy, Kojamo Holding Oy, Kotinyt Oy and Kojamo

Palvelut Oy. In addition, Kojamo plc has a holding of more than 50 per cent in 0 (1) limited liability companies or real estate companies and a 50 per cent holding in SV-Asunnot Oy.

The following companies merged with Lumo Kodit Oy on 1 April 2021: Lumohousing 8 Oy and Lumo 2020.

Group structure 31 December 2021

Units	Subsidiaries	Associated companies
Kojamo plc	13 ¹⁾	3
Parent companies of sub-groups		
Lumo 2021 Oy	1	
Lumo Kodit Oy	327	35 ²⁾
Lumo Vuokratalot Oy	10	3 ²⁾
Lumo Asumisen Palvelut Oy		2
Kojamo Palvelut Oy	1	
Total	352	41

¹⁾ Includes the parent companies of the sub-groups and other subsidiaries listed

²⁾ 2 of the associated companies are subsidiaries at Kojamo Group level

Events after period

There were no significant events after the period.

Proposal by the Board of Directors for the distribution of profits

The parent company Kojamo plc's distributable unrestricted equity on 31 Dec 2021 was EUR 308,426,117.35, of which the profit for the financial year amounted to EUR 45,050,838.39. 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 0.38 per share to be paid, totalling EUR 93,914,871.62, and EUR 214,511,245.73 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 qual-

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

EPRA performance measures

	2021	2020
EPRA Earnings, M€	151.9	150.0
EPRA Earnings per share (EPS), €	0.61	0.61
EPRA Net Reinstatement Value (NRV), M€	5,447.9	4,254.6
EPRA NRV per share, €	22.04	17.21
EPRA Net Tangible Assets (NTA), M€	5,447.0	4,253.8
EPRA NTA per share, €	22.04	17.21
EPRA Net Disposal Value (NDV), M€	4,203.0	3,219.2
EPRA NDV per share, €	17.01	13.03
EPRA Net Initial Yield (NIY), %	3.5	4.2
EPRA 'topped-up' NIY, %	3.5	4.2
EPRA Vacancy Rate, %	6.2	3.7
EPRA Cost Ratio (including direct vacancy costs), %	11.9	13.5
EPRA Cost Ratio (excluding direct vacancy costs), %	8.8	11.7

EPRA Earnings

M€	2021	2020
Earnings per IFRS income statement	1,023.4	312.9
(i) Change in value of investment properties, development properties held for investment and other interests	-1,105.7	-225.8
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interest	-0.6	0.7
(iv) Tax on profits or losses on disposals	1.1	-0.1
(vi) Changes in fair value of financial instruments and associated close-out costs	-3.0	0.8
(viii) Deferred tax in respect of EPRA adjustments	236.7	61.5
EPRA Earnings	151.9	150.0
EPRA Earnings per share (EPS), €	0.61	0.61



EPRA Net Asset Values

M€	2021			2020		
	NRV	NTA	NDV	NRV	NTA	NDV
IFRS Equity attributable to shareholders	4,263.3	4,263.3	4,263.3	3,309.5	3,309.5	3,309.5
Diluted NAV	4,263.3	4,263.3	4,263.3	3,309.5	3,309.5	3,309.5
Diluted NAV at Fair Value	4,263.3	4,263.3	4,263.3	3,309.5	3,309.5	3,309.5
Exclude:						
(v) Deferred tax in relation to fair value gains	970.3	970.2		726.7	726.4	
(vi) Fair value of financial instruments	47.7	47.7		81.1	81.1	
(viii.b) Intangibles as per the IFRS balance sheet		-0.8			-0.4	
Include:						
(ix) Fair value of fixed interest rate debt *			-60.3			-90.3
(xi) Real estate transfer tax	166.6	166.6		137.3	137.3	
Net Asset Value	5,447.9	5,447.0	4,203.0	4,254.6	4,253.8	3,219.2
NAV per share	22.04	22.04	17.01	17.21	17.21	13.03

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

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

M€		2021	2020
Investment property		8,327.5	6,863.1
Trading property		0.1	0.1
Developments		-559.9	-571.3
Completed property portfolio		7,767.7	6,291.9
Allowance for estimated purchasers' costs		155.4	125.8
Gross up completed property portfolio valuation	B	7,923.1	6,417.8
Annualised cash passing rental income		407.9	395.6
Property outgoings		-131.6	-127.4
Annualised net rents	A	276.3	268.2
Notional rent expiration of rent free periods or other lease incentives		-	-
Topped-up net annualised rent	C	276.3	268.2
EPRA Net Initial Yield (NIY), %	A/B	3.5	4.2
EPRA 'topped-up' NIY, %	C/B	3.5	4.2

EPRA Vacancy Rate

M€		2021	2020
Estimated rental value of vacant space *	A	24.2	13.8
Estimated rental value of the whole portfolio *	B	390.5	375.4
EPRA Vacancy Rate, %	A/B	6.2	3.7

* Including rental value of apartments.



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

M€		2021	2020
Include:			
(i) Administrative expense line per IFRS income statement		37.3	38.4
(i) Maintenance expense line per IFRS income statement		96.9	90.5
(i) Repair expense line per IFRS income statement		32.4	35.8
(ii) Net service charge costs/fees		-11.3	-8.5
(iii) Management fees less actual/estimated profit element		-0.2	-0.1
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits		-0.3	-0.3
Exclude:			
(viii) Service charge costs recovered through rents but not separately invoiced		-124.6	-121.7
EPRA Costs (including direct vacancy costs)	A	30.4	34.1
(ix) Direct vacancy costs		-8.0	-4.6
EPRA Costs (excluding direct vacancy costs)	B	22.3	29.5
(x) Gross Rental Income less ground rent costs - per IFRS		379.6	374.9
(xi) Service fee and service charge costs components of Gross Rental Income		-124.6	-121.7
Gross Rental Income	C	255.1	253.2
EPRA Cost Ratio (including direct vacancy costs), %	A/C	11.9	13.5
EPRA Cost Ratio (excluding direct vacancy costs), %	B/C	8.8	11.7

EPRA Property-related CapEx

M€	2021	2020
Acquisitions	0.8	12.8
Development	338.7	327.5
Investment properties		
No incremental lettable space	11.9	27.1
Capitalised interest	5.4	3.8
Total CapEx	356.9	371.2
Conversion from accrual to cash basis	-12.4	7.3
Total CapEx on cas basis	344.4	378.6

EPRA Like-for-Like

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

	2021 M€	2020 M€	Change M€	%
Rental income	363.1	364.2	-1.1	-0.3
Net rental income	241.5	243.9	-2.5	-1.0
Like-for-Like investment properties	6,727.9	5,825.2		

	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		



FINANCIAL STATEMENTS

This is voluntary published pdf report, so it does not fulfill the disclosure obligation pursuant to Section 7:5§ of the Securities Markets Act.

Consolidated comprehensive income statement

M€	Note	1-12/2021	1-12/2020
Total revenue		391.7	383.9
Maintenance expenses		-96.9	-90.5
Repair expenses		-32.4	-35.8
Net rental income		262.3	257.6
Administrative expenses	2.3	-37.3	-38.4
Other operating income	2.2	4.6	3.6
Other operating expenses	2.2	-0.7	-0.2
Profit/loss on sales of investment properties	2.2	0.3	-0.7
Profit/loss on fair value of investment properties	3.1	1,105.7	225.8
Depreciation, amortisation and impairment	2.4	-1.2	-1.3
Operating profit		1,333.7	446.3
Financial income		4.8	1.8
Financial expenses		-59.7	-57.0
Total amount of financial income and expenses	4.2	-54.9	-55.3
Share of result from associated companies		0.1	0.2
Profit before taxes		1,278.9	391.2
Current tax expense	5.1	-18.8	-16.9
Change in deferred taxes	5.2	-236.7	-61.5
Profit for the period		1,023.4	312.9
Profit for the financial period attributable to shareholders of the parent company		1,023.4	312.9
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	4.2	29.1	-11.9
Deferred taxes	5.2	-5.8	2.4
Items that may be reclassified subsequently to profit or loss		23.3	-9.6
Total comprehensive income for the period		1,046.7	303.3
Total comprehensive income attributable to shareholders of the parent company		1,046.7	303.3
Earnings per share based on profit attributable to shareholders of the parent company	2.6		
Basic, €		4.14	1.27
Diluted, €		4.14	1.27
Average number of shares, million	2.6	247.1	247.1



Consolidated balance sheet

M€	Note	31 Dec 2021	31 Dec 2020
Assets			
Non-current assets			
Intangible assets	6.2	0.8	0.4
Investment properties	3.1, 6.1	8,326.4	6,860.7
Property, plant and equipment	6.1, 6.3	28.8	29.8
Investments in associated companies		1.5	1.1
Financial assets	4.3	0.7	0.7
Non-current receivables	6.4	6.9	7.7
Deferred tax assets	5.2	10.1	16.0
Total non-current assets		8,375.2	6,916.4
Non-current assets held for sale	3.2	1.1	2.4
Current assets			
Trading property	3.3	0.1	0.1
Derivatives	4.5	0.4	0.1
Current tax assets		5.2	3.8
Trade and other receivables	6.5	8.9	10.5
Financial assets	4.3	128.8	117.5
Cash and cash equivalents		197.0	210.5
Current assets total		340.5	342.7
Total assets		8,716.8	7,261.5
Shareholders' equity and liabilities			
Equity attributable to shareholders of the parent company			
Share capital		58.0	58.0
Share issue premium		35.8	35.8
Fair value reserve		-31.0	-54.2
Invested non-restricted equity reserve		164.4	164.4
Retained earnings		4,036.0	3,105.5
Equity attributable to shareholders of the parent company		4,263.3	3,309.5
Total equity	4.1	4,263.3	3,309.5
Liabilities			
Non-current liabilities			
Loans and borrowings	4.4, 6.1	3,234.8	2,832.6
Deferred tax liabilities	5.2	981.0	744.5
Derivatives	4.5	47.9	80.6
Provisions	6.6	0.4	0.4
Other non-current liabilities	6.6	5.1	4.6
Total non-current liabilities		4,269.3	3,662.7
Current liabilities			
Loans and borrowings	4.4, 6.1	99.7	220.7
Derivatives	4.5	0.3	0.6
Current tax liabilities		5.5	2.3
Trade and other payables	6.7	78.7	65.6
Current liabilities total		184.2	289.2
Total liabilities		4,453.5	3,952.0
Total equity and liabilities		8,716.8	7,261.5



Consolidated statement of cash flows

M€	Note	1-12/2021	1-12/2020
Cash flow from operating activities			
Profit for the period		1,023.4	312.9
Adjustments	7.1	-795.7	-90.6
Change in net working capital			
Change in trade and other receivables		0.5	-2.1
Change in trade and other payables		0.0	3.6
Interest paid		-56.6	-50.5
Interest received		0.8	0.8
Other financial items		-4.0	-6.1
Taxes paid		-17.1	-20.3
Net cash flow from operating activities		151.4	147.7
Cash flow from investing activities			
Acquisition of investment properties	3.1	-344.4	-378.6
Acquisition of associated companies		-0.3	-0.1
Acquisition of property, plant and equipment and intangible assets		-0.7	-0.4
Proceeds from sale of investment properties		2.8	3.5
Proceeds from sale of property, plant and equipment and intangible assets		0.8	-
Purchases of financial assets		-95.6	-210.0
Proceeds from sale of financial assets		84.5	224.8
Non-current loans, granted		-	-4.8
Repayments of non-current loan receivables		0.9	0.2
Interest and dividends received on investments		0.2	1.1
Net cash flow from investing activities		-351.8	-364.2
Cash flow from financing activities			
Non-current loans and borrowings, raised		534.0	643.5
Non-current loans and borrowings, repayments		-254.2	-268.2
Current loans and borrowings, raised		200.0	261.8
Current loans and borrowings, repayments		-200.0	-261.8
Repayments of lease liabilities		-1.4	-1.6
Dividends paid		-91.4	-84.0
Net cash flow from financing activities		186.9	289.7
Change in cash and cash equivalents		-13.5	73.2
Cash and cash equivalents at the beginning of the period		210.5	137.3
Cash and cash equivalents at the end of the period		197.0	210.5



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
Equity at 1 Jan 2021		58.0	35.8	-54.2	164.4	3,105.5	3,309.5	3,309.5
Comprehensive income								
Cash flow hedging				23.3			23.3	23.3
Profit for the period						1,023.4	1,023.4	1,023.4
Total comprehensive income for the period				23.3		1,023.4	1,046.7	1,046.7
Transactions with shareholders								
Share-based incentive scheme						-1.5	-1.5	-1.5
Dividend payment						-91.4	-91.4	-91.4
Total transactions with shareholders						-92.9	-92.9	-92.9
Total change in equity				23.3		930.5	953.8	953.8
Equity at 31 Dec 2021	4.1	58.0	35.8	-31.0	164.4	4,036.0	4,263.3	4,263.3

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
Equity at 1 Jan 2020		58.0	35.8	-44.7	164.4	2,877.0	3,090.6	3,090.6
Comprehensive income								
Cash flow hedging				-9.6			-9.6	-9.6
Profit for the period						312.9	312.9	312.9
Total comprehensive income for the period				-9.6		312.9	303.3	303.3
Transactions with shareholders								
Share-based incentive scheme						-0.3	-0.3	-0.3
Dividend payment						-84.0	-84.0	-84.0
Total transactions with shareholders						-84.4	-84.4	-84.4
Total change in equity				-9.6		228.5	218.9	218.9
Equity at 31 Dec 2020	4.1	58.0	35.8	-54.2	164.4	3,105.5	3,309.5	3,309.5



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
Responsibilities and commitments	Commitments and contingent liabilities related to investment properties	3.4, 4.7	IAS 37
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

Name of reporting entity or other means of identification	Kojamo plc
Explanation of change in name of reporting entity or other means of preceding reporting period	n/a
Domicile of entity	Helsinki
Legal form of entity	plc
Country of incorporation	Finland
Address of entity's registered office	Mannerheimintie 168, 00300 Helsinki
Principal place of business	Finland
Description of nature of entity's operations and principal	Kojamo plc is Finland's largest market-based, private housing investment company that offers rental apartments and housing services in Finnish growth centres
Name of parent entity	Kojamo plc
Name of ultimate parent of group	Kojamo plc

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 2021, Kojamo owned 36,897 rental apartments across Finland.

The Group's parent company, Kojamo plc, is a Finnish public company domiciled in Helsinki. Its registered address is Mannerheimintie 168, 00300 Helsinki, Finland. A copy of the consolidated financial statements is available at www.kojamo.fi/en or the parent company's head office.

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

At its meeting on 17 Feb 2022, 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 2021 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 and 2021

Kojamo has not applied new standards or interpretations during the financial year 2020 and 2021. These and the agenda decision on the accounting for cloud computing arrangements have not impact on Kojamo's 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 2022. 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.
- 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.

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€	1-12/2021	1-12/2020
Rental income	379.7	374.9
Water fees	10.7	8.0
Sauna fees	0.6	0.5
Other income from service sales	0.2	0.1
Total	391.1	383.5

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€	1-12/2021	1-12/2020
Profit on sales of investment properties	0.3	0.1
Losses on sales of investment properties	-	-0.8
Total	0.3	-0.7

A total of 0 apartments were sold in 2021. In 2020, a total of 18 rental apartments were sold.



Other operating income

M€	1-12/2021	1-12/2020
Income from construction contracting	-	0.1
Income from the sales of fixed assets	0.3	-
Income from debt collection	2.7	2.4
Other	1.5	1.1
Total	4.6	3.6

Other operating expenses

M€	1-12/2021	1-12/2020
Cost on construction contracting	0.7	0.2
Other expense items	-	0.0
Total	0.7	0.2

Auditor's fees

M€	1-12/2021	1-12/2020
KPMG Oy Ab		
Audit	0.3	0.3
Tax consultancy	0.0	0.0
Advisory services	0.1	0.1
Total	0.4	0.4

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€	1-12/2021	1-12/2020
Salaries and wages	15.4	16.6
Share-based incentive plan	1.0	0.7
Funded pension plans	0.2	0.2
Defined contribution pension plans	2.7	2.4
Other social security costs	0.5	0.5
Total	19.8	20.4

	31 Dec 2021	31 Dec 2020
Number of personnel, average for the financial year	321	315



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€	1-12/2021	1-12/2020
Intangible assets	0.1	0.1
Property, plant and equipment	0.6	0.8
Right-of-use assets	0.4	0.4
Total	1.2	1.3

No impairment was recognised on intangible assets, property, plant and equipment and right-of-use assets in the financial years 2020 and 2021.



2.5 Research and development expenditure

Research and development expenditure recognised as expenses totalled EUR 1.2 (0.7) million in 2021. Development activities focus on the development of product concepts, improvement of digital services and renewal of information systems.

Kojamo's capitalised development expenses amount to EUR 0.7 (0.3) 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

	1-12/2021	1-12/2020
Profit for the period attributable to shareholders of the parent company, M€	1,023.4	312.9
Weighted average number of shares during the period (million)	247.1	247.1
Earnings per share		
Basic, €	4.14	1.27
Diluted, €	4.14	1.27

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

M€	31 Dec 2021	31 Dec 2020
Fair value of investment properties on 1 Jan ¹⁾	6,863.1	6,260.8
Acquisition of investment properties ^{1) 2)}	343.7	348.7
Modernisation investments	11.9	27.1
Disposals of investment properties	-2.5	-4.2
Capitalised borrowing costs	5.4	3.8
Transfer from property, plant and equipment	0.0	1.2
Profit/loss on fair value of investment properties ¹⁾	1,105.7	225.8
Fair value of investment properties at the end of the period	8,327.5	6,863.1

The value of investment properties includes EUR 1.1 (2.4) million in Investment properties held for sale

¹⁾ Includes IFRS 16 Leases. The net gain on the valuation of investment properties at fair value was mainly attributable to yield compression.

²⁾ Includes the existing apartment stock and the acquisition costs of new projects under construction



Right-of-use assets included in the fair values of investment properties

M€	31 Dec 2021	31 Dec 2020
Fair value on 1 Jan	67.4	60.2
Increases/decreases	4.2	8.3
Profit/loss on fair value of investment properties	-1.0	-1.1
Fair value of investment properties at the end of the period	70.6	67.4

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

Capitalised borrowing costs totalled EUR 5.4 (3.8) million. The interest rate applied to capitalised borrowing costs was 1.8 (2.1) per cent.

Kojamo acquired a total of 0 (71) rental apartments in 2021, all of which in the capital region.

Fair value of investment properties by valuation method

M€	31 Dec 2021	31 Dec 2020
Yield value *	7,610.3	6,157.1
Acquisition cost	646.5	638.7
Right-of-use assets	70.6	67.4
Total	8,327.5	6,863.1

* Including properties valued at the cash flow based valuation method (DCF) EUR 7.540,2 million and other yield-based valued items EUR 70.6

Number of apartments	31 Dec 2021	31 Dec 2020
Yield value	34,858	33,527
Acquisition cost *	2,039	2,275
Total	36,897	35,802

* 31 December 2021 includes 4 apartments as part of development projects

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



Average valuation parameters

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

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

Sensitivity analysis for measuring the fair value of investment properties

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

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

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 2021 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 +12.5%, more than 30 years from completion or renovation +22.5%.



Provision for modernisation investments:

Age of the property or the number of years since the completion of the most recent renovation	Provision (€/m²/moth)
0-10 years	0.25
11-30 years	1.00
31-40 years	1.50
>40 years	2.00

Acquisition cost (balance sheet value)

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

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

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

Business combinations and asset acquisition

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

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

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

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

3.2 Non-current assets held for sale

Kojamo's non-current assets held for sale totalled EUR 1.1 (2.4) million at the end of the financial year. This asset item consists of one plot of land. The asset item in 31 December 2020 consisted of one plot of land that was sold to T2H Rakennus Oy on 16 March 2021.

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).



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.

3.4 Commitments and contingent liabilities related to investment properties

Acquisition agreements related to investments

Unrecognised acquisition agreements related to work in progress

M€	31 Dec 2021	31 Dec 2020
New development under construction	267.6	262.9
Preliminary agreements for new construction	122.9	214.0
Renovation	2.9	29.2
Total	393.4	506.1

Other liabilities

Value added tax refund liabilities

M€	31 Dec 2021	31 Dec 2020
Value added tax refund liabilities	2.9	2.8

Land purchase liabilities

M€	12/31/2021	12/31/2020
Transaction prices based on target building rights and draft plans	5.9	13.2
Liabilities for municipal infrastructure	5.2	3.9

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 (10,350) 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.

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 additional purchase prices are determined on the basis of the actual uses and additional floor area when the building permit for each site has been approved. The city plan has entered into force in the properties at Abrahaminkatu 1–3, Bulevardi 31 and Agricolankatu 1. The building permit has entered into force at Bulevardi 31.

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
1 Jan 2021	247.1	58.0	35.8	-54.2	164.4	3,105.5	3,309.5	3,309.5
Transactions with shareholders						-92.9	-92.9	-92.9
Profit for the financial period						1,023.4	1,023.4	1,023.4
Other comprehensive income				23.3			23.3	23.3
31 Dec 2021	247.1	58.0	35.8	-31.0	164.4	4,036.0	4,263.3	4,263.3

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
1 Jan 2020	247.1	58.0	35.8	-44.7	164.4	2,877.0	3,090.6	3,090.6
Transactions with shareholders						-84.4	-84.4	-84.4
Profit for the financial period						312.9	312.9	312.9
Profit for the financial period				-9.6			-9.6	-9.6
31 Dec 2020	247.1	58.0	35.8	-54.2	164.4	3,105.5	3,309.5	3,309.5

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 2021 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 0.37 per share was paid in 2021. After the balance sheet date, 31 December 2021, the Board of Directors has proposed that a dividend of EUR 0.38 be paid per share.

Restrictions related to Kojamo's equity

Kojamo's retained earnings for 2021, EUR 4,036.0 (3,105.5) million, include a total of EUR 161.0 (291.9) 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 17 March 2021 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 2022. 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 2022. 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€	1-12/2021	1-12/2020
Dividend income	0.0	0.2
Interest income	1.1	1.1
Valuation changes on financial assets recognised	3.5	-0.1
Valuation changes on financial assets recognised	-	0.4
Other financial income	0.2	0.1
Financial income, total	4.8	1.8
Interest expenses		
Interest expenses on financial liabilities measured at amortised cost	-38.6	-36.7
Interest expenses on interest rate derivatives	-15.0	-13.7
Interest expenses on lease agreements	-2.6	-2.5
Valuation changes on financial assets recognised at fair value through profit or loss	-0.3	-0.9
Losses on the disposal of financial assets recognised at fair value through profit or loss	-0.1	0.0
Other financial expenses	-3.1	-3.2
Financial expenses, total	-59.7	-57.0
Financial income and expenses, total	-54.9	-55.3
Other comprehensive income		
M€	1-12/2021	1-12/2020
Cash flow hedges	29.1	-11.9
Total	29.1	-11.9

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 2021				Fair value total
	Carrying value total	LEVEL 1	LEVEL 2	LEVEL 3	
Financial assets					
Measured at fair value					
Electricity derivatives	0.4	0.4			0.4
Financial assets recognised at fair value through profit or loss	129.5	128.8	0.0	0.7	129.5
Measured at amortised cost					
Cash and cash equivalents	197.0		197.0		197.0
Trade receivables	4.9				4.9
Financial liabilities					
Measured at fair value					
Interest rate derivatives	48.1		48.1		48.1
Measured at amortised cost					
Other interest-bearing liabilities	1,297.3		1,299.6		1,299.6
Bonds	2,037.2	2,110.3			2,110.3
Trade payables	26.5				26.5

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



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 2021. 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 values of other fixed-rate liabilities are 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 2021	31 Dec 2020
Beginning of period	0.7	0.7
Change	0.0	0.0
End of period	0.7	0.7

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



4.4 Interest-bearing liabilities

M€	31 Dec 2021	31 Dec 2020
Non-current liabilities		
Bonds	2,037.2	1,688.3
Loans from financial institutions	1,101.5	1,046.7
Interest subsidy loans	26.5	30.8
Lease liability	69.7	66.7
Non-current liabilities total	3,234.8	2,832.6
Current liabilities		
Loans from financial institutions	41.1	153.3
Interest subsidy loans	0.3	7.0
Commercial papers	50.0	50.0
Other loans	6.4	8.8
Lease liability	1.8	1.6
Current liabilities total	99.7	220.7
Total interest-bearing liabilities	3,334.5	3,053.3

In March 2021, Kojamo published its Green Finance Framework, which links the Group's sustainability targets and climate actions with the Group's investments and their financing.

In May 2021, Kojamo plc issued inaugural green bond of EUR 350 million under its EMTN programme of EUR 2,500,000,000. The maturity of the senior unsecured Notes is 8 years and the maturity date is 28 May 2029. The Notes carry a fixed annual coupon of 0.875 per cent.

The Group's bonds also include four other bonds issued by Kojamo plc. In 2020, Kojamo plc established a EUR 2.5 billion

EMTN programme and subsequently in May 2020, a EUR 500 million senior unsecured bond was issued under the programme. The bond matures on 27 May 2027 and its fixed annual coupon rate is 1.875 per cent. An unsecured EUR 500 million bond issued in 2018 is listed on the official list of the Irish Stock Exchange. The bond matures on 7 March 2025 and carries a fixed annual coupon of 1.625 per cent. In 2017, Kojamo plc issued an unsecured EUR 500 million bond, which is also listed on the Irish Stock Exchange. The bond matures on 19 June 2024 and its fixed annual coupon rate is 1.50 per cent. In 2016, a EUR 200 million secured bond was issued, and listed on Nasdaq Helsinki. The bond matures on 17 October 2023 and its fixed annual coupon rate is 1.625 per cent.

Interest-bearing liabilities related to financing

M€	1 Jan 2021	Cash flow	Other than cash changes	31 Dec 2021
Non-current interest-bearing liabilities	2,765.9	534.0	-134.7	3,165.2
Non-current lease liabilities	66.7		2.9	69.7
Current interest-bearing liabilities	219.1	-254.2	133.0	97.9
Current lease liabilities	1.6	-1.4	1.7	1.8
Total interest-bearing liabilities	3,053.3	278.3	2.9	3,334.5

M€	1 Jan 2020	Cash flow	Other than cash changes	31 Dec 2020
Non-current interest-bearing liabilities	2,369.3	643.5	-246.9	2,765.9
Non-current lease liabilities	60.0		6.7	66.7
Current interest-bearing liabilities	243.9	-268.2	243.5	219.1
Current lease liabilities	1.1	-1.6	2.1	1.6
Total interest-bearing liabilities	2,674.2	373.7	5.4	3,053.3

The largest changes arising from cash flows consist of the withdrawal of EUR 534.0 (643.5) million and repayment of EUR -254.2 (-268.2) 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 2021			31 Dec 2020
	Positive	Negative	Net	Net
Interest rate derivatives				
Interest rate swaps, cash flow hedging		-41.2	-41.2	-71.4
Interest rate swaps, not in hedge accounting		-6.9	-6.9	-9.5
Electricity derivatives	0.4	-	0.4	-0.1
Total	0.4	-48.1	-47.7	-81.1

Nominal values of derivative instruments

M€	31 Dec 2021	31 Dec 2020
Interest rate derivatives		
Interest rate swaps, cash flow hedging	806.9	919.2
Interest rate swaps, not in hedge accounting	41.3	41.9
Total	848.2	961.1
Electricity derivatives, MWh	13,140	74,448

Items under hedge accounting

M€	31 Dec 2021	31 Dec 2020
Cash flow hedging		
Nominal value		
Hedged loans	860.4	916.7
Interest rate derivatives	806.9	919.2
Fair value of derivatives		
Positive	-	-
Negative	-41.2	-71.4
Net	-41.2	-71.4
Effective portion		
Recognised in other comprehensive income	29.1	-11.9
Ineffective portion		
Recognised in the income statement	-	-

During the financial year, EUR 29.1 (-11.9) 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 2022 and 2035. At the balance sheet date, the average maturity of interest rate swaps was 4.7 (5.1) years. The electricity derivatives mature in 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 included in 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 92 (91) 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 loans 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, there are interest rate swap agreements in which both fixed and variable interest must be paid.

Interest rate sensitivity

M€	31 Dec 2021				31 Dec 2020			
	Income statement		Comprehensive income		Income statement		Comprehensive income	
	1%	-0.1%	1%	-0.1%	1%	-0.1%	1%	-0.1%
Floating rate loans	-4.9	0.2	-	-	-5.4	0.2	-	-
Interest rate derivatives	9.1	-0.9	37.9	-4.0	10.1	-1.0	46.8	-4.9
Total effect	4.2	-0.7	37.9	-4.0	4.7	-0.8	46.8	-4.9

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 supporting 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 the financial year. At the end of the financial year, the Group's cash and cash equivalents stood at EUR 197.0 million and financial assets at EUR 128.8 million.

In order to ensure its liquidity, Kojamo plc has a commercial paper programme of EUR 250 million, committed credit facility agreements amounting to EUR 300 million 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 2021				31 Dec 2020			
	Within 1 year	1-2 years	2-5 years	Total	Within 1 year	1-2 years	2-5 years	Total
Undrawn committed credit facilities	100.0	25.0	175.0	300.0	55.0	200.0	25.0	280.0

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 a credit rating of Baa2 with a stable outlook from 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 2021	Within 1 year	2-5 years	6-10 years	11-15 years	Later
M€	year	years	years	years	
Bonds	31.3	1,292.4	868.6	-	-
Loans from financial institutions	51.4	754.8	328.1	62.4	1.2
Interest subsidy loans	0.4	1.8	2.9	3.7	20.0
Commercial papers	50.0	-	-	-	-
Other loans	-	6.1	-	-	-
Interest rate derivatives	14.3	43.7	13.6	4.5	-
Lease liabilities	4.2	15.6	19.0	18.6	85.8
Trade payables	26.5	-	-	-	-
Total	178.0	2,114.4	1,232.2	89.2	107.0

31 Dec 2020	Within 1 year	2-5 years	6-10 years	11-15 years	Later
M€	year	years	years	years	
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	-	-	-	-
Total	289.7	2,012.0	921.6	116.8	106.5

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 2021		31 Dec 2020	
	10%	-10%	10%	-10%
Electricity derivatives	0.1	-0.1	0.1	-0.1

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 1.3 (-1.3) 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 2021		31 Dec 2020	
	M€	%	M€	%
Less than a month	3.1	64.1	3.1	56.4
1-3 months	1.2	24.4	1.2	21.4
3-6 months	0.3	6.2	0.5	8.8
6-12 months	0.1	2.5	0.7	12.3
More than a year	0.1	2.9	0.1	1.0
Total	4.9	100.0	5.5	100.0

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.

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 and 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 2021 was 49.0 (45.6) per cent, and Loan to Value (LTV) was 37.7 (41.4) per cent. Kojamo's interest-bearing liabilities totalled EUR 3,334.5 (3,053.3) million at the end of the financial year.

Kojamo's unsecured financing agreements include financial covenants related to the gearing ratio, the proportion of secured loans of the balance sheet, the amount of unencumbered 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) shall not exceed 60 per cent and the interest cover ratio

Currency risk

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



(ICR) shall be at least 1.8. At the end of the financial year, the interest cover ratio was 4.0 (4.2).

According to the terms and conditions of Kojamo plc's unsecured bonds, the Group's solvency ratio shall be less or equal

to 0.65, secured solvency ratio less or equal to 0.45 and coverage ratio more than or equal to 1.8. At the end of the financial year, the solvency ratio was 0.36 (0.39), the secured solvency ratio was 0.09 (0.14) and the coverage ratio was 3.9 (4.1).

4.7 Collateral and contingent liabilities

M€	31 Dec 2021	31 Dec 2020
Loans covered by pledges on property and shares as collateral	809.5	1,048.5
Pledges given	907.4	1,059.7
Shares ¹⁾	117.3	173.9
Pledged collateral, total	1,024.7	1,233.6
Other collaterals given		
Mortgages and shares	7.6	5.9
Guarantees ²⁾	672.9	514.0
Pledged deposits	0.0	0.1
Other collateral, total	680.6	520.1

¹⁾ Pledged mortgages and shares relate in some cases to the same properties

²⁾ Guarantees given mainly relate to parent company guarantees given on behalf of Group companies' loans and some of these loans have also mortgages or shares 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 income statement is broken down as follows

M€	1-12/2021	1-12/2020
Current tax expense	18.9	16.7
Taxes for previous financial years	-0.1	0.2
Change in deferred taxes	236.7	61.5
Total	255.5	78.3

Tax effects relating to components of other comprehensive income

M€	1-12/2021	1-12/2020
Cash flow hedges		
Before taxes	29.1	-11.9
Tax effect	-5.8	2.4
After taxes	23.3	-9.6



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

M€	1-12/2021	1-12/2020
Profit before taxes	1,278.9	391.2
Taxes calculated using the current tax rate (20%)	255.8	78.2
Tax-exempt income/non-deductible costs	-0.2	0.0
Utilisation of previously unrecognised confirmed tax losses	-0.9	-1.2
Change of deferred tax assets previously recognised on confirmed tax losses	1.1	1.2
Taxes from previous periods	-0.1	0.2
Other	-0.1	0.0
Adjustments total	-0.3	0.1
Total taxes recognised in profit or loss	255.5	78.3

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 2021	Recognised through profit or loss	Recognised in other comprehensive income	Other changes	31 Dec 2021
Deferred tax assets					
Confirmed losses	1.2	-0.2		-	0.9
Cash flow hedges	14.3		-6.0	-	8.2
Electricity derivatives measured at fair value	0.1	-0.1		-	-
Other items/transfers	0.5	0.4		-	0.9
Total	16.0	0.1	-6.0	-	10.1
Deferred tax liabilities					
Investment properties measured at fair value and residential building provisions	742.9	237.0		0.0	979.9
Cash flow hedges	0.7		-0.2	-	0.5
Electricity derivatives measured at fair value	0.0	0.1		-	0.1
Other items/transfers	0.8	-0.3		-	0.6
Total	744.5	236.8	-0.2	0.0	981.0

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
Total	14.4	-0.5	2.2	-	16.0
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
Total	683.8	60.9	-0.2	0.0	744.5

Expiration years for unrecognised confirmed losses

M€	Year of expiration					Total
	2022-2023	2024-2025	2026-2027	2028-2029	2030-2031	
Confirmed losses	0.3	0.2	0.5	0.2	-	1.2
Unrecognised deferred tax	0.1	0.0	0.1	0.0	-	0.2



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 as the discount factor. The incremental borrowing rate will be determined on the commencement date of the lease. The weighted average incremental borrowing rate of the lease liability was 3.9 (4.0) per cent on 31 December 2021.

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 1.3 (1.3) per cent on 31 December 2021.

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.



Right-of-use assets

M€	31 Dec 2021	31 Dec 2020
Fair value of Leases for plots of land 1 Jan *	67.4	60.2
Increases/decreases	4.2	8.3
Profit/loss on fair value of investment properties	-1.0	-1.1
Fair value of Leases for plots of land 31 Dec	70.6	67.4

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

M€	31 Dec 2021	31 Dec 2020
Car leasing agreements 1 Jan *	1.6	1.3
Increases/decreases	0.1	0.3
Acquisition cost 31 Dec	1.7	1.6
Accumulated depreciation 1 Jan	-0.7	-0.4
Depreciation, amortisation and impairment	-0.4	-0.4
Increases/decreases	0.3	-0.7
Accumulated depreciation	-0.8	-0.7
Car leasing agreements 1 Jan	1.0	1.3
Car leasing agreements 31 Dec	0.9	1.0

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

Right-of-use assets total on 1 Jan	68.4	61.6
Right-of-use assets total on 31 Dec	71.5	68.4

Lease liabilities

M€	31 Dec 2021	31 Dec 2020
Lease liabilities on 1 Jan	68.3	61.1
New leases	4.0	8.6
Repayments of lease liabilities	-1.4	-1.6
Other non-cash movements	0.6	0.2
Lease liabilities on 31 Dec	71.5	68.3

Lease liabilities

M€	31 Dec 2021	31 Dec 2020
Non-current liabilities		
Investment property, leases for plot of land	69.2	66.2
Depreciation, amortisation and impairment, car leasing agreements	0.5	0.5
Non-current liabilities total	69.6	66.7
Current liabilities		
Investment property, leases for plot of land	1.4	1.2
Depreciation, amortisation and impairment, car leasing agreements	0.4	0.4
Current liabilities total	1.8	1.6
Lease liabilities total	71.5	68.3



6.2 Intangible assets

M€	Intangible rights	Other intangible assets	Total
Acquisition cost 1 Jan 2021	2.4	2.8	5.1
Increases	-	0.5	0.5
Decreases	-2.3	-2.1	-4.4
Acquisition cost 31 Dec 2021	0.1	1.1	1.2
Accumulated depreciation 1 Jan 2021	-2.4	-2.3	-4.7
Decreases	2.3	2.1	4.4
Depreciation for the financial year	0.0	-0.1	-0.1
Accumulated depreciation 31 Dec 2021	-0.1	-0.3	-0.4
Carrying value 1 Jan 2021	0.0	0.4	0.4
Carrying value 31 Dec 2021	0.0	0.8	0.8

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



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	Build-ings	Machinery and equip-ment	Right-of-use assets	Other tangible assets	Total
Acquisition cost 1 Jan 2021	5.5	0.2	26.7	3.3	1.6	1.6	38.9
Increases			0.1	0.2	0.1		0.3
Decreases	-0.1	0.0	-0.3	-0.2		-0.2	-0.7
Acquisition cost 31 Dec 2021	5.4	0.1	26.5	3.3	1.7	1.4	38.4
Accumulated depreciation 1 Jan 2021			-5.4	-3.0	-0.7	-0.1	-9.1
Depreciation for the financial year			-0.4	-0.2	-0.4	0.0	-1.0
Decreases			0.1	0.2	0.3		0.5
Accumulated depreciation 31 Dec 2021			-5.7	-3.0	-0.8	-0.1	-9.6
Carrying value 1 Jan 2021	5.5	0.2	21.3	0.3	1.0	1.5	29.8
Carrying value 31 Dec 2021	5.4	0.1	20.8	0.3	0.9	1.3	28.8

M€	Land areas	Connection charges	Build-ings	Machinery and equip-ment	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	0.0	-1.4	0.0			-1.4
Acquisition cost 31 Dec 2020	5.5	0.2	26.7	3.3	1.6	1.6	38.9
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
Accumulated depreciation 31 Dec 2020			-5.4	-3.0	-0.7	-0.1	-9.1
Carrying value 1 Jan 2020	5.5	0.2	22.4	0.5	0.9	1.5	30.9
Carrying value 31 Dec 2020	5.5	0.2	21.3	0.3	1.0	1.5	29.8



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 2021	31 Dec 2020
Loan receivables from associated companies	4.8	4.8
Loan receivables from others	1.8	2.7
Non-current accrued income	0.2	0.1
Total	6.9	7.7

6.5 Current trade and other receivables

M€	31 Dec 2021	31 Dec 2020
Trade receivables	4.9	5.5
Receivables from associated companies	0.0	0.0
Loan receivables	0.3	0.3
Other receivables	1.4	1.9
Prepaid expenses and accrued income	2.2	2.8
Total	8.9	10.5

Specification of prepaid expenses and accrued income	31 Dec 2021	31 Dec 2020
Rental services	1.6	1.5
Prepayments	0.1	0.1
Interest	0.1	0.1
Other prepaid expenses and accrued income	0.4	1.1
Total	2.2	2.8

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

Other non-current liabilities comprise mainly received security deposits.

6.6 Provisions and other non-current liabilities

Provisions include EUR 0.4 (0.4) 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

M€	31 Dec 2021	31 Dec 2020
Security deposits received	4.4	4.6
Other liabilities, investments	0.7	-
Total	5.1	4.6

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 estimated.

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.



6.7 Current trade payables and other payables

M€	31 Dec 2021	31 Dec 2020
Advances received	6.6	6.6
Trade payables	26.5	19.1
Other debts	1.3	1.4
Accrued expenses and deferred income	44.3	38.5
Total	78.7	65.6

Specification of accrued expenses and deferred income	31 Dec 2021	31 Dec 2020
Rental services	4.2	5.5
Investments	9.6	3.4
Personnel expenses	4.8	5.4
Interest	25.7	24.2
Other items	0.0	0.0
Total	44.3	38.5

7. Other notes

7.1 Adjustments to cash flow from operating activities

M€	1-12/2021	1-12/2020
Depreciation	1.2	1.3
Financial income and expenses	54.9	55.3
Income taxes	255.5	78.3
Share of result of associated companies	-0.1	-0.2
Profit/loss on fair value of investment properties	-1,105.7	-225.8
Profit/loss on the disposal of investment properties	-0.3	0.7
Other adjustments	-1.1	-0.4
Total	-795.7	-90.6

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.

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



Employee benefits of key management personnel

M€	1-12/2021	1-12/2020
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
Total wages and salaries for the management	1.5	1.6
Share-based payments		
CEO	0.8	0.6
Other members of the Management Team	1.0	0.5
Members of the Board and its committees	0.3	0.3
Share-based payments total	2.0	1.4
Funded pension plans	0.2	0.2
Defined contribution pension plans	0.4	0.4
Total	4.2	3.6

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

1,000 €	1-12/2021	1-12/2020
Jani Nieminen, CEO	1,220.8	1,048.7
Board of Directors and its committees		
Mikael Aro	74.1	72.5
Mikko Mursula	47.9	46.6
Reima Rytsölä	40.8	40.1
Anne Leskelä	47.9	47.2
Minna Metsälä	40.8	40.1
Heli Puura	9.9	40.7
Matti Harjuniemi	41.4	40.7
Catharina von Stackelberg-Hammarén	31.5	-
Board of Directors and its committees total	334.4	327.7
Total *	1,555.3	1,376.4

* The salaries and wages include share-based payments

For the 2021–2022 term of office, the Board of Directors has been paid fees totalling EUR 337.3 thousand, of which EUR 334.4 thousand is allocated to the financial year 2021.

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 (0.4) 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 2019–2021: total revenue, FFO and return on capital employed.
- for the performance period 2020–2022: total revenue and FFO.



- for the performance period 2021–2023: total revenue and FFO.

If the three ongoing earning periods were accrued in full, the maximum remuneration would be a sum corresponding to 312,161 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 2021, the effect of the share-based incentive plan for key personnel on Kojamo's result was EUR -0,3 (-0.8) million.

Other related party information

The members of the Board of Directors or corporations over which they exercise control owned a total of 51,741 shares and share-based rights in the company or in companies belonging to the same Group as the company.

The members of the Management Team or corporations over which they exercise control owned a total of 159,768 shares and share-based rights in the company or in companies belonging to the same Group as the company.

These shares represent 0.09 per cent of the company's entire share capital.

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 2020 and 2021.



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 31 December 2021

Units	Subsidiaries	Associated companies
Kojamo plc	13 ¹⁾	3
Parent companies of sub-groups		
Lumo 2021 Oy	1	
Lumo Kodit Oy	327	35 ²⁾
Lumo Vuokratalot Oy	10	3 ²⁾
Lumo Asumisen Palvelut Oy		2
Kojamo Palvelut Oy	1	
Total	352	41

¹⁾ Includes the parent companies of the sub-groups and other subsidiaries listed

²⁾ 2 of the associated companies are subsidiaries at Kojamo Group level

Subsidiaries and joint arrangements		Parent company holding %	Group holding %
Kojamo plc			
Kojamo Holding Oy	Helsinki	100.00	100.00
Kojamo Palvelut Oy	Helsinki	100.00	100.00
Kotinyt Oy	Helsinki	100.00	100.00
Lumo 2021 Oy	Helsinki	100.00	100.00
Lumo Asumisen Palvelut 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 9 Oy	Helsinki	100.00	100.00

Subsidiaries and joint arrangements		Parent company holding %	Group holding %
Lumo Kodit Oy			
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 Jousenpuistonkatu 8	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 Korkoontie 6	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 1A	Espoo	100.00	100.00
Asunto Oy Espoon Nihtitorpankuja 1D	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 Olarin Onni	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 Ainonkannel	Helsinki	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 Karavaanikuja 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 Liikkalankuja 6-8	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 Palmstenpolku 2	Helsinki	100.00	100.00
Asunto Oy Helsingin Papinpöydänkuja 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 Strömbergintie 4 E	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	96.81	96.81
Asunto Oy Helsingin Tulisuoventie 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 Vihellys	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 Rekiatro	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 Kuopion Vuorikatu 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 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	62.99	62.99
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 Myrskyntie 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 Värikinkatu 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 Haltiantie 12	Vantaa	100.00	100.00
Asunto Oy Vantaan Haltiantie 14	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	Vantaa	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 Neilikkapolku	Vantaa	100.00	100.00
Asunto Oy Vantaan Pyhtäänkorvenkuja 4 ja 6	Vantaa	100.00	100.00
Asunto Oy Vantaan Pyhtäänkorventie 15f	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



Katajapysäköinti Oy	Tampere	50.93	50.93
Kiint. Oy Taivaskero 2	Vantaa	100.00	100.00
Kiinteistö Oy Espoon Gräsantörmä 1 C ja D	Espoo	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 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 Tukholmankatu 10	Helsinki	100.00	100.00
Kiinteistö Oy Kotitontuntie 1	Espoo	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 Uno Kailaan kadun Pysäköinti	Espoo	100.00	100.00
Kiinteistö Oy Vanha Helsingintie 20	Helsinki	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 Näsilinnankatu 40	Tampere	100.00	100.00
Lumo Hankeyhtiö 2 Oy	Helsinki	100.00	100.00
Lumo Holding 50 Oy	Helsinki	100.00	100.00
Puotilan Ostoskeskus Oy	Helsinki	100.00	100.00

		Parent company holding %	Group holding %
Subsidiaries and joint arrangements			
Lumo Vuokralat Oy			
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 Tuiranmaja	Oulu	100.00	100.00
Kiinteistö Oy Nummenperttu	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 %
Subsidiaries and joint arrangements			
Lumo 2021 Oy			
Asunto Oy Kuopion Vilhelmiina	Kuopio	78.38	100.00



Subsidiaries and joint arrangements		Parent company holding %	Group holding %
Kojamo Palvelut Oy			
Kiinteistö Oy Mannerheimintie 168a	Helsinki	100.00	100.00
Associated companies		Emoyhtiön omistusosuus %	Konsernin omistusosuus %
Kojamo plc			
Asunto Oy Nilsin Ski	Nilsin	28.33	28.33
SV-Asunnot Oy	Helsinki	50.00	50.00
Lumo Asumisen Palvelut Oy			
Louhen Pysäköinti Oy	Helsinki	32.00	32.00
Kiinteistö Oy Espoon Pegasos Pysäköinti	Espoo	27.23	27.23
Lumo Kodit Oy			
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
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
Lintulammenkadun Pysäköintilaitos oy	Kerava	39.19	39.19
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
Lumo Vuokratalot Oy			
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

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

There were no significant events after the financial year.



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

	Formula	2021	2020	2019	2018	2017
Total revenue, M€		391.7	383.9	375.3	358.8	337.0
Net rental income, M€	1	262.3	257.6	247.3	234.0	216.0
Net rental income margin, %	2	67.0	67.1	65.9	65.2	64.1
Profit before taxes, M€	3	1,278.9	391.2	1,031.3	277.3	266.7
EBITDA, M€	4	1,334.8	447.6	1,083.1	325.1	308.2
EBITDA margin, %	5	340.8	116.6	288.6	90.6	91.5
Adjusted EBITDA, M€	6	228.5	222.6	210.3	196.5	179.5
Adjusted EBITDA margin, %	7	58.3	58.0	56.0	54.8	53.3
Funds From Operations (FFO), M€ ¹⁾	8	153.1	151.4	140.7	116.4	107.8
FFO margin, %	9	39.1	39.5	37.5	32.4	32.0
Funds From Operations (FFO) per share, € ²⁾	10	0.62	0.61	0.57	0.49	0.47
FFO excluding non-recurring costs, M€	11	153.1	151.4	140.7	117.3	107.8
Adjusted Funds From Operations (AFFO), M€	12	141.1	124.3	110.0	92.7	82.3
Investment properties, M€ ³⁾		8,327.5	6,863.1	6,260.8	5,093.2	4,710.2
Financial occupancy rate, %	26	93.9	96.4	97.2	97.0	96.7
Interest-bearing liabilities, M€	13	3,334.5	3,053.3	2,674.2	2,485.5	2,283.0
Return on equity, % (ROE)	14	27.0	9.8	30.3	10.1	10.9
Return on investment, % (ROI)	15	19.2	7.4	20.5	7.2	7.5
Equity ratio, %	16	49.0	45.6	46.9	43.0	41.3
Loan to Value (LTV), % ⁴⁾	17	37.7	41.4	40.5	45.9	46.0
Unencumbered asset ratio, %	18	86.3	79.4	69.8	65.8	54.8
Coverage ratio	19	3.9	4.1	4.2	4.3	4.2
Solvency ratio	20	0.36	0.39	0.39	0.43	0.44
Secured solvency ratio	21	0.09	0.14	0.20	0.25	0.34
Earnings per share, € ²⁾		4.14	1.27	3.34	0.93	0.93
Equity per share, € ²⁾		17.25	13.39	12.51	9.54	8.88
Dividend/share, € ^{2) 5)}		0.38	0.37	0.34	0.29	0.22
Dividend/earnings, %	22	9.2	29.1	10.2	31.2	23.7
Price/Earnings ratio (P/E)	23	5.1	14.3	4.9	8.7	-
Effective dividend yield, %	24	1.8	2.0	2.1	3.6	-
Gross investments, M€	25	356.9	371.2	259.9	365.2	367.3
Average number of personnel		321	315	305	319	310

¹⁾ The formula used in the calculation was changed during the review period regarding current taxes from disposals. The comparison figures for 2020 have been adjusted to reflect the current calculation method

²⁾ 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

³⁾ Including Non-current assets held for sale

⁴⁾ Excluding Non-current assets held for sale

⁵⁾ 2021: the Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.38 per share be paid



Alternative Performance Measures

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

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

Formulas used in the calculation of the key figures

Alternative Performance Measures specified in accordance with ESMA Guidelines

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

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

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

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

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

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



8)	Funds From Operations (FFO)	=	Adjusted EBITDA - Adjusted net interest charges - Current tax expense +/- Current taxes from disposals	
			FFO measures cash flow before change in net working capital. The calculation of this APM takes into account financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes. The formula used in the calculation was changed during the review period regarding current taxes from disposals. The comparison figures for 2020 have been adjusted to reflect the current calculation method.	
9)	FFO margin, %	=	$\frac{\text{FFO}}{\text{Total revenue}} \times 100$	
			FFO margin discloses FFO in relation to total revenue.	
10)	FFO per share	=	$\frac{\text{FFO}}{\text{Weighted average number of shares outstanding during the financial period}}$	
			FFO per share illustrates FFO for an individual share.	
11)	FFO excluding non-recurring costs	=	FFO + non-recurring costs	
			FFO measures cash flow before change in net working capital. The calculation of this APM takes into account financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes and non-recurring costs.	
12)	Adjusted FFO (AFFO)	=	FFO - Modernisation investments	
			AFFO measures cash flow before change in net working capital, adjusted for modernisation investments. The calculation of this APM takes into account modernisation investments, financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes.	
13)	Interest-bearing liabilities	=	Non-current loans and borrowings + Current loans and borrowings	
			Interest-bearing liabilities measures the Group's total debt.	
14)	Return on equity, % (ROE)	=	$\frac{\text{Profit for the period (annualised)}}{\text{Total equity, average during the period}} \times 100$	
			ROE measures the financial result in relation to equity. This APM illustrates Kojamo's ability to generate a return for the shareholders.	
15)	Return on investment, % (ROI)	=	$\frac{(\text{Profit before taxes} + \text{Interests and other financial expenses}) (\text{annualised})}{(\text{Total assets} - \text{Non-interest-bearing liabilities}), \text{average during the period}} \times 100$	
			ROI measures the financial result in relation to invested capital. This APM illustrates Kojamo's ability to generate a return on the invested funds.	
16)	Equity ratio, %	=	$\frac{\text{Total equity}}{\text{Balance sheet total} - \text{Advances received}} \times 100$	
			Equity to assets is an APM for balance sheet structure that discloses the ratio of equity to total capital. This APM illustrates the Group's financing structure.	



17) Loan to Value (LTV), %	= $\frac{\text{Interest-bearing liabilities} - \text{Cash and cash equivalents}}{\text{Investment properties}} \times 100$
	Loan to value discloses the ratio of net debt to investment properties. This APM illustrates the Group's indebtedness.
18) 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	= $\frac{\text{Interest-bearing debt*} - \text{Cash and cash equivalents}}{\text{Assets total}}$
	The solvency ratio illustrates the ratio of net debt to total assets. *For this APM, interest-bearing debt includes interest-bearing liabilities, interest-bearing debt related to non-current assets held for sale and transaction prices due after more than 90 days.
21) Secured solvency ratio	= $\frac{\text{Secured interest-bearing liabilities}}{\text{Assets total}}$
	This APM illustrates the ratio of secured loans to total assets
22) Dividend/earnings, %	= $\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
	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	= $\text{Acquisition and development of investment properties} + \text{Modernisation investments} + \text{Capitalised borrowing costs}$
	This APM illustrates total investments including acquisitions, development investments, modernisation investments and capitalised interest.

Other performance measures

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

M€	2021	2020	2019	2018	2017
Profit for the period	1,023.4	312.9	825.2	221.8	212.9
Depreciation, amortisation and impairment	1.2	1.3	1.1	0.8	1.1
Profit/loss on sales of investment properties	-0.3	0.7	-0.1	-1.0	-2.5
Profit/loss on sales of trading properties	-	-	-0.2	-0.1	0.0
Profit/loss on sales of other non-current assets	-0.3	-	0.0	0.0	0.0
Profit/loss on fair value of investment properties	-1,105.7	-225.8	-872.4	-127.5	-126.2
Financial income	-4.8	-1.8	-2.6	-3.2	-5.0
Financial expenses	59.7	57.0	53.4	50.3	45.5
Share of result from associated companies	-0.1	-0.2	-0.2	-0.2	-0.1
Current tax expense	18.8	16.9	19.9	34.1	28.6
Change in deferred taxes	236.7	61.5	186.2	21.4	25.1
Adjusted EBITDA	228.5	222.6	210.3	196.5	179.5
Financial income and expenses	-54.9	-55.3	-50.8	-47.1	-40.5
Profit/loss on fair value measurement of financial assets	-3.2	1.0	1.1	1.2	-2.7
Adjusted net interest charges	-58.1	-54.2	-49.7	-46.0	-43.1
Current taxes from disposals	1.5	-0.1	n/a	n/a	n/a
Current tax expense	-18.8	-16.9	-19.9	-34.1	-28.6
FFO	153.1	151.4	140.7	116.4	107.8
Non-recurring costs	-	-	-	0.8	-
FFO excluding non-recurring costs	153.1	151.4	140.7	117.3	107.8
Equity	4,263.3	3,309.5	3,090.6	2,358.1	2,038.6
Assets total	8,716.8	7,261.5	6,590.4	5,485.4	4,943.5
Advances received	-6.6	-6.6	-6.7	-6.1	-5.1
Equity ratio, %	49.0	45.6	46.9	43.0	41.3
Unencumbered investment properties	7,084.2	5,327.0	4,296.3	3,241.7	2,473.6
Non-current assets, other than investment properties	94.2	97.6	25.6	24.4	56.2
Current assets	340.5	342.7	277.6	341.1	177.0
Unencumbered assets total	7,518.8	5,767.3	4,599.6	3,607.2	2,706.9
Total assets	8,716.8	7,261.5	6,590.4	5,485.4	4,943.5
Unencumbered asset ratio, %	86.3	79.4	69.8	65.8	54.8
Adjusted EBITDA, rolling 12 months	228.5	222.6	210.3	196.5	179.5
Adjusted net interest charges, rolling 12 months	-58.1	-54.2	-49.7	-46.0	-43.1
Coverage ratio	3.9	4.1	4.2	4.3	4.2
Interest-bearing liabilities	3,334.5	3,053.3	2,674.2	2,485.5	2,283.0
Deferred purchase price due after 90 days	-	-	8.7	19.7	19.2
Cash and cash equivalents	197.0	210.5	137.3	150.1	117.8
Total indebtedness- Cash and cash equivalents	3,137.5	2,842.8	2,545.6	2,355.2	2,184.4
Total assets	8,716.8	7,261.5	6,590.4	5,485.4	4,943.5
Solvency ratio	0.36	0.39	0.39	0.43	0.44
Secured loans	809.5	1,048.5	1,298.1	1,367.0	1,656.9
Total assets	8,716.8	7,261.5	6,590.4	5,485.4	4,943.5
Secured solvency ratio	0.09	0.14	0.20	0.25	0.34



PARENT COMPANY'S FINANCIAL STATEMENTS

Parent company's income statement, FAS

€	Note	1-12/2021	1-12/2020
Rental income		442,424.28	442,279.68
Sales revenue from administration		10,351,789.68	10,634,658.00
Total revenue	1	10,794,213.96	11,076,937.68
Other operating income	2	319,362.38	3,153.10
Personnel costs	3	-3,165,742.57	-4,336,967.51
Depreciation, amortisation and impairment losses	4	-238,824.91	-271,236.01
Other operating expenses	5	-9,093,471.00	-9,756,676.61
Operating profit		-1,384,462.14	-3,284,789.35
Investment income		6,000.00	176,044.00
Financial income		42,264,135.98	32,882,892.86
Value adjustments in investments held as current assets		-55,294.30	9,428.82
Financial expenses		-39,389,652.54	-34,072,262.40
Total amount of financial income and expenses	6	2,825,189.14	-1,003,896.72
Profit before appropriations and taxes		1,440,727.00	-4,288,686.07
Appropriations	7	54,508,725.00	69,768,562.18
Income taxes	8	-10,898,613.61	-13,073,609.16
Profit for the period		45,050,838.39	52,406,266.95



Parent company's balance sheet, FAS

€	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Intangible assets	9		
Intangible rights		8,241.96	29,051.16
Other long-term expenses		685,098.01	317,995.85
Intangible assets, total		693,339.97	347,047.01
Tangible assets	10		
Land and water areas		4,520,734.02	4,520,734.02
Machinery and equipment		252,582.55	220,447.97
Other tangible assets		187,206.12	194,397.12
Tangible assets, total		4,960,522.69	4,935,579.11
Investments	11		
Shares in subsidiaries		82,273,943.02	82,571,717.75
Shares in associates		176,951.96	176,951.96
Other securities and shares		658,182.32	829,061.25
Investments, total		83,109,077.30	83,577,730.96
Non-current assets, total		88,762,939.96	88,860,357.08
Current assets			
Non-current receivables	12	2,424,493,006.87	1,471,841,277.14
Current receivables	13	89,583,735.28	675,186,117.84
Financial securities	14	115,048,868.89	103,990,682.84
Cash and cash equivalents		128,918,990.09	156,449,990.78
Current assets, total		2,758,044,601.13	2,407,468,068.60
ASSETS		2,846,807,541.09	2,496,328,425.68
SHAREHOLDERS EQUITY AND LIABILITIES			
Comprehensive income	15		
Share capital		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		96,204,375.47	136,134,140.94
Profit for total period		45,050,838.39	52,406,266.95
Total equity		402,939,451.73	450,224,645.76
Accumulated appropriations	16	-	15,143.96
Liabilities			
Non-current liabilities	17	2,354,344,715.36	1,957,154,585.84
Current liabilities	18	89,523,374.00	88,934,050.12
Total liabilities		2,443,868,089.36	2,046,088,635.96
SHAREHOLDERS EQUITY AND LIABILITIES		2,846,807,541.09	2,496,328,425.68



Parent company's cash flow statement, FAS

€	1-12/2021	1-12/2020
Cash flow from operating activities		
Profit before appropriations and taxes	1,440,727.00	-4,288,686.07
Adjustments:		
Planned depreciation and impairment	238,824.91	271,236.01
Asset purchase	-15,040.49	-586.02
Financial income and expenses	-2,880,483.44	1,013,325.54
Other adjustments	-1,181,413.63	-577,586.82
Cash flow from operating activities before change in working capital	-2,397,385.65	-3,582,297.36
Change in working capital:		
Change in trade and other receivables	-118,155.93	-1,080,645.28
Change in trade and other payables	-2,763,784.83	-824,437.64
Cash flow from operating activities before financial items, provisions and taxes	-5,279,326.41	-5,487,380.28
Interest paid and payments on other operational financial costs	-38,193,622.37	-32,132,134.13
Financial income from operating activities Direct taxes paid	12,896,625.09	7,371,218.03
Direct taxes paid	-13,183,307.46	-15,890,082.54
Cash flow from operating activities	-43,759,631.15	-46,138,378.92
Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	-433,995.95	-414,854.27
Capital gains from the disposal of tangible and intangible assets	2,000.00	-
Capital gains on other investments	468,096.00	-
Non-current loans, granted	-952,000,000.00	-33,628,341.82
Repayments of non-current loan receivables	-	500,000.00
Subsidiary shares acquired	-50,000.00	-
Subsidiary shares divested	344,557.50	-
Financial securities acquired	-95,591,572.04	-209,956,297.77
Capital gains from financial securities	84,503,412.80	216,898,281.60
Interest and dividends received on investments	29,377,664.99	25,610,065.86
Cash flow from investing activities	-933,379,836.70	-991,146.40
Cash flow from financing activities		
Non-current loans and borrowings, raised	400,000,000.00	625,000,000.00
Non-current loans and borrowings, repayments	-800,000.00	-101,415,687.28
Current loans and borrowings, raised	199,915,900.92	261,791,502.68
Current loans and borrowings, repayments	-199,925,545.42	-261,736,409.62
Change in the Group's internal bank	572,079,806.29	-407,495,916.17
Dividends paid	-91,443,427.63	-84,029,095.66
Group contributions received	69,781,733.00	81,788,732.00
Cash flow from financing activities	949,608,467.16	113,903,125.95
Change in cash and cash equivalents	-27,531,000.69	66,773,600.63
Cash and cash equivalents at the beginning of the period	156,449,990.78	89,676,390.15
Cash and cash equivalents at the end of the period	128,918,990.09	156,449,990.78



Parent company accounting policies

Kojamo plc's financial statement 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 the 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 equipment	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 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 recognized 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 statement.

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 statement.

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 assets.



Notes to the parent company financial statements

1. Total revenue

€	1-12/2021	1-12/2020
Intragroup revenue		
Plot rental income	322,318.80	321,667.08
Rental income, total	322,318.80	321,667.08
Central administration services	7,118,397.00	6,772,110.00
IT rental income	3,229,642.79	3,862,548.00
Other sales revenue from administration	3,749.89	-
Other sales revenue, total	10,351,789.68	10,634,658.00
Intragroup revenue, total	10,674,108.48	10,956,325.08
Other operating revenue		
Plot rental income	120,105.48	119,862.60
Other rental income	-	750.00
Other operating revenue, total	120,105.48	120,612.60
Revenue, total	10,794,213.96	11,076,937.68

2. Other operating income

€	1-12/2021	1-12/2020
Capital gains on fixed assets	297,030.63	-
Income from debt collection	7,186.63	1,961.12
Other operating income	15,145.12	1,191.98
Total	319,362.38	3,153.10

3. Personnel costs

€	1-12/2021	1-12/2020
Wages, salaries and fees	2,402,022.92	3,610,481.07
Pension costs	694,246.51	633,810.73
Other employer contributions	69,473.14	92,675.71
Total	3,165,742.57	4,336,967.51

The management's performance bonuses have been calculated based on the closing price on 31 December 2021.



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

€	1-12/2021	1-12/2020
CEO Jani Nieminen	1,220,834.85	1,048,663.49
Fees paid to the Board of Directors and Board committees		
Mikael Aro	74,075.00	72,487.54
Matti Harjuniemi	41,425.00	40,653.78
Anne Leskelä	47,925.00	47,150.46
Minna Metsälä	40,825.00	40,068.11
Mikko Mursula	47,925.00	46,571.38
Heli Puura	9,925.00	40,657.26
Reima Ryttsölä	40,825.00	40,109.19
Catharina von Stackelberg-Hammarén	31,500.00	-
Total	1,555,259.85	1,376,361.21
	2021	2020
Average number of personnel	24	24

For the 2021–2022 term of office, the Board of Directors and the Board committees have been paid fees totalling EUR 337,300.00, of which EUR 334,425.00 is allocated to the financial year 2021. The annual fee paid for the term of office beginning from the Annual General Meeting of 17 March 2021 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 premium corresponding to two months' taxable income is paid an-

nually into a group pension insurance plan. The period of notice for terminating the CEO's employment is 12 months. In 2021, the cost of the Finnish statutory pension plan for the CEO was EUR 110,617.70 (117,017.54), and payments to the voluntary pension plan amounted to EUR 66,337.46 (65,421.56).

In 2021, the cost of the Finnish statutory pension plan for the whole Management Team was 362,214.28 (374,015.96), and payments to the voluntary pension plan amount to EUR 224,985.30 (221,879.00).

4. Depreciation according to plan

€	1-12/2021	1-12/2020
Intangible assets	20,809.20	22,849.95
Other long-term expenses		
Other long-term expenses	-	190.80
Development expenses	100,405.84	56,116.92
Other long-term expenses, total	100,405.84	56,307.72
Machinery and equipment	117,609.87	192,078.34
Total	238,824.91	271,236.01



5. Other operating expenses

€	1-12/2021	1-12/2020
Property tax	146,634.14	144,413.22
Rents and maintenance charges	490,480.08	480,536.96
Central administration	8,455,801.46	9,129,797.52
Other operating expenses	555.32	1,928.91
Total	9,093,471.00	9,756,676.61
Audit fees		
KPMG Oy Ab		
Audit	210,517.30	152,387.32
Tax services	13,767.72	12,803.00
Advisory services	102,391.80	107,336.88
Total	326,676.82	272,527.20

6. Total amount of financial income and expenses

€	1-12/2021	1-12/2020
Dividend income		
From others	6,000.00	176,044.00
Total	6,000.00	176,044.00
Interest income		
From Group companies	42,121,580.63	32,537,683.05
From others	42,243.20	182,338.70
Other financial income	100,312.15	162,871.11
Total	42,264,135.98	32,882,892.86
Dividend, interest and financial income total	42,270,135.98	33,058,936.86
Value adjustments in investments		
Value adjustments in investments held as current assets	67.52	9,496.34
Impairment of financial securities held as current assets	-55,361.82	-67.52
Total	-55,294.30	9,428.82
Interest and other financial expenses		
To others	-39,389,652.54	-34,072,262.40
Total	-39,389,652.54	-34,072,262.40
Total financial income and expenses	2,825,189.14	-1,003,896.72

7. Appropriations

€	1-12/2021	1-12/2020
Group contributions, received	54,508,725.00	69,781,733.00
Depreciation difference for machinery and equipment	-	-13,170.82
Total	54,508,725.00	69,768,562.18



8. Income tax

€	1-12/2021	1-12/2020
Income tax on operational income	11,009,452.51	13,073,609.16
Tax for earlier years	-110,838.90	-
Total	10,898,613.61	13,073,609.16

9. Intangible assets

€	Rights	Development expenses	Other long-term expenses	Total
Acquisition cost 1 Jan 2021	2,389,414.34	374,112.77	2,135,779.66	4,899,306.77
Increases	-	467,508.00	-2,135,779.66	-1,668,271.66
Decreases	-2,275,164.62	-	-	-2,275,164.62
Acquisition cost 31 Dec 2021	114,249.72	841,620.77	0.00	955,870.49
Accumulated depreciation 1 Jan 2021	-2,360,363.18	-56,116.92	-2,135,779.66	-4,552,259.76
Accumulated depreciation of decreases	2,275,164.62	-	2,135,779.66	4,410,944.28
Depreciation for the financial year	-20,809.20	-100,405.84	-	-121,215.04
Accumulated depreciation 31 Dec 2021	-106,007.76	-156,522.76	0.00	-262,530.52
Carrying value 31 Dec 2021	8,241.96	685,098.01	0.00	693,339.97

€	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
Acquisition cost 31 Dec 2020	2,389,414.34	374,112.77	2,135,779.66	4,899,306.77
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
Accumulated depreciation 31 Dec 2020	-2,360,363.18	-56,116.92	-2,135,779.66	-4,552,259.76
Carrying value 31 Dec 2020	29,051.16	317,995.85	0.00	347,047.01



10. Tangible assets

€	Land areas	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan 2021	4,520,734.02	1,171,651.75	194,397.12	5,886,782.89
Increases	-	149,744.45	-	149,744.45
Decreases	-	-53,549.27	-7,191.00	-60,740.27
Acquisition cost 31 Dec 2021	4,520,734.02	1,267,846.93	187,206.12	5,975,787.07
Accumulated depreciation 1 Jan 2021		-951,203.78	-	-951,203.78
Accumulated depreciation of decreases		53,549.27	-	53,549.27
Depreciation for the financial year		-117,609.87	-	-117,609.87
Accumulated depreciation 31 Dec 2022		-1,015,264.38	-	-1,015,264.38
Carrying value 31 Dec 2021	4,520,734.02	252,582.55	187,206.12	4,960,522.69

€	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
Acquisition cost 31 Dec 2020	4,520,734.02	1,171,651.75	194,397.12	5,886,782.89
Accumulated depreciation 1 Jan 2020		-759,125.44	-	-759,125.44
Depreciation for the financial year		-192,078.34	-	-192,078.34
Accumulated depreciation 31 Dec 2020		-951,203.78	-	-951,203.78
Carrying value 31 Dec 2020	4,520,734.02	220,447.97	194,397.12	4,935,579.11

11. Investments

€	Shares in subsidiaries	Shares in associates	Other securities and shares	Total
Acquisition cost 1 Jan 2021	82,571,717.75	176,951.96	829,061.25	83,577,730.96
Increases	50,000.00	-	-	50,000.00
Decreases	-347,774.73	-	-170,878.93	-518,653.66
Acquisition cost 31 Dec 2021	82,273,943.02	176,951.96	658,182.32	83,109,077.30
Carrying value 31 Dec 2021	82,273,943.02	176,951.96	658,182.32	83,109,077.30

€	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
Acquisition cost 31 Dec 2020	82,571,717.75	176,951.96	829,061.25	83,577,730.96
Carrying value 31 Dec 2020	82,571,717.75	176,951.96	829,061.25	83,577,730.96



12. Non-current receivables

€	31 Dec 2021	31 Dec 2020
Loan receivables from Group companies	2,415,144,886.00	1,463,144,886.00
Prepaid expenses and accrued income	9,348,120.87	8,696,391.14
Total	2,424,493,006.87	1,471,841,277.14
Amortized loan costs recognised in non-current receivables	9,127,573.45	8,643,398.68

13. Current receivables

€	31 Dec 2021	31 Dec 2020
Trade receivables	137.06	1,048.00
From Group companies		
Trade receivables	673,935.47	1,126,727.27
Loan receivables	15,000.00	15,000.00
Other receivables	79,495,513.29	667,512,327.19
From Group companies, total	80,184,448.76	668,654,054.46
Loan receivables	21,500.54	28,360.34
Other receivables	199,931.60	268,267.79
Prepaid expenses and accrued income	9,177,717.32	6,234,387.25
Total	89,583,735.28	675,186,117.84
Amortized loan costs recognised in current receivables	3,868,313.75	3,195,914.08

14. Financial securities

€	31 Dec 2021	31 Dec 2020
Financial securities		
Other securities and funds	115,048,868.89	103,990,682.84
Total	115,048,868.89	103,990,682.84

Financial securities include fund units and money market funds.



15. Comprehensive income

€	31 Dec 2021	31 Dec 2020
Share capital as at 1 Jan	58,025,136.00	58,025,136.00
Share capital as at 31 Dec	58,025,136.00	58,025,136.00
Share premium as at 1 Jan	35,786,180.04	35,786,180.04
Share premium as at 31 Dec	35,786,180.04	35,786,180.04
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
Other reserves as at 31 Dec	167,872,921.83	167,872,921.83
Retained earnings as at 1 Jan	188,540,407.89	220,740,823.42
Dividend payment	-91,443,427.63	-84,029,095.66
Share-based incentive scheme	-892,604.79	-577,586.82
Retained earnings as at 31 Dec	96,204,375.47	136,134,140.94
Profit for the period	45,050,838.39	52,406,266.95
Total	402,939,451.73	450,224,645.76
Calculation on distributable equity		
Reserve for invested unrestricted equity	167,856,001.50	167,856,001.50
Retained earnings	96,204,375.47	136,134,140.94
Profit for the period	45,050,838.39	52,406,266.95
Capitalised development costs	-685,098.01	-317,995.85
Total	308,426,117.35	356,078,413.54
pcs	31 Dec 2021	31 Dec 2020
The number of shares in Kojamo plc	247,144,399	247,144,399

Kojamo plc's registered share capital is EUR 58,025,136.00 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 2021	31 Dec 2020
Accumulated depreciation difference		
Machinery and equipment	-	15,143.96
Total	-	15,143.96

17. Non-current liabilities

€	31 Dec 2021	31 Dec 2020
Loans from financial institutions	302,438,998.42	253,238,998.41
Bonds	2,050,000,000.00	1,700,000,000.00
Accrued expenses, wages and salaries	570,669.24	1,449,055.83
Bond derivative profit periodisation	1,335,047.70	2,466,531.60
Total	2,354,344,715.36	1,957,154,585.84

18. Current liabilities

€	31 Dec 2021	31 Dec 2020
Loans from financial institutions, instalments in the next financial year	800,000.00	800,000.01
Trade payables	719,919.88	506,064.89
Liabilities to Group companies		
Trade payables	42,104.54	47,786.24
Other debts	15,550,329.54	16,216,136.84
Other debts	50,408,672.73	50,551,172.10
Accrued expenses and deferred income		
Accrued financial liabilities	19,817,828.42	17,992,642.59
Personnel expenses	961,673.46	1,521,113.06
Other items	90,328.21	166,617.17
Bond derivative profit periodisation	1,132,517.22	1,132,517.22
Total	89,523,374.00	88,934,050.12

19. Derivative instruments

Interest rate derivatives

€	31 Dec 2021	31 Dec 2020
Fair values of derivative instruments		
Interest rate derivatives		
Interest rate swap, cash flow hedging	-3,701,628.68	-5,358,768.56
Total	-3,701,628.68	-5,358,768.56
Nominal values of derivative instruments		
Interest rate derivatives		
Interest rate swap, cash flow hedging	177,000,000.00	127,600,000.00
Total	177,000,000.00	127,600,000.00



20. Guarantees and commitments

€	31 Dec 2021	31 Dec 2020
Loans that mature in more than five years		
Market-based loans	999,238,998.40	625,038,998.40
Loans for which mortgage on and shares in property have been given as a guarantee		
Loans from financial institutions	1,238,998.40	1,438,998.40
Mortgages given	4,015,000.00	4,015,000.00
Guarantees given		
Counter-guarantee	341,625,339.41	229,448,478.67

21. Other liabilities

€	31 Dec 2021	31 Dec 2020
Car leasing liabilities		
Payable during the next financial year	112,058.56	82,723.63
Payable later	106,011.05	75,766.89

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 hedged in 2022 was EUR

423,283.20 (-123,845.70) 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 51,741 (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 the exercise control owned a total of 159,768 (123,536) shares and share-based rights in the company or in companies be-

longing to the same Group as the company. These shares represent 0.09 (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 2020 and 2021.



SIGNATURES TO THE BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Helsinki, February 17 2022

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

Catharina Stackelberg-Hammarén

Jani Nieminen

CEO

A report on the audit has been issued today

Helsinki, 17 February 2022

KPMG Oy Ab

Esa Kailiala, APA



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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 2021. 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
Valuation of investment properties (refer to Note 3.1 to the consolidated financial statements)	
<ul style="list-style-type: none"> — Investment properties measured at fair value (EUR 8,328 million) represent 96% of the consolidated total assets as at 31 December 2021. 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. — The gain on fair value measurement of investment properties was EUR 1,106 million. — 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. 	<ul style="list-style-type: none"> — 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. — We involved KPMG valuation specialists, to test the technical appropriateness of the calculations, and to compare the assumptions used to market and industry data. — 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. — We assessed the appropriateness of the disclosures provided on the investment properties.
Total revenue: recognition of rental income (refer to Note 2.1 to the consolidated financial statements)	
<ul style="list-style-type: none"> — The Group's total revenue consists almost solely of rental income from investment properties. 	<ul style="list-style-type: none"> — We evaluated and tested controls over the accuracy of rental income, to assess the completeness and accuracy of total revenue.

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

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

- In the financial year 2021 the acquired investment properties and modernisation investments totaled EUR 356 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.

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

- At the year-end 2021, Kojamo's interest-bearing liabilities totaled EUR 3,335 million, representing 38% 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 848 million as at 31 December 2021. 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 16 years. Kojamo Plc has been a Public Interest Entity since 21 October 2016.

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 17 February 2022

KPMG OY AB

ESA KAILIALA

Authorised Public Accountant, KHT