



# Creating better urban housing

Jani Nieminen, CEO  
Kojamo plc

SEB Real Estate & Financials Conference | 14 November 2019



# Kojamo – Largest residential real estate company in Finland

**100%**

residential  
portfolio

**72%**

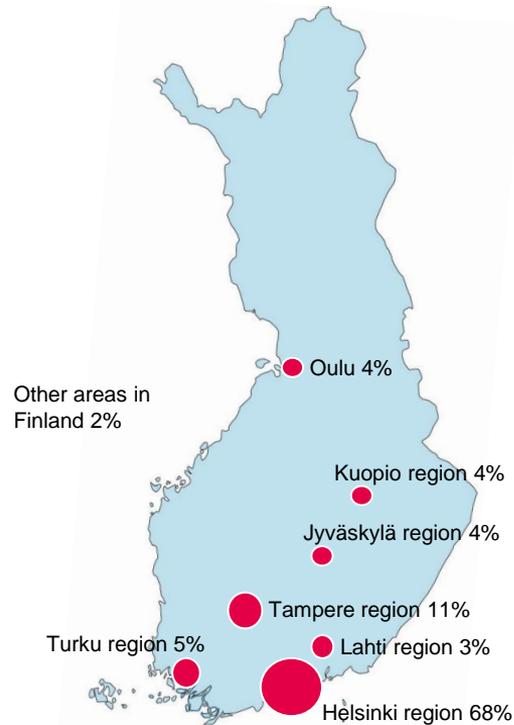
of portfolio  
studios and one-  
bedroom  
apartments

**5.4**

EUR Bn, fair  
value of  
investment  
properties

Kojamo's portfolio as at 30 Sep 2019

- Kojamo focuses on the seven Finnish growth centres and high-quality rental apartments, marketed under the Lumo brand
- Target to increase value of the investment portfolio to EUR 6 billion by the end of 2021 by building, converting, renovating and acquiring properties
- Strong role in digital transformation of the housing industry

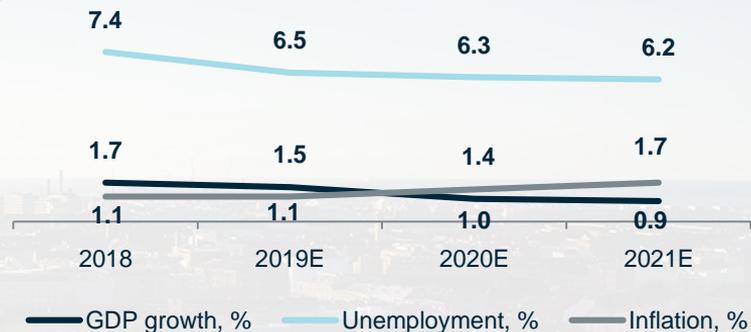


# Operating environment

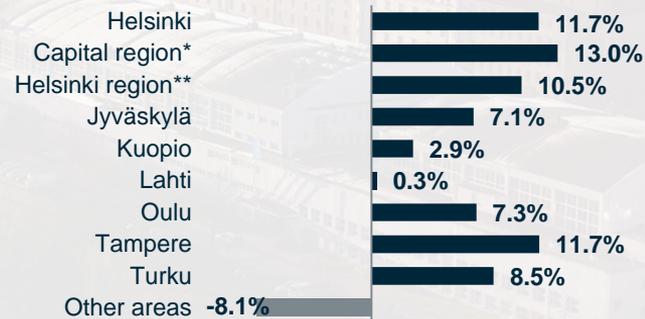
## General operating environment

- Urbanisation proceeds and the significance of the largest urban areas will increase
- Economic growth is forecasted to continue, but to slow down due to the weakening of the global economy. The slower growth of international trade and the economy is expected to be reflected in the growth of Finnish exports. Investments in residential construction are expected to contract, but to remain at a good level
- The growth of private consumption is expected to continue, supported by the increasing income level and high employment. Growth will, however, be slowed by the moderate acceleration of inflation

## Business environment key figures



## Population growth forecast 2019–2030



# Operating environment

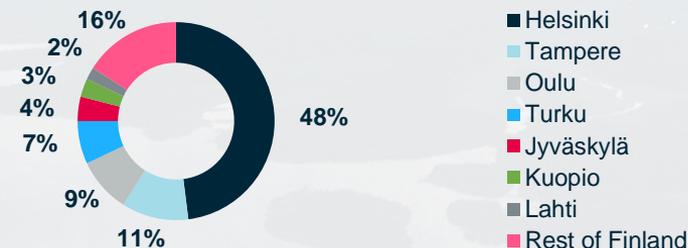
## Residential production and price development

- The number of residential start-ups is estimated to decline from record-high levels towards more normal production volumes, the majority of the drop in the volume of residential construction will take place in the latter half of 2020
- As the rate of economic growth declines, new construction is estimated to focus increasingly on the largest urban areas
- In spite of slower economic growth, the continued trend of urbanisation will maintain the need for new apartments. The level of residential production is estimated to be sufficient in Finland's growth regions in 2019 and 2020, but there are concerns regarding the adequacy of supply thereafter
- Accelerated urbanisation increases the demand for apartments, which puts upward pressure on prices in growth centres

## Industry key figures

	2019E	2018
Residential start-ups, units	38,000	45,600
Building permits granted, annual*, units	37,660	47,829
Construction costs, %	1.2	2.2
Prices of old dwellings in the whole country, change, %	1.2	1.2
Prices of old dwellings in the capital region, change, %	2.2–3.5	2.5–3.2
Rents of non-subsidised rental dwellings in the whole country, change, %	1.8	1.6
Rents of non-subsidised rental dwellings in the capital region, change, %	2.0–2.8	2.3–2.6

## Housing production need 2015 – 2040



# Operating environment

## The popularity of rental housing increases

- The trend of regional divergence will accelerate in the coming years and the significance of the 10 largest urban areas will increase
- A growing number of households are choosing rental housing, and living in non-subsidised rental apartments will see the highest relative growth
- Urbanisation increases the demand for rental housing. Those who move to growth centres increasingly see rental housing as an easy, safe and flexible choice
- The growing demand for services is also reflected in living preferences. Living-related needs can be increasingly satisfied by services instead of owning

## Development of household sizes (% of all households)



## Development of rental household-dwelling units (% of all households)



\* Helsinki, Espoo, Kauniainen, Vantaa, Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Mäntsälä, Nurmijärvi, Pornainen, Sipoo, Tuusula, Vihti  
Sources: The popularity of rental housing increases: MDI's population forecast 2040 and Pellervo Economic Research PTT, Housing markets 2019 forecast  
Development of household sizes and rental household-dwelling units: Statistics Finland, Dwellings and housing conditions 2018



## Key figures 1–9/2019

total revenue

**280.3** M€

(EUR 267.7 million,  
+4.7%)

net rental income

**187.2** M€

(EUR 174.0 million,  
+7.6%)

funds from operations (FFO)

**106.1** M€

(EUR 81.8 million,  
+29.8%)

fair value of investment  
properties

**5.4** Bn€

(EUR 5.0 billion,  
+7.6%)

gross investments

**175.6** M€

(EUR 305.8 million,  
-42.6%)

profit excluding  
changes in value <sup>1)</sup>

**120.4** M€

(EUR 112.1 million,  
+7.5%)

profit before taxes

**191.4** M€

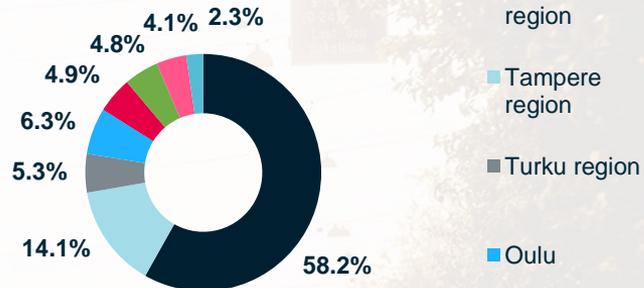
(EUR 199.5 million,  
-4.1%)



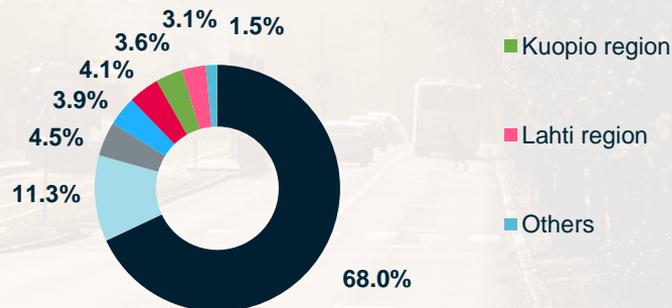
# Of the apartments' fair value 98.5 in the seven largest Finnish growth centres

Region	Number of apartments, units	Fair value, (EUR million)	Fair value (EUR thousand / unit)	Fair value (EUR / sqm)	Financial occupancy rate, %
Helsinki region	20,398	3,420	168	2,990	97.9%
Tampere region	4,942	568	115	2,273	96.6%
Turku region	1,848	225	122	2,142	97.3%
Oulu	2,220	197	89	1,685	96.1%
Jyväskylä	1,727	205	119	2,244	93.0%
Kuopio region	1,674	179	107	2,023	93.9%
Lahti region	1,436	158	110	1,963	95.1%
Others	816	77	94	1,746	95.3%
<b>Total</b>	<b>35,061</b>	<b>5,376*</b>	<b>143</b>	<b>2,619</b>	<b>97.1%</b>

Apartment distribution, %



Fair value distribution, %

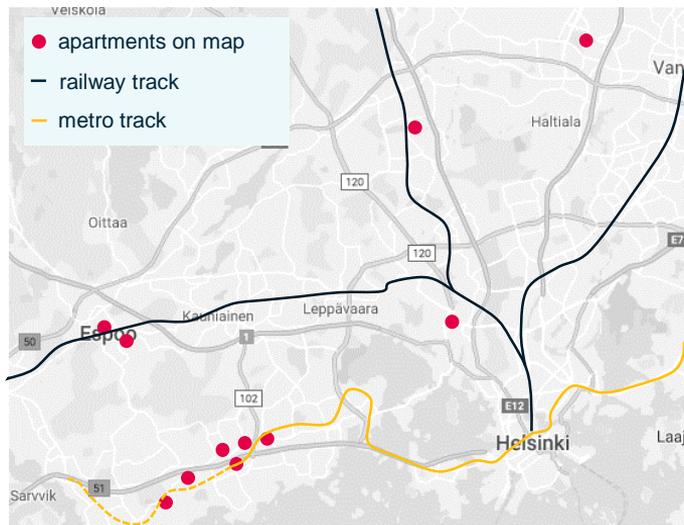




# Co-operation agreements on the construction of 905 apartments to strengthen the future growth



## Apartments related to the co-operation agreement on map



The apartments are located in the Helsinki region close to good transportation connections

- On 30 August 2019, Kojamo announced to have signed agreements with SRV and Hausia on the construction of 905 apartments in total
  - 42 apartments were completed already in Q3/2019
  - Separate contracts to be signed on the rest of the apartments



## Estimate of completion of the apartments included in the contracts

2020	47 units	2022	470 units
2021	255 units	2023	91 units





# Lumo builds customer experience in a new way

## Services of a new customer



**Lumo**  
webstore

Key courier  
service



Personal  
open  
house



Pets are  
welcome

0-  
250 €

Affordable  
security  
deposit



Broadband  
included  
in rent

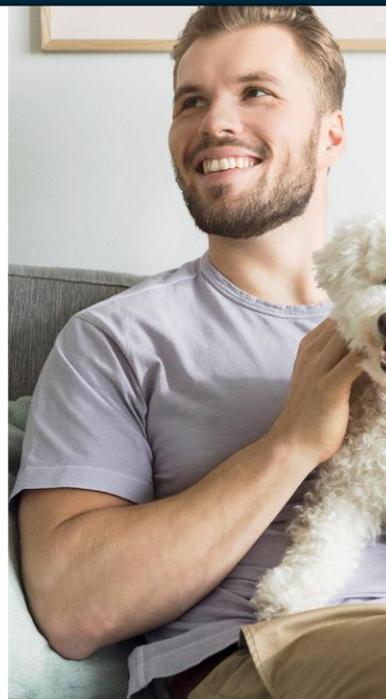


Move and  
installation  
service



Interior  
paints for  
free

## Services during tenancy



**My Lumo**  
**posti**  
SmartPOST

**LEANHEAT**

Easy pick up service  
Installation service



Lumo  
janitors



Personal  
trainer



Benefits from  
partners



Car-  
sharing



Versatile  
events for  
tenants



Customer  
service  
center



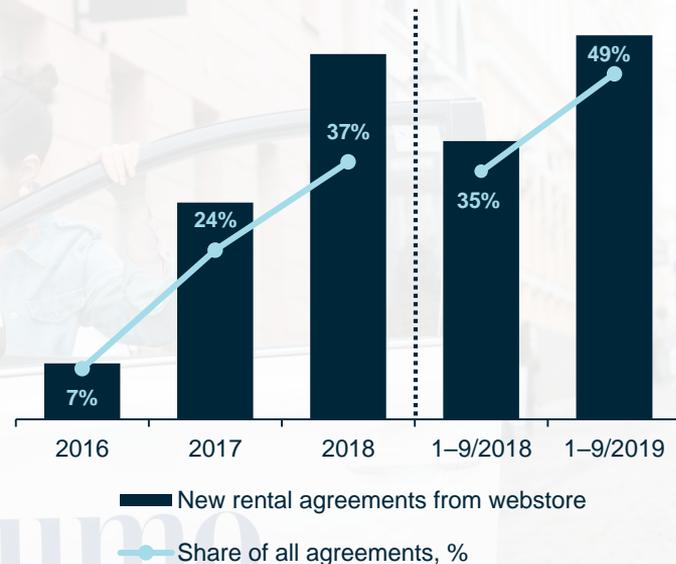
# Electronic services make every day life easier



Over  
**13,000**  
rental agreements via  
webstore by the end of  
September

- Fully automated service, where tenant can choose his or her apartment and rent it at once
- Accessible with Nordic banking access codes, also used for checking credit information
- Majority of rental agreements in the Capital region are made already online

## New rental agreements from webstore



The share has been calculated based on the value of the rental agreement (initial rent)



# Sustainability is visible in our every day life

**29,000**

apartments' indoor temperature controlled by Leanheat's IoT solution

**Eco-friendly motoring**

– shared cars in use of Lumo tenants

**All of**

new construction projects utilising own plot reserves nearly zero-energy buildings in accordance with FInZEB concepts and guidelines

**Anti-grey economy models**

exceed legislative requirements

**7.5%**

savings targeted to be reached by 2025 according to Rental Property Energy Efficiency Agreement

**2<sup>nd</sup> place**

in the Responsible Summer Job competition in the category of large companies

**All of**

Kojamo's premises included or becoming a part of WWF Green Office network

**Members of**

Climate Leadership Coalition that aims at carbon neutral operations that utilise natural resources in a sustainable way

A man and a woman are walking hand-in-hand on a paved street in a modern urban housing development. The man is wearing a grey zip-up hoodie and light grey pants, and the woman is wearing a grey zip-up hoodie over a pink top and grey pants. They are both smiling and looking towards the right. The background shows multi-story apartment buildings with red and grey facades, balconies, and windows. A large, dark blue curved graphic element is in the top right corner.

# Outlook, financial targets and dividend policy



# We are progressing toward our strategic targets

Strategic key figures	Actual 30 Sep 2019	Target Dec 2021
Fair value of investment properties, Bn€	5.4	6.0
Number of apartments	35,061	~38,000
Equity ratio, %	42.0	> 40
Loan to Value (LTV), %	46.7	< 50
FFO as a percentage of total revenue	37.9	> 32
Net Promoter Score (NPS)	33	40



# Outlook for Kojamo in 2019 (specified)

**Kojamo estimates that in 2019, the Group's total revenue will increase by 3–5 per cent year-on-year. In addition, the company estimates that the Group's FFO for 2019 will amount to between EUR 137–145 million, excluding one-off items (previously EUR 134–144 million). Investments in new development and housing stock acquisitions are forecast to amount to approximately EUR 190–210 million, as no significant acquisitions of residential properties are expected to take place during the second half of the year (previously: amount to approximately, or exceed, EUR 300 million. Achieving the level of EUR 300 million would have required acquisitions of residential properties during the second half of the year). The change in the investment amount will not have a material impact on the result for 2019.**

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

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





# Dividend policy

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

## Dividend history



\* Including extra dividend EUR 0.29 per share  
Per share key figures 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



# Summary

100% residential player, focused business in Finnish growth centres with growing demand for apartments, generated by urbanisation and changing living preferences

Strong track record of organic growth and acquisitions along with a robust development pipeline

Differentiated business model focuses on delivering the best customer experience by offering easy and effortless solutions and services for living



# Thank you!

## Contact details:

CEO

**Jani Nieminen, tel. +358 20 508 3201**

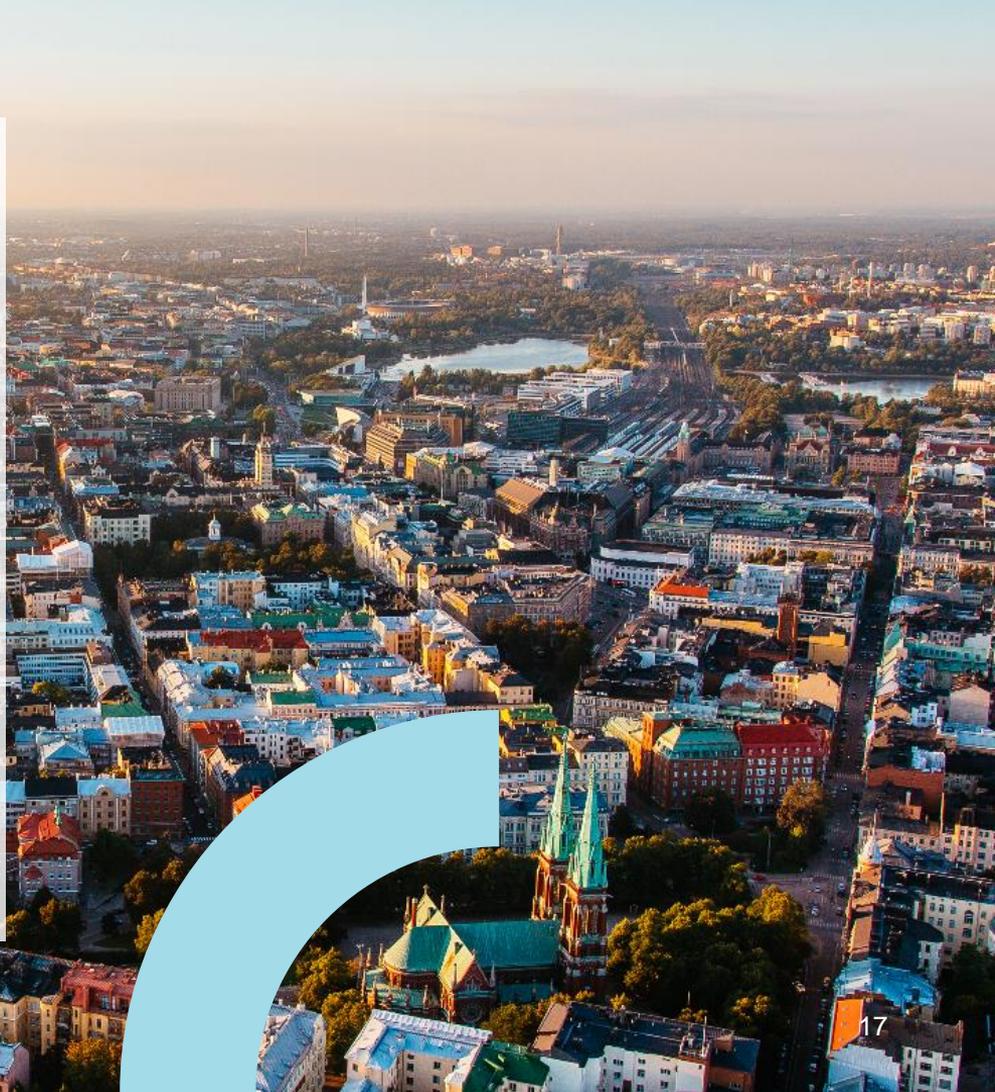
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Manager, Investor Relations

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# Appendix



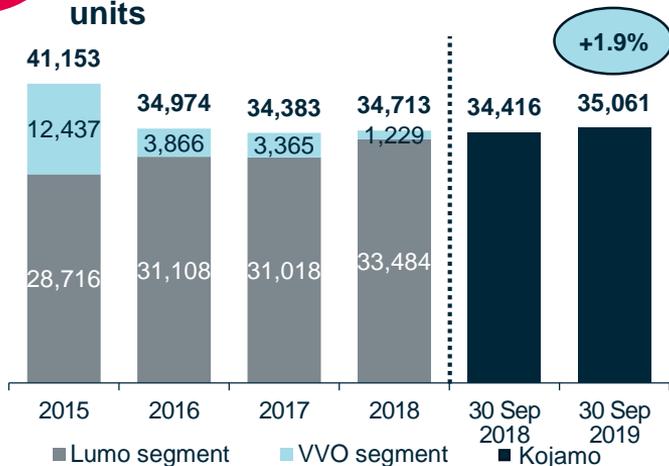
# Recent development



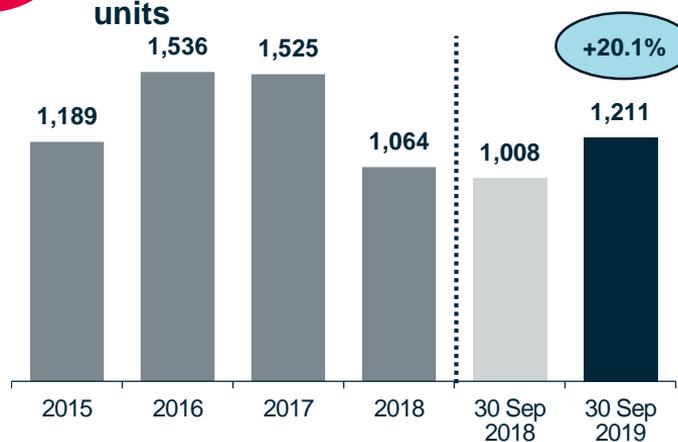
# The apartment portfolio is growing

- During the review period, 482 (1,842) apartments were sold, 117 (1,049) acquired and 710 (895) completed
- Kojamo signed agreements with SRV and Hausia on the construction of over 900 apartments in the Helsinki region

Development of apartment portfolio, units



Apartments under construction, units





# Estimated completions of Kojamo's 1,211 apartments under construction as at 30 September 2019

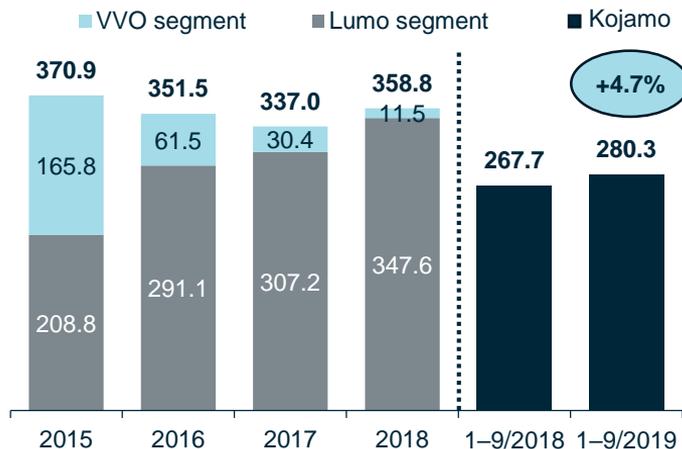
Q4/2019	Q1/2020	Q3/2020	Q4/2020	2021 →	
<b>62 units</b>	<b>63 units</b>	<b>188 units</b>	<b>347 units</b>	<b>495 units</b>	
<p>As Oy Helsingin Henrik Borgströmin tie 2</p> 	<p>As Oy Hyvinkään Astreankatu 27</p> 	<p>As Oy Järvenpään Pajalantie 23 F</p> 	<p>As Oy Helsingin Karibiankuja 4</p> 	<p>As Oy Helsingin Luotsikatu 1a</p> 	<p>As Oy Helsingin Tenderinlenkki 8</p> 
<p>Kojamo estimates, that in total <b>772</b> apartments will be completed in 2019</p>	<b>Q2/2020</b>	<p>As Oy Helsingin Bahamankatu 8</p> 	<p>As Oy Espoon Uuno Kailaan katu 6</p> 	<p>As Oy Helsingin Fregatti Dygdenin kuja 5</p> 	<p>As Oy Espoon Niittykummuntie 12 B &amp; 12 E</p> 
	<b>56 units</b>	<p>As Oy Turun Hippoksentie 31G</p> 	<p>As Oy Helsingin Keinulaudantie 2b</p> 	<p>As Oy Vantaan Lauri Korpiosen katu 8</p> 	<p>As Oy Helsingin Höyrykatu 8</p> 

In addition, Kojamo has signed agreements with SRV and Hausia on the construction of 905 apartments in total. The first 42 apartments were completed in Q3/2019. The rest of the apartments will be completed during 2020–2023

# K Total revenue increased

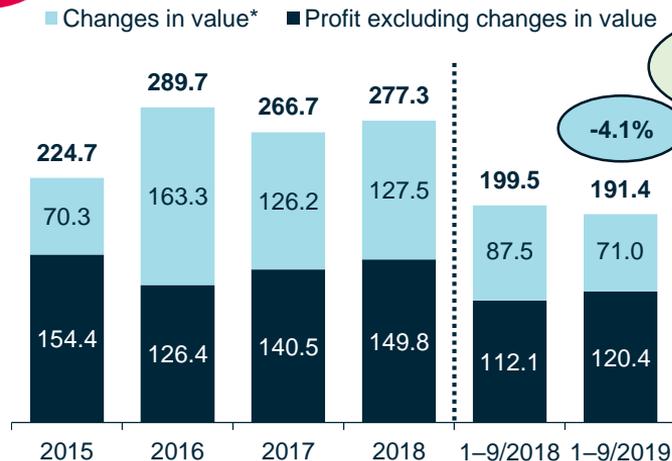
- Total revenue increased by 4.7 per cent from the comparison period
- Profit excluding changes in value increased, but smaller changes in value had an impact on profit before taxes

## Total revenue, M€



The Group revenue for 2015–2018 includes Group consolidation measures

## Profit before taxes, M€



\* Changes in value = Profit/loss on fair value of investment properties

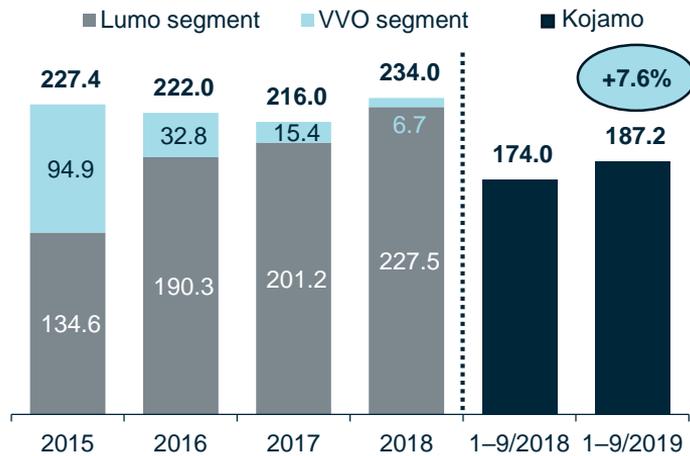
Profit excluding changes in value  
**+7.5%**



# Net rental income and FFO increased

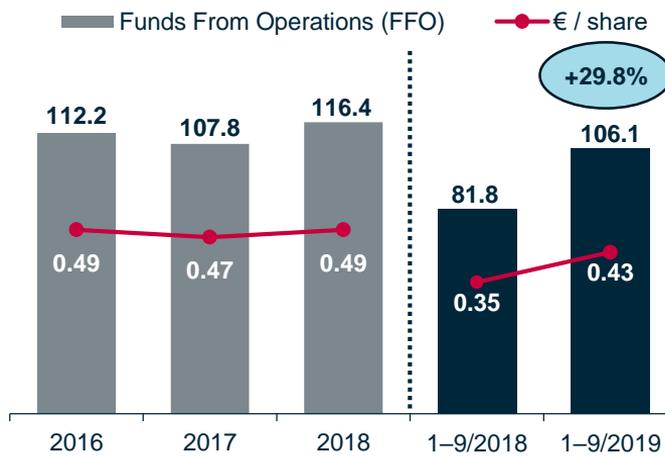
- Net rental income developed positively and increased by 7.6 per cent
- In addition to improved net rental income, lower income taxes than in the comparison period had an effect on FFO growth

## Net rental income, M€



The Group net rental income for 2015–2018 includes Group consolidation measures

## Funds From Operations (FFO), M€ and € / share



Changes in the total number of Kojamo shares have an impact on relative development of FFO per share. Per share key figures 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



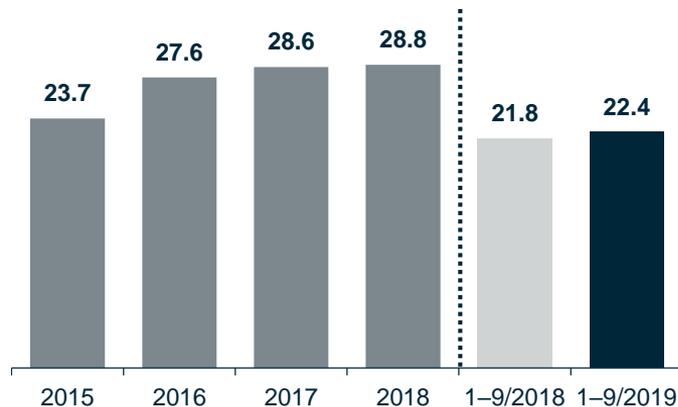
# Occupancy rate increased

- Occupancy rate increased despite of slight increase in tenant turnover

**Financial occupancy rate, %**



**Tenant turnover, %  
excluding internal turnover**

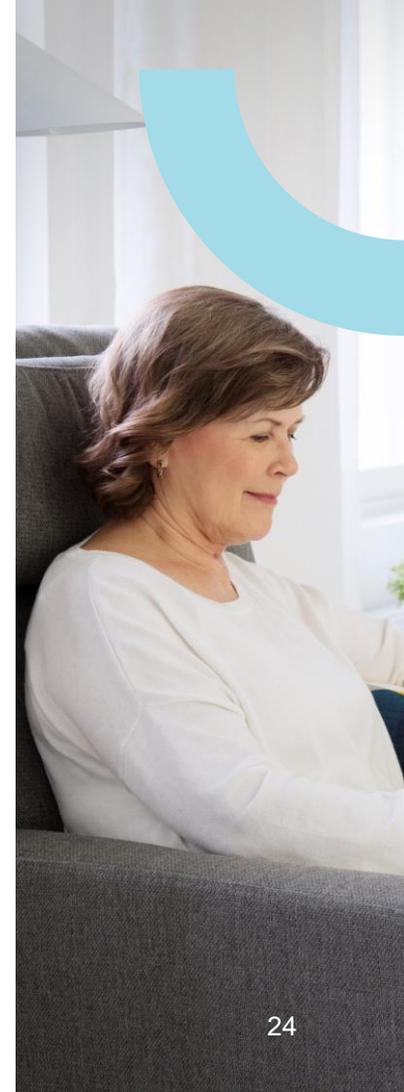


**Financial occupancy rate** = (Rental income / potential rental income at full occupancy) x 100. Financial occupancy rate does not include apartments under renovation

**Tenant turnover** = (terminated rental agreements under the period / number of apartments) x 100

The calculation method of tenant turnover has been changed, starting from 1 January 2017. The comparison data has not been modified to reflect the new calculation method

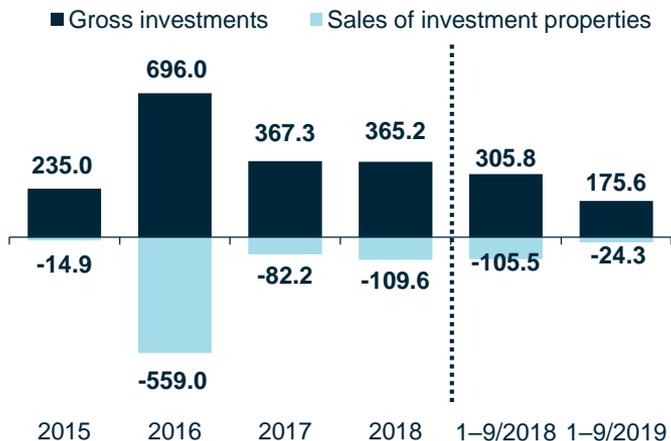
Kojamo plc | Creating better urban housing | Jani Nieminen, CEO



# K Gross investments

- Investments proceeding according to strategy
- During the period, Kojamo sold 478 non-strategic apartments to Olo Asunnot

## Gross investments and sales of investment properties, M€



## Modernisation investments and repairs, M€

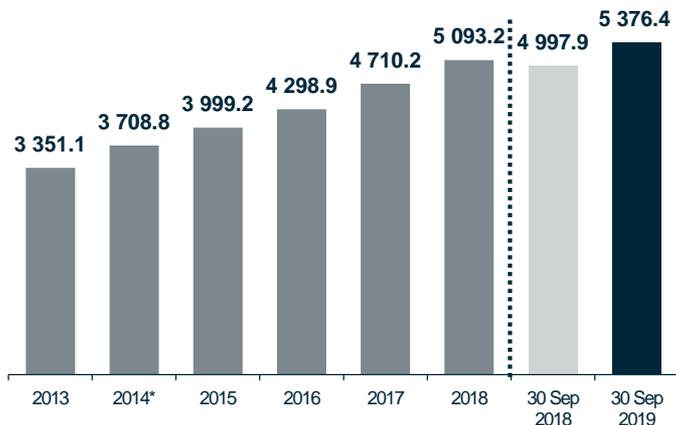




# The value of investment properties increasing in line with strategy

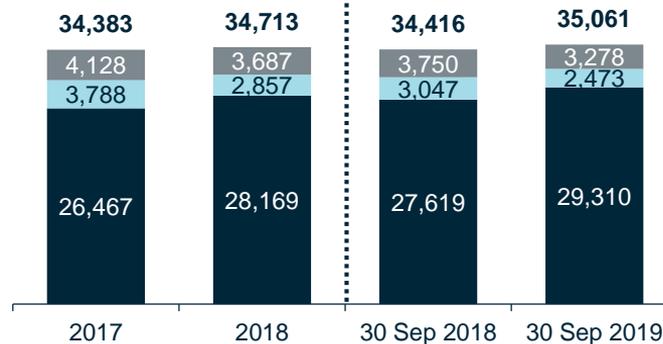
- The fair value of investment properties increased by 7.6 per cent
- Kojamo to shift from transaction-based valuation technique to yield-based valuation technique as of 31 December 2019

**Fair value of investment properties, M€ <sup>1)</sup>**  
(at the end of the review period)



**Number of apartments by valuation classes**  
(at the end of the review period)

■ Balance sheet value ■ Yield value ■ Transaction value



\*As of 2014, the Group adopted IFRS for its financial reporting

<sup>1)</sup> Investment properties include completed apartments, development projects and land areas as well as investment properties held for sale





# Plot and real estate development reserve

## 30 September 2019

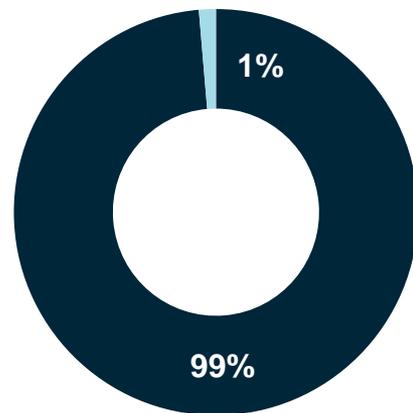
### Plots and real estate development sites owned by the company

	M€	1,000 fl.sq.m.	Apartments
Plots	44.4	72	~1,200
Plots and existing residential building	27.6	42	~700 <sup>2)</sup>
Conversions	85.5	77	~1,200
<b>Total <sup>1)</sup></b>	<b>157.5</b>	<b>191</b>	<b>~3,100</b>

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

	M€	1,000 fl.sq.m.	Apartments
Preliminary agreements for new construction (incl. plots)	236.3		
Estimated share of plots <sup>1)</sup>	35,2	59	1,033
Preliminary agreements and reservations for plots <sup>1)</sup>	44.2	64	~1,000

### Regional division of plot and real estate development reserve per sq.m., %



■ Helsinki region    ■ Rest of Finland

<sup>1)</sup> The management's estimate of the fair value, building rights of plots and number of apartments

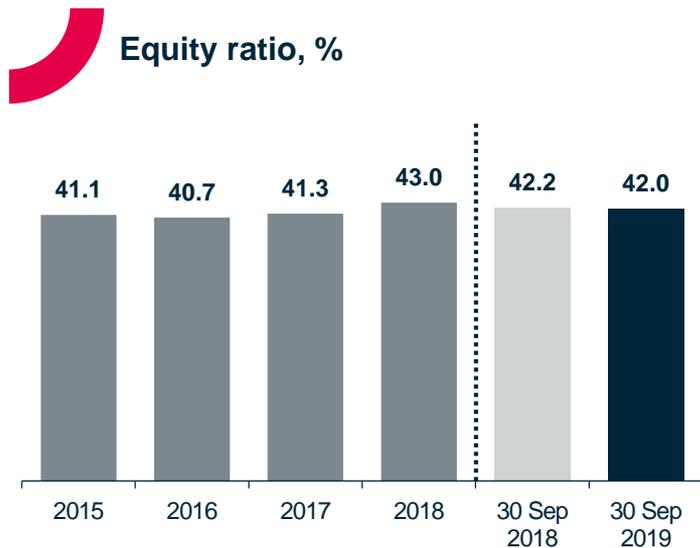
<sup>2)</sup> The management's estimate, currently approximately 300 apartments in existing residential buildings



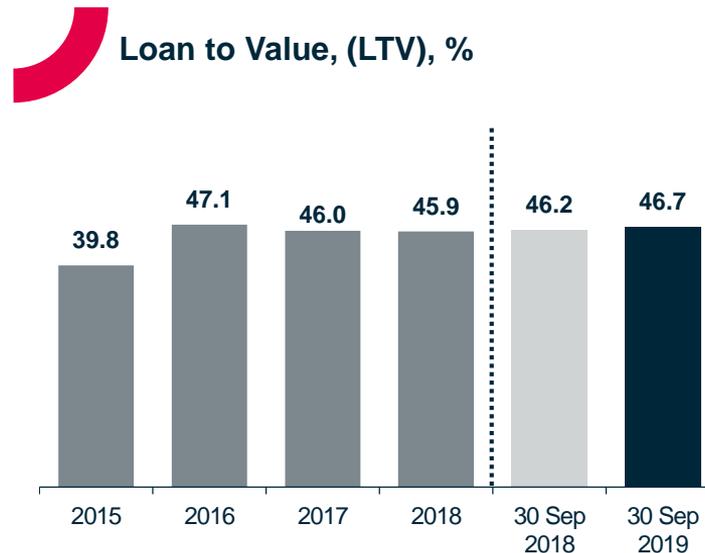


# Equity ratio and Loan to Value (LTV)

- Equity ratio and Loan to Value (LTV) were in line with financial targets



The share issue improved the equity ratio by 1.6 percentage points



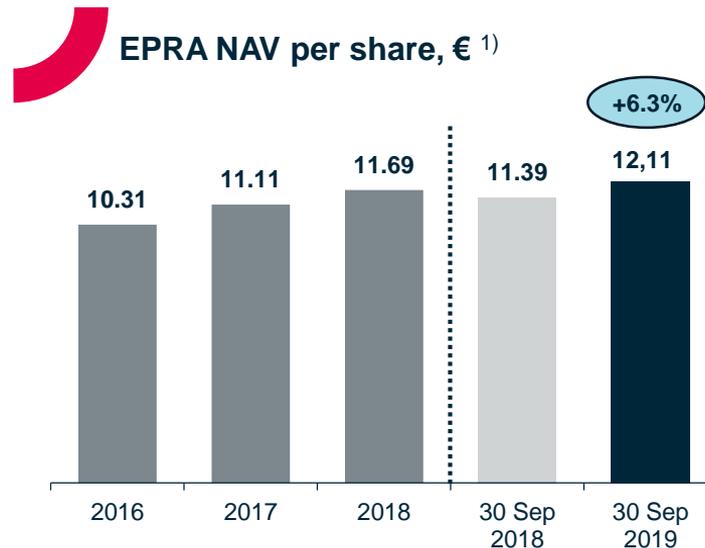
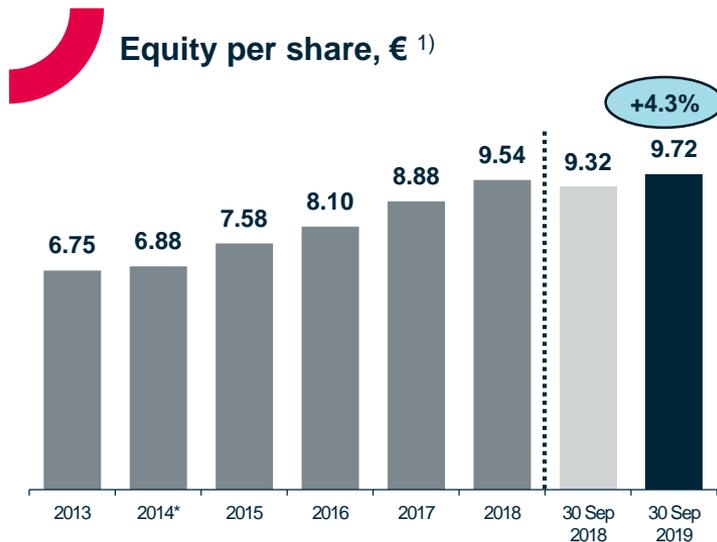
The transition to IFRS 16 had an effect of 0.6 percentage points on this key figure during the review period





# EPRA NAV per share improved

- Key figures per share improved



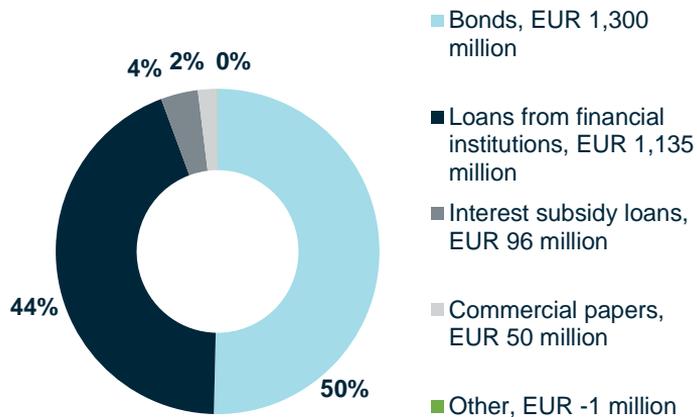
\* As of 2014, the Group adopted IFRS for its financial reporting. 1) Key figures have been adjusted to reflect the impact of the decision by the Extraordinary General Meeting of Shareholders on 25 May, 2018 regarding the share split. In the share split the shareholders received 30 new shares per each existing share



# Versatile capital structure

## The Group's loan distribution 30 September 2019

Loan portfolio EUR 2,580 million

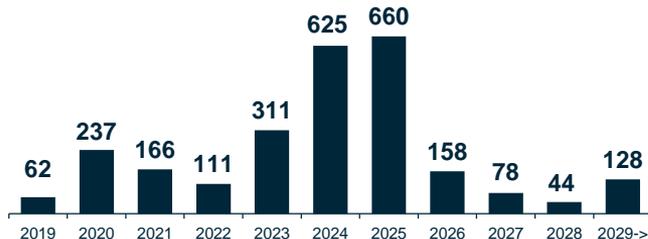


Nominal values of the loans. 'Other' item includes capitalised arrangement fees of the loans. Lease liabilities amounting to EUR 61.1 million, are included in fixed-rate liabilities effective from 1 January 2019.

## Financing key figures



## Distribution of the Group's loan maturities 30 September 2019, EUR million





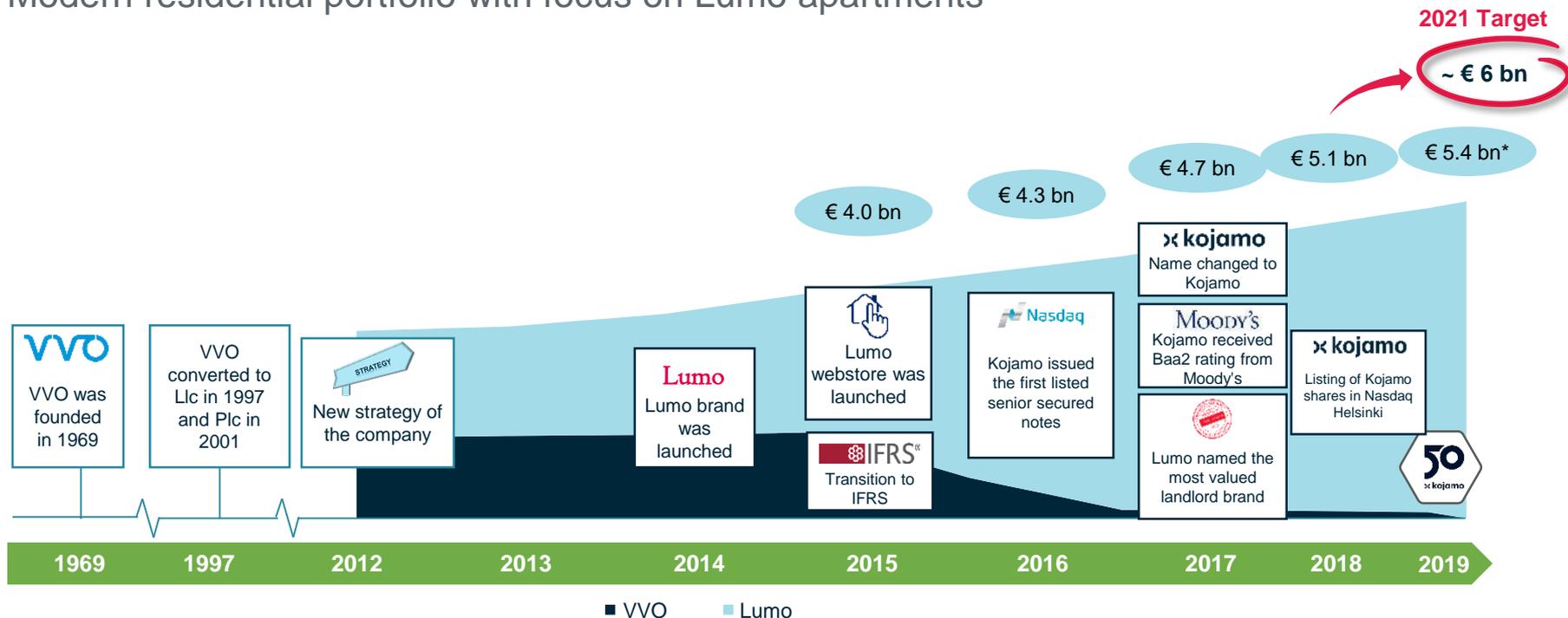
# Change in the valuation technique of investment properties as at 31 December 2019

Change	Kojamo will shift from a transaction-based valuation technique to a yield-based valuation technique in the valuation of its investment properties
Rationale	The change in the valuation technique will make the company more comparable with its relevant international peer group
External valuation partner	Jones Lang LaSalle Finland Oy (JLL)
Entry into force	The change will be recognised in the consolidated income statement and balance sheet starting from the period in which the change takes place, i.e. in the financial statements of <b>31 December 2019</b>
Effect	<p>If the fair value of Kojamo's investment properties were to be assessed using the new valuation technique at the end of September 2019, the fair value would be an estimated EUR 760–840 million higher than it is under the transaction-based valuation technique used currently</p> <p>The change is a change in accounting estimates by nature. The change will not be applied retrospectively</p> <p>The change will have no impact on Kojamo's total revenue, Funds From Operations (FFO), investments in new development and acquisitions of housing stock, for which Kojamo has issued guidance for 2019</p>



# Kojamo evolution: From VVO Group to Kojamo

Modern residential portfolio with focus on Lumo apartments



As of 2014, the Group adopted IFRS for its financial reporting.

The graph above illustrates the development of fair value of investment properties. Investment properties include completed apartments, development projects and land areas as well as investment properties held for sale.

\*30 Sep 2019

# Urbanisation driving Kojamo's business

## Urbanisation & development of household sizes

- Urbanisation in Finland is lagging behind Western European countries
- The population growth is expected to focus in Finnish growth centres
- An increasing number of small households

## Changing living preferences

- Change in people's values and preferences towards ownership
- An increasing number of people choose rental housing of their own accord. Those who move to growth centres increasingly see rental housing as an easier, safer and more flexible choice.

## Stable operating environment and legislation

- Finland is a safe country with stable political system
- The Finnish rental regulation is light compared to many other European countries: high flexibility with regards to rent levels, term and termination
  - Annual rent increase can be freely agreed in the lease agreement, no capex needed

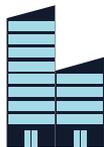
## Servicification and digitalisation

- The growing demand for services is also reflected in living preferences. Living-related needs can be increasingly satisfied by services instead of owning
- Smart homes and IoT solutions are becoming more common

# Kojamo plc's strategy

## Megatrends

Urbanisation & internationalisation



Ageing population & smaller family sizes



New technologies & digitalisation



Individuality & sense of community



Environment & sustainable development



## Mission

We create better urban housing.

## Vision 2021

We are the property market frontrunner and the number one choice for our customers.

## Strategic focal points

- ▶ Delivering the best customer experience
- ▶ Generating long-term shareholder value
- ▶ Leading on sustainable development
- ▶ Dynamic and professional place to work

## Values



Happy to serve



Strive for success



Courage to change



# Customer experience at the center

- We focus on creating excellent customer experience, which comes from versatile living solutions, easy contacting and fluent digital services. Our homes are located close to good transport connections and services
- We develop new living services and solutions together with our tenants and partners. By offering our capabilities to a service and innovation platform we promote the servitization of urban living





# Services enabling better urban living



	Unique Lumo webstore	Lumo is a home full of services	Activities and other benefits to customers	Constantly improving customer experience
	<ul style="list-style-type: none"> <li>✓ The only residential real estate company with a web platform offering all the services from choosing apartment to moving in</li> </ul>	<ul style="list-style-type: none"> <li>✓ Comprehensive services that make living easier and more convenient</li> </ul>	<ul style="list-style-type: none"> <li>✓ Activities and other benefits such as free events to enrich living in Lumo communities</li> </ul>	<ul style="list-style-type: none"> <li>✓ Developing digital housing services and smart home solutions to improve convenient living</li> </ul>
<b>Lumo</b>	✓	✓	✓	✓
Common market practice in Finland <sup>1)</sup>	✗	✗	✗	✗

<sup>1)</sup> Common market practice is defined so, that over 75% of the market based on the number of apartments is applying the practice.



# Key terms according to the standard lease agreement used for Lumo apartments

## Rent

- The lessor has the right to increase the rent annually in accordance to a maximum of the change in the CPI, plus up to an additional increase by 5 % – no capex required

## Term

- Fixed-term agreement for the first 6 months, after which converted to be valid until further notice

## Security deposit

- Webstore: No separate deposit required
- Otherwise: Maximum EUR 250

## Termination

- Tenant is allowed to terminate the lease agreement within a one month notice period
- The notice period for the landlord is between 3 and 6 months, depending on the duration of tenancy
- Fixed-term contracts can be terminated only according to certain conditions specified in the Act of Residential Leases

## Utilities

- Separate fee (fixed or dependent on consumption) is charged for water consumption
- Tenant is obliged to contract electricity and pay the electricity bills
- Central heating is typically included in the rent

## Insurance

- Tenant is obliged to contract home insurance

## Other

- Sub-letting is not allowed, unless agreed otherwise
- Other fees (e.g. parking space, use of common sauna or laundry room) are specified separately



# Sustainability is part of our operations

- Kojamo is committed to developing new and modern construction solutions, housing services and ecological innovations related to energy-efficient housing solutions. All of Kojamo's new construction projects utilising own plot reserves will be nearly zero-energy buildings in accordance with FInZEB concepts and guidelines. In addition, Kojamo will focus on managing the energy consumption of the buildings in its portfolio
- Kojamo and Leanheat Oy, a provider of artificial intelligence solutions for controlling district heating, have signed an agreement in October 2018 to use Leanheat's AI-based IoT solution to control the indoor temperature of approximately 29,000 Kojamo-owned apartments. The agreement covers 80 per cent of the housing stock owned by Kojamo
- Kojamo joined the Rental Property Energy Efficiency Agreement after reaching the targets of the plan that ended in 2016. Under the new agreement period that started in 2017, we pursue energy savings of 7.5 per cent by 2025
- We are the Climate Partner of the City of Helsinki and the only Finnish real estate company in the Climate Leadership Coalition
- The residents of Lumo homes have an opportunity to enjoy eco-friendly motoring. Anyone living in a Lumo home can reserve a shared car, that are self-charging full hybrid vehicles since summer
- The anti-grey economy models used by Kojamo exceed legislative requirements in many respects



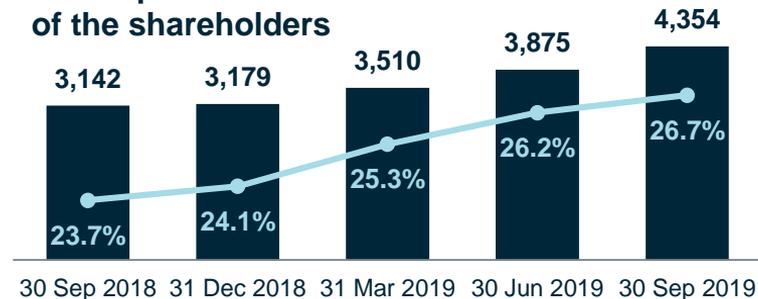


# Kojamo's ten largest shareholders (30 Sep 2019)

Shareholder	Number of shares	% of shares
1. Ilmarinen Mutual Pension Insurance Company	32,359,243	13.1
2. Varma Mutual Pension Insurance Company	30,398,089	12.3
3. The Finnish Industrial Union	28,954,557	11.7
4. Trade Union of Education in Finland	15,081,498	6.1
5. Trade Union for the Public and Welfare Sectors	14,305,038	5.8
6. Finnish Construction Trade Union	13,290,191	5.4
7. Trade Union PRO	12,460,270	5.0
8. Service Union United PAM	9,401,963	3.8
9. Åbo Akademi University Foundation	2,198,763	0.9
10. Suomen Elintarviketyöläisten Liitto SEL ry, Finlands Livsmedelsarbetareförbund SEL rf	1,582,790	0.6
Nominee-registered and direct foreign shareholders	66,020,179	26.7
Other Finnish shareholders	21,091,818	8.5
<b>Total</b>	<b>247,144,399</b>	<b>100.0</b>

Source: Euroclear Finland

## Development of the number of the shareholders



■ Number of shareholders

—● Share of nominee-registered and direct foreign ownership, %

## Flagging notifications exceeding flagging thresholds

Shareholder	Transaction announced	Threshold	Ownership according to flagging
Stichting PGGM Depository	21 Jun 2018	5%	6.07%



# Key figures

	7-9/2019	7-9/2018	Change,%	1-9/2019	1-9/2018	Change,%	2018
Total revenue, M€	95.7	89.7	6.7	280.3	267.7	4.7	358.8
Net rental income, M€	69.5	64.5	7.8	187.2	174.0	7.6	234.0
Net rental income margin of total revenue, %	72.6	71.9		66.8	65.0		65.2
Profit before taxes, M€	66.6	59.1	12.7	191.4	199.5	-4.1	277.3
Gross investments, M€	79.0	62.6	26.3	175.6	305.8	-42.6	365.2
Funds From Operations (FFO), M€	39.7	42.3	-6.1	106.1	81.8	29.8	116.4
FFO per share, € <sup>1)</sup>	0.16	0.17	-5.9	0.43	0.35	22.9	0.49
Financial occupancy rate, %				97.1	96.8		97.0
Fair value of investment properties, Bn€				5.4	5.0	7.6	5.1
Number of apartments				35,061	34,416		34,713
Rental apartments under construction				1,211	1,008		1,064
EPRA NAV per share, € <sup>1)</sup>				12.11	11.39	6.3	11.69
Equity ratio, %				42.0	42.2		43.0
Loan to Value (LTV), % <sup>2)</sup>				46.7	46.2		45.9

1) Key figures 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. 2) The transition to IFRS 16 had an effect of 0.6 percentage points on this key figure during the review period



# Consolidated income statement

M€	7–9/2019	7–9/2018	1–9/2019	1–9/2018	1–12/2018
<b>Total revenue</b>	<b>95.7</b>	<b>89.7</b>	<b>280.3</b>	<b>267.7</b>	<b>358.8</b>
Maintenance expenses	-17.3	-16.7	-69.0	-67.6	-89.5
Repair expenses	-8.9	-8.6	-24.1	-26.1	-35.4
<b>Net rental income</b>	<b>69.5</b>	<b>64.5</b>	<b>187.2</b>	<b>174.0</b>	<b>234.0</b>
Administrative expenses	-8.6	-8.0	-28.3	-28.3	-38.6
Other operating income and expenses	0.5	0.3	1.4	1.1	1.1
Profit/loss on sales of investment properties	0.3	-0.1	0.2	0.9	1.0
Profit/loss on sales of trading properties			0.1	0.0	0.1
Profit/loss on fair value of investment properties	18.4	13.4	71.0	87.5	127.5
Depreciation, amortisation and impairment losses	-0.3	-0.2	-0.9	-0.6	-0.8
<b>Operating profit</b>	<b>79.9</b>	<b>69.9</b>	<b>230.7</b>	<b>234.5</b>	<b>324.2</b>
Total amount of financial income and expenses	-13.3	-10.8	-39.3	-35.0	-47.1
Share of result from associated companies					0.2
<b>Profit before taxes</b>	<b>66.6</b>	<b>59.1</b>	<b>191.4</b>	<b>199.5</b>	<b>277.3</b>
Current tax expense	-9.2	-2.8	-17.2	-30.6	-34.1
Change in deferred taxes	-4.2	-8.6	-21.1	-10.1	-21.4
<b>Profit for the period</b>	<b>53.2</b>	<b>47.6</b>	<b>153.1</b>	<b>158.8</b>	<b>221.8</b>



# Balance sheet

M€	30 Sep 2019	30 Sep 2018	31 Dec 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	0.2	0.3	0.2
Investment properties	5,376.4	4,997.9	5,093.2
Property, plant and equipment	31.0	30.6	30.5
Investments in associated companies	2.2	2.0	2.2
Financial assets	0.6	0.5	0.6
Non-current receivables	4.9	5.4	5.3
Derivatives	0.3	4.3	1.5
Deferred tax assets	20.1	9.0	10.8
<b>Total non-current assets</b>	<b>5,435.8</b>	<b>5,050.0</b>	<b>5,144.3</b>
<b>Current assets</b>			
Trading properties	0.3	0.4	0.4
Derivatives	0.4	0.4	0.7
Current tax assets	0.1	6.0	9.3
Trade and other receivables	8.7	10.6	8.3
Financial assets	152.0	164.8	172.3
Cash and cash equivalents	130.0	229.1	150.1
<b>Total current assets</b>	<b>291.4</b>	<b>411.3</b>	<b>341.1</b>
<b>TOTAL ASSETS</b>	<b>5,727.2</b>	<b>5,461.2</b>	<b>5,485.4</b>



# Balance sheet

M€	30 Sep 2019	30 Sep 2018	31 Dec 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the parent company</b>			
Share capital	58.0	58.0	58.0
Share issue premium	35.8	35.8	35.8
Fair value reserve	-61.1	-14.9	-23.9
Invested non-restricted equity reserve	164.4	164.4	164.4
Retained earnings	2,204.7	2,060.5	2,123.7
<b>Equity attributable to shareholders of the parent company</b>	<b>2,401.8</b>	<b>2,303.8</b>	<b>2,358.1</b>
<b>Total equity</b>	<b>2,401.8</b>	<b>2,303.8</b>	<b>2,358.1</b>
<b>Non-current liabilities</b>			
Loans and borrowings	2,424.8	2,432.2	2,391.7
Deferred tax liabilities	520.2	488.1	499.0
Derivatives	92.3	35.8	44.6
Provisions	0.5	0.7	0.6
Other non-current liabilities	13.9	13.9	14.0
<b>Total non-current liabilities</b>	<b>3,051.7</b>	<b>2,970.7</b>	<b>2,949.9</b>
<b>Current liabilities</b>			
Loans and borrowings	215.9	105.5	93.9
Derivatives	0.1	0.3	0.1
Current tax liabilities	3.4	15.2	13.5
Trade and other payables	54.3	65.7	69.9
<b>Total current liabilities</b>	<b>273.7</b>	<b>186.7</b>	<b>177.3</b>
<b>Total liabilities</b>	<b>3,325.4</b>	<b>3,157.4</b>	<b>3,127.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,727.2</b>	<b>5,461.2</b>	<b>5,485.4</b>



# Financial key figures

	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018
Equity ratio, %	42,0	41,9	40,7	43,0	42,2
Interest cover	4,4	4,4	4,3	4,3	4,3
Loan to Value (LTV), % <sup>1) 2)</sup>	46,7	46,9	46,7	45,9	46,2
Hedging ratio, %	90	89	93	94	94
Average interest rate, % <sup>3)</sup>	1,8	1,8	1,8	1,8	1,8
Average loan maturity, years	4,9	5,1	5,3	5,5	5,6
Average interest rate fixing period, years	5,2	5,4	5,6	5,8	5,7

1) The transition to IFRS 16 had an effect of 0.6 percentage points on this key figure during the review period

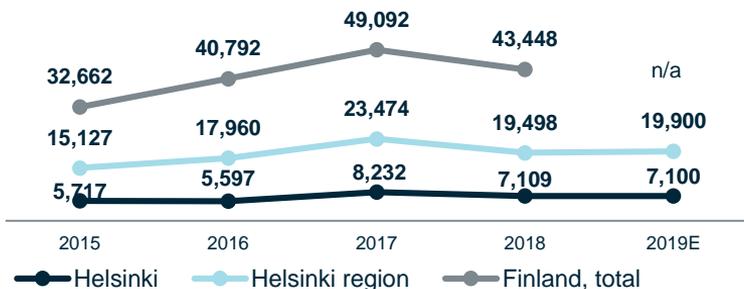
2) Excluding items held for sale

3) Includes interest rate derivatives

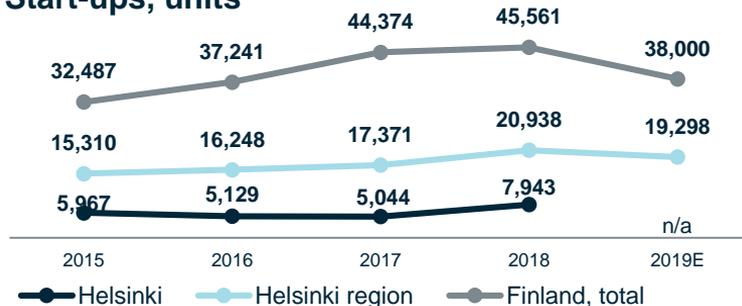


# Development of housing production

## Granted building permits, units

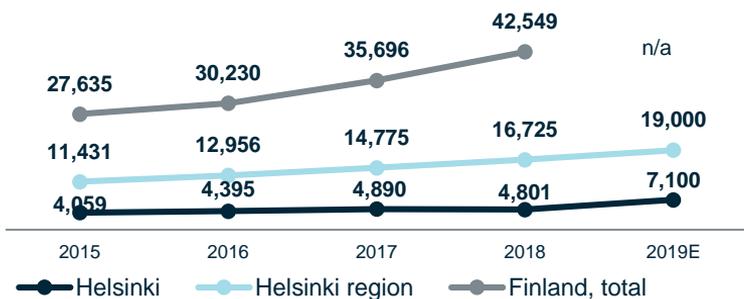


## Start-ups, units



Of the estimated 38,000 start-ups in Finland, 72% are block of flats (74% in 2018)

## Completed apartments, units



## Quarterly development in Helsinki, units



# Board of Directors



**Mikael Aro**  
Chairman



**Mikko Mursula**  
Vice Chairman



**Heli Puura**  
Member



**Matti Harjuniemi**  
Member



**Anne Leskelä**  
Member



**Minna Metsälä**  
Member



**Reima Rytsölä**  
Member

# Management team



**Jani Nieminen**  
CEO



**Erik Hjelt**  
CFO, Deputy to CEO



**Irene Kantor**  
Marketing and  
Communications Director



**Tiina Kuusisto**  
Chief Customer Officer  
(CCO)



**Ville Raitio**  
Chief Investment Officer  
(CIO)







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