



Financial Statements Release 2021

17 February 2022
Jani Nieminen, CEO
Erik Hjelt, CFO

Kojamo plc



Agenda

- Summary of year 2021
- Financial development
- Outlook, financial targets and dividend policy





Summary of year 2021

Operating environment

General operating environment

- In Finland, the economic growth is expected to continue driven by domestic demand
- The overall view of the economy is stable in spite of the acceleration of the COVID-19 pandemic
- The growth in private investments has come from residential construction but there are signs of recovery in other investments as well
- Residential construction is expected to remain strong this year supported by low interest rates and low level of housing supply

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
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-year old, % (1st vaccine / 2nd vaccine)	87.4 / 84.7	

Operating environment

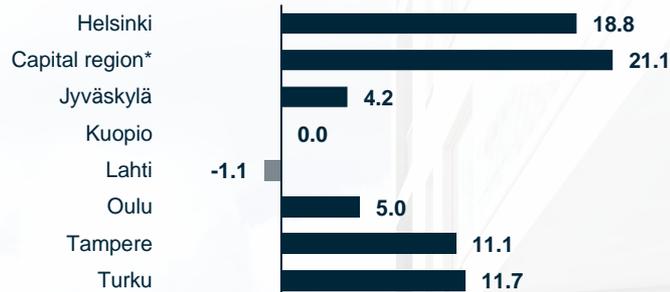
Pandemic does not have a long-term impact on the rental market

- The pandemic has had a temporary impact on occupancy rates
- Urbanisation, decreasing average household size and demand focusing on central locations support the demand for rental apartments
- The attractiveness of the capital region will continue in the future

Development of household sizes (% of all households)



Population growth forecast 2020–2040, %



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



Operating environment

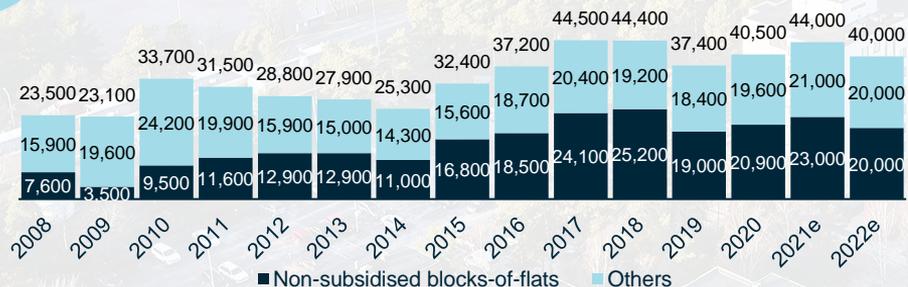
Completed apartments and population growth in the capital region in 2000–2020



Housing production need 2020–2040, %



Residential start-ups in Finland 2008–2022e



Housing production and demand

- 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. The focus is shifting even more clearly towards developer contracting
- Rapidly increasing costs and challenges with the availability of materials and labour may significantly slow down housing production



Key figures 1–12/2021

total revenue

391.7 M€

(383.9 M€, +2.0%)

net rental income

262.3 M€

(257.6 M€, +1.8%)

funds from operations (FFO)

153.1 M€

(151.4 M€, +1.1%)

fair value of investment
properties

8.3 Bn€

(6.9 Bn€, +21.3%)

gross investments

356.9 M€

(371.2 M€, -3.9%)

profit excluding changes in
value ¹⁾

173.2 M€

(165.5 M€, +4.7%)

profit before taxes

1,278.9 M€

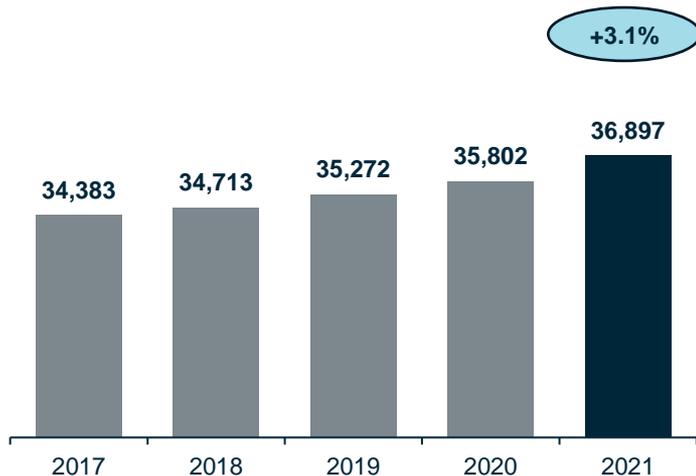
(391.2 M€, +226.9%)



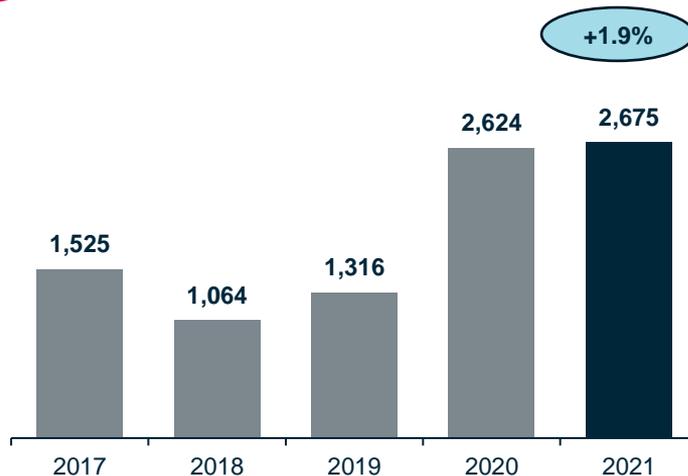
2,675 apartments under construction

- During the review period, 0 (18) apartments were sold, 0 (71) acquired and 1,282 (532) completed
- During the period, construction of 1,333 (1,840) apartments was started

Development of apartment portfolio, units

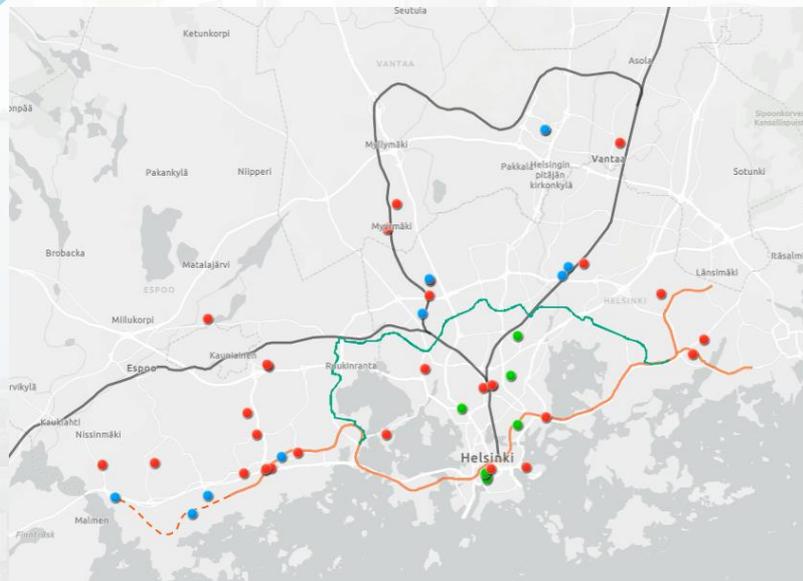


Apartments under construction, units



Strong project pipeline

Kojamo's projects on map



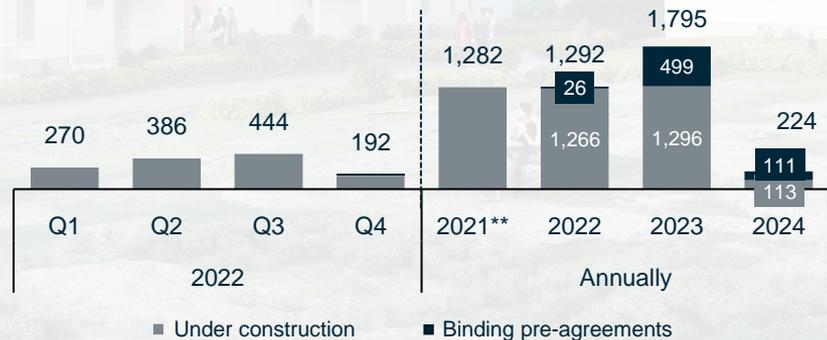
- Under construction
- Co-operation agreements*
- Metropolia development project properties

- Metro
- Railway
- Jokeri Light Rail **

* Apartments that are a part of co-operation agreements, but have been started are listed as 'Under construction' ** Estimated completion Q1/2024

- 2,675 apartments under construction, in the Helsinki region and Tampere
- Co-operation agreements on the construction of almost 600 apartments
- Metropolia property development project to create even 1,000 apartments, as six former educational properties will be converted into residential use

Estimate of completions, units***

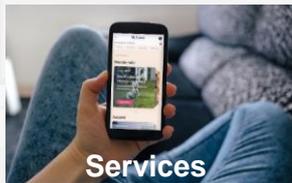
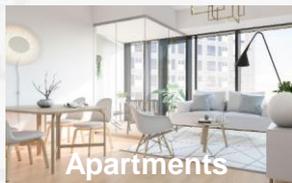


Lumo – Easily best living

Lumo is urban life at its best.

Lumo rental homes offer safe, convenient and environmentally friendly housing paired with the best housing services.

Lumo homes are located in the best areas of Finland's largest cities, close to a wide range of services and good public transport links.



Services of a new customer



Pets are welcome



50-100M broadband included in rent



Sustainable interior paints



Electricity contract tendering



Insurance service



Move and installation service



Move out cleaning service



Key courier service

Services during tenancy



Lumo real estate management and customer service



Lumo janitors



Parcel lockers



Flexible home swapping



Versatile events for tenants



Benefits from partners



Installation service



Installation of dishwasher



Car-sharing



Our sustainability work is proceeding

- We participated in the real estate sector's annual international GRESB Sustainability Assessment for the second time. Our score (77/100) improved by seven points compared to the previous year. With this result, we earned our second Green Star designation and three stars out of five
- In GRESB's separate Public Disclosure Assessment we achieved the highest A level rating
- EPRA recognised our sustainability reporting with a silver award for the second consecutive year
- We have assessed the company's EU taxonomy business operations for 2021. 100% of Kojamo's total revenue, operational expenses and investments were generated by taxonomically eligible economic activities

We commit to complying with the UN Sustainable Development Goals

We aim to use carbon-neutral energy in our properties by 2030



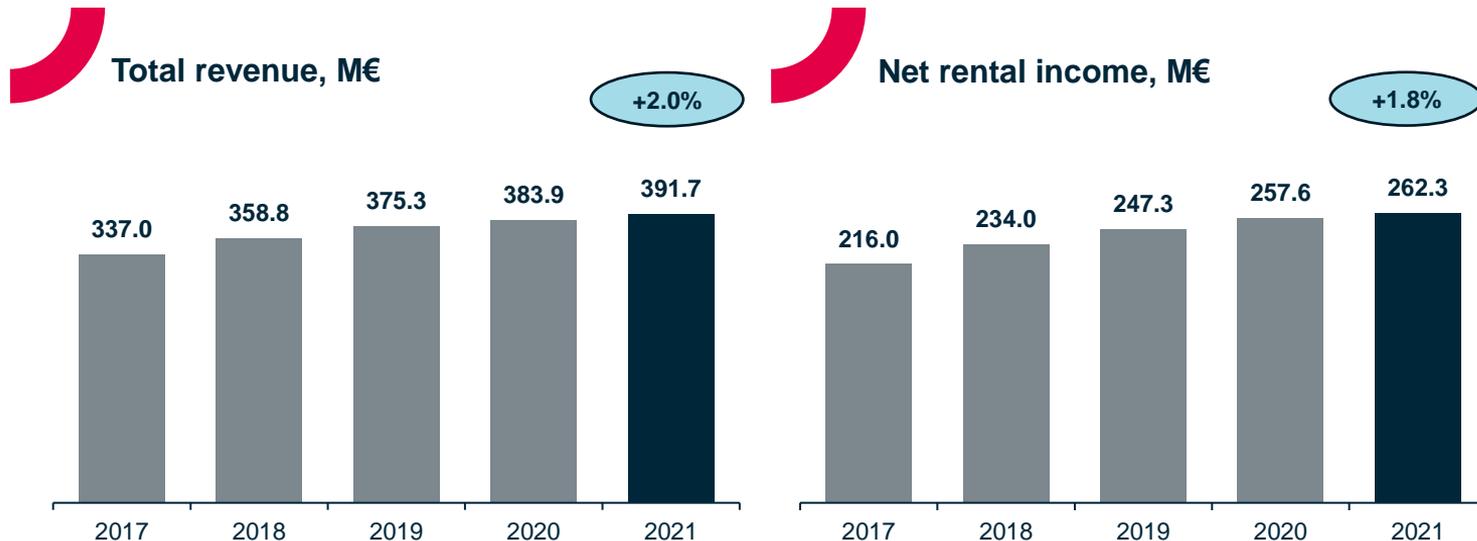
A photograph of a modern, multi-story apartment building with light-colored brickwork and large glass windows. The building features several balconies with glass railings. In the foreground, there is a paved walkway, a small playground with a green frame, and some bare trees. The sky is overcast. The text 'Financial development' is overlaid in a large, bold, dark blue font across the center of the image. There are also decorative light blue and dark blue curved shapes in the bottom left and top right corners.

Financial development



Total revenue and net rental income increased

- The growth of property portfolio and rental growth had a positive impact and the decrease on financial occupancy rate had a negative impact on the total revenue
- Net rental income increased due to higher total revenue and lower repair costs, but was weakened by higher property maintenance costs

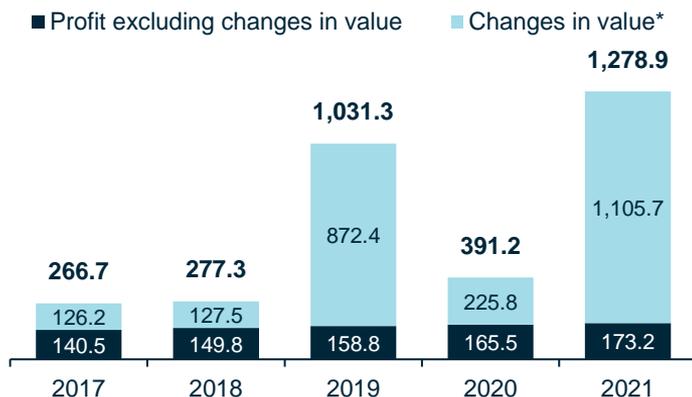




Positive development with profit before taxes and FFO

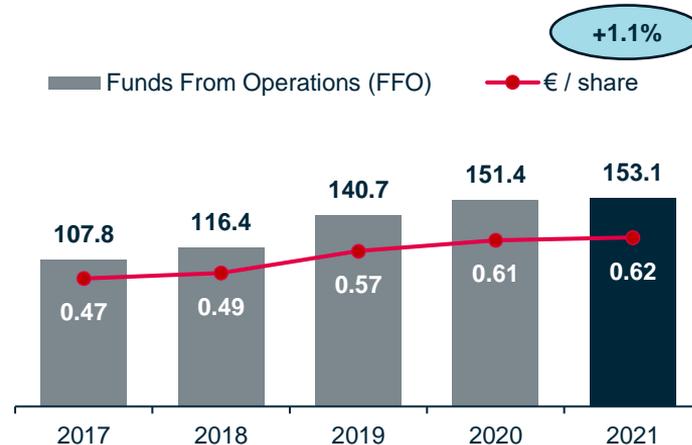
- Profit before taxes increased mainly due to changes in value
- The positive development of FFO was attributable to the improvement in net rental income

Profit before taxes, M€



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

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 since 2018. 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



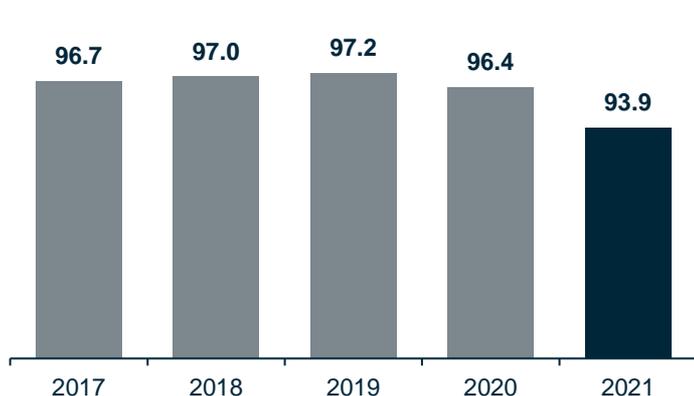


COVID-19 pandemic had a substantial effect on the financial occupancy rate

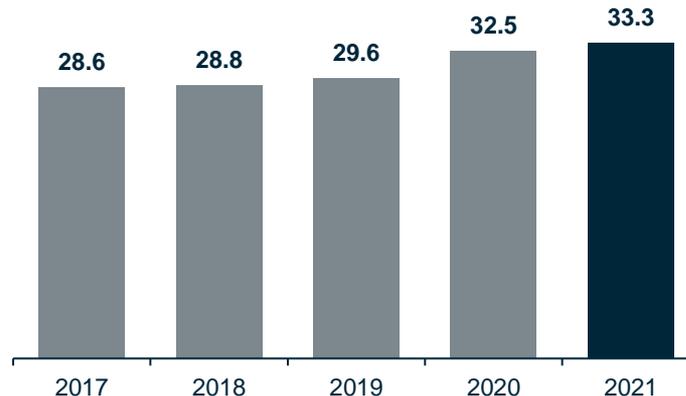
- COVID-19 pandemic has affected the amount of supply as well as migration
- Rent receivables to total revenue on a low level of 1.2% (1.2%)



Financial occupancy rate, %



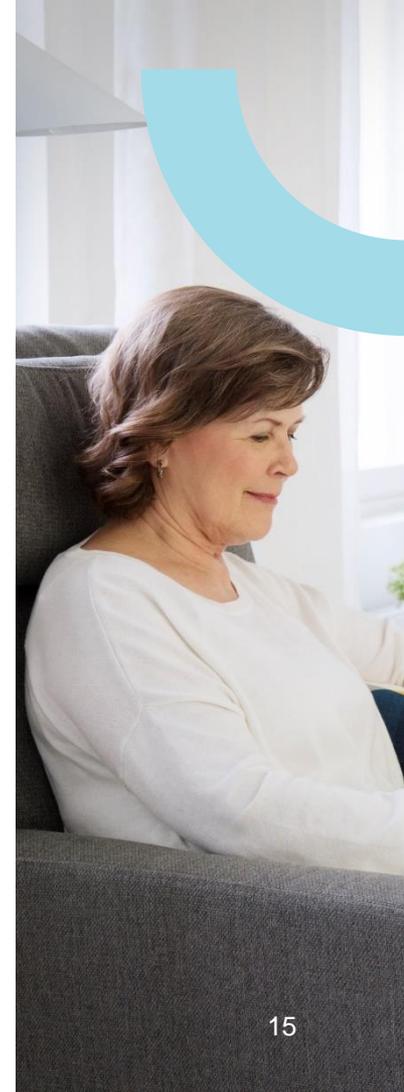
Tenant turnover, %
excluding internal turnover



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

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

Kojamo plc's Financial Statements Release 2021

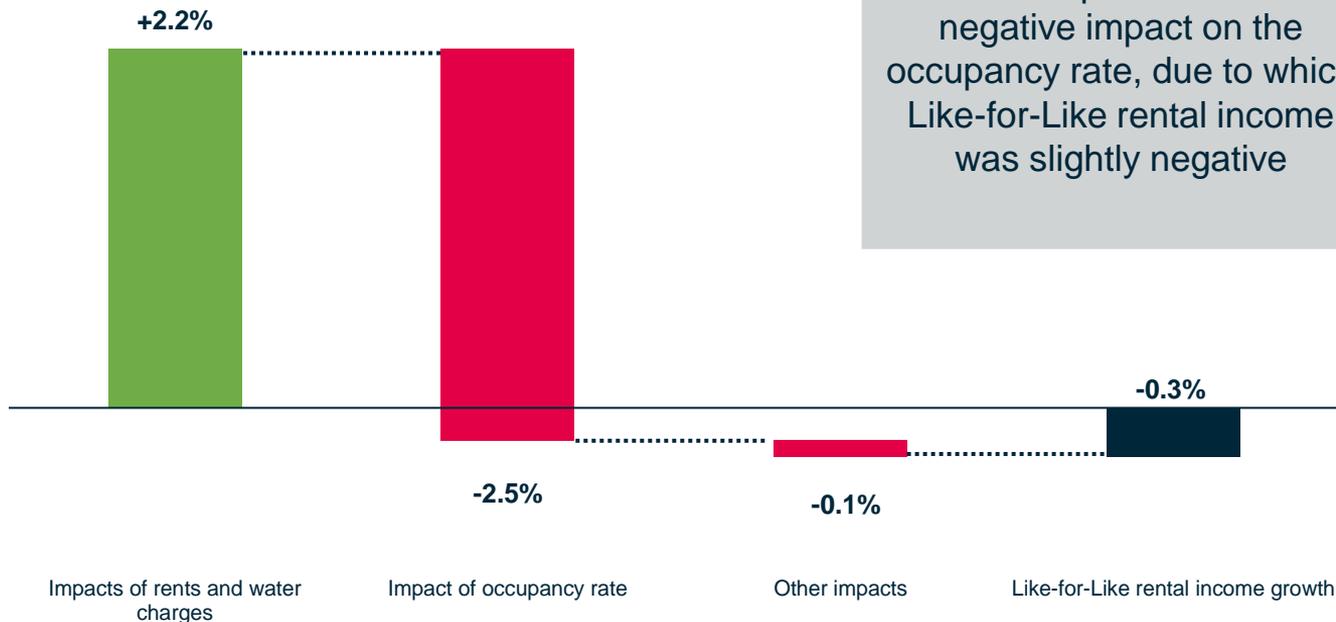




Development of Like-for-Like rental income

The past 12 months compared to the previous 12-month period

Development of Like-for-Like rental income as at 31 December 2021



COVID-19 pandemic had a negative impact on the occupancy rate, due to which Like-for-Like rental income was slightly negative





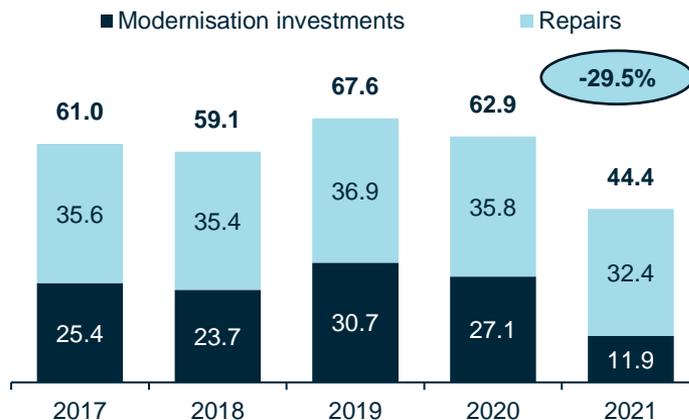
Investments proceeding according to strategy

- Repairs slightly lower than in the previous year, the decrease in modernisation investments was related to the timing of projects

Gross investments and sales of investment properties, M€



Modernisation investments and repairs, M€

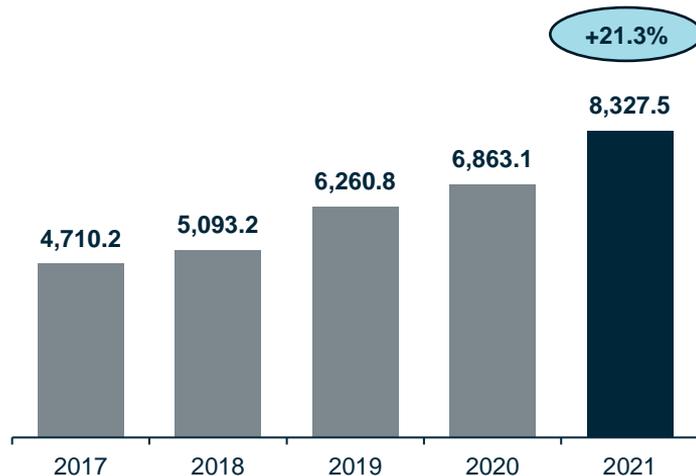




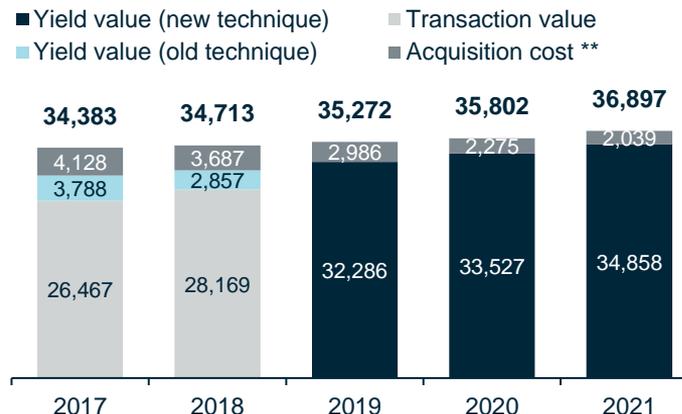
The value of investment properties was EUR 8.3 billion

- The fair value developed positively during the review period
- Yield compression in the second and the last quarter increased the fair value substantially

Fair value of investment properties, M€ *



Number of apartments by valuation classes



* Investment properties include completed apartments, development projects and land areas as well as investment properties held for sale ** 31 December 2021 includes 4 apartments as part of development projects





Plot and real estate development reserve 31 December 2021



To be completed in Q1/2022

	Apartments under construction	Binding preliminary agreements	Owned plots and development projects ¹		In total
			Metropolia development project	Others	
Investment / actual costs incurred, M€	392.1	-	80.0	51.1	523.2
Cost of completion, M€	267.6	122.9	n/a	n/a	390.5
1,000 fl.sq.m.	n/a	n/a	78	84	
Apartments	2,675	636	~1,000	~1,300 ²	~5,600

Vanhaistentie 1d, Helsinki



Niittykumuntie 12 B, Espoo



Henttaan Puistokatu 16, Espoo



Nöykkiönlaaksontie 7, Espoo



100% of plot and real estate development reserve is located in Helsinki region

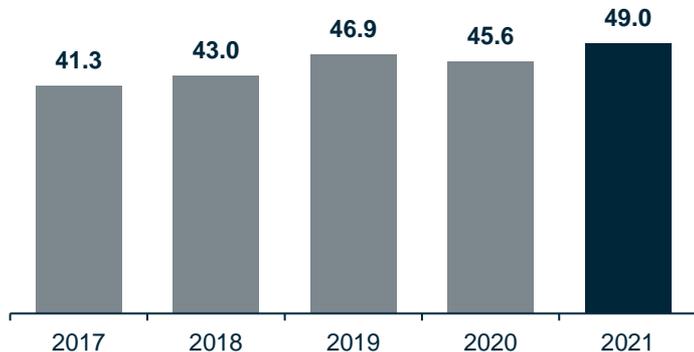
Kojamo estimates that investments in development projects amount to approximately EUR **310–360** million in 2022



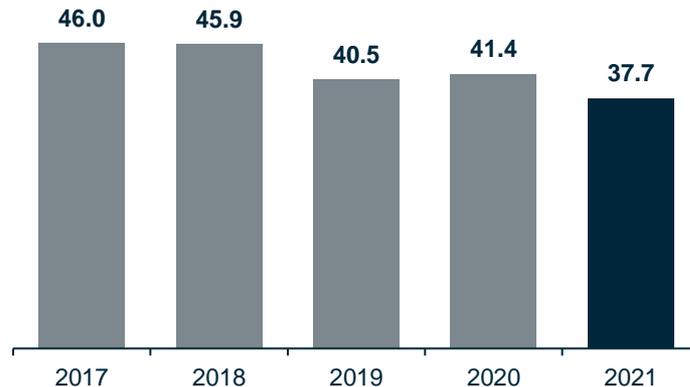
Equity ratio and Loan to Value (LTV) strengthened

- Equity ratio and Loan to Value (LTV) at a very strong level

 Equity ratio, %



 Loan to Value (LTV), %



The share issue improved the equity ratio by 1.6 percentage points

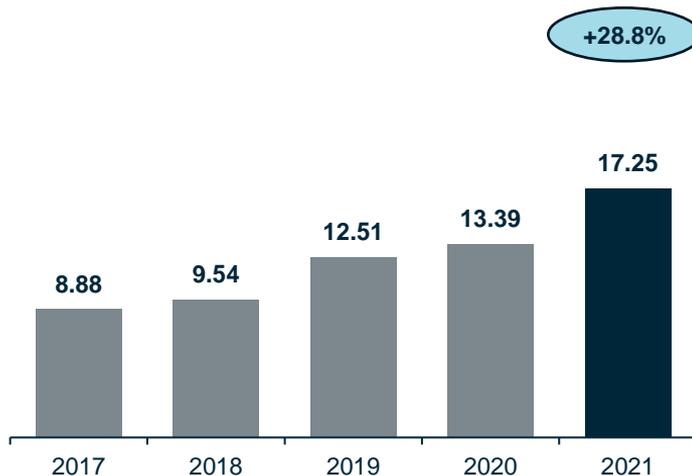




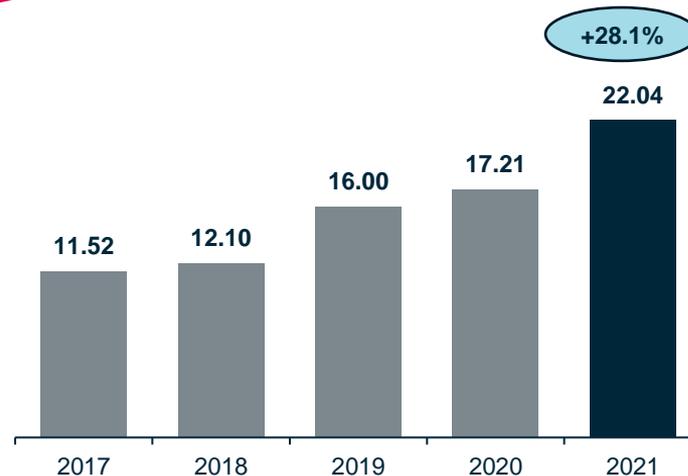
Key figures per share improved significantly

- Fair value growth of the investment properties had a positive impact on key figures per share

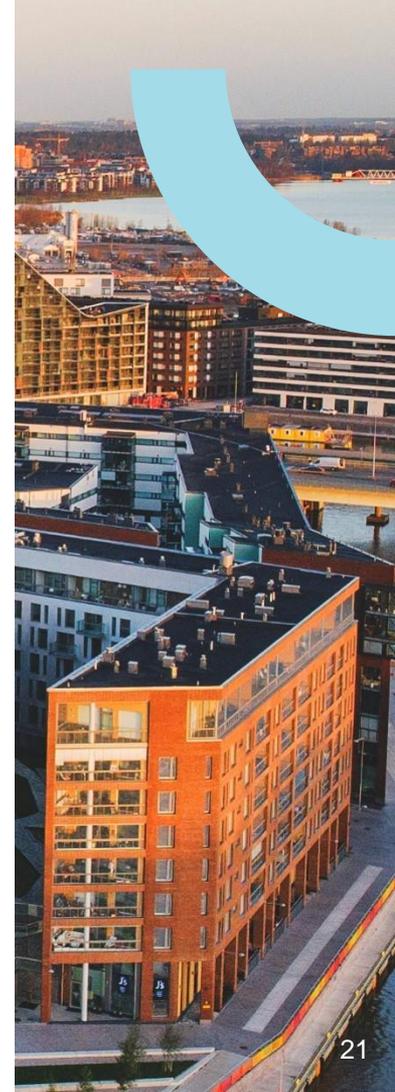
Equity per share, € ¹⁾



EPRA NRV per share, € ¹⁾



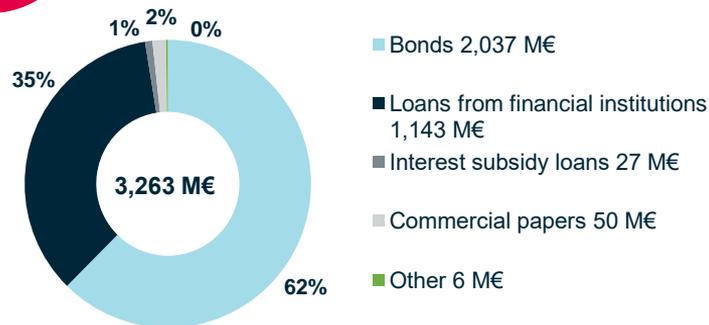
1) Key figures have been adjusted to reflect the impact of the decision by the Extraordinary General Meeting of Shareholders on 25 May 2018 regarding the share split. In the share split the shareholders received 30 new shares per each existing share





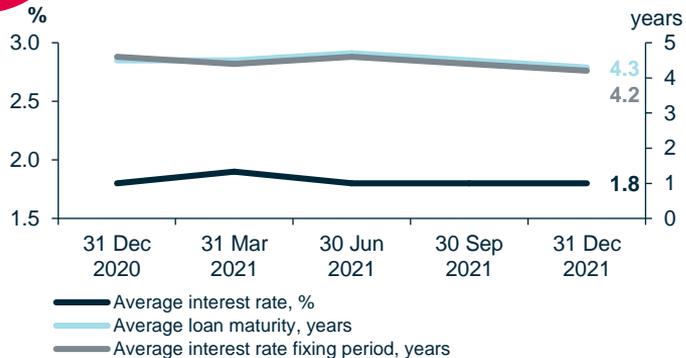
Versatile capital structure 31 December 2021

The Group's loan distribution



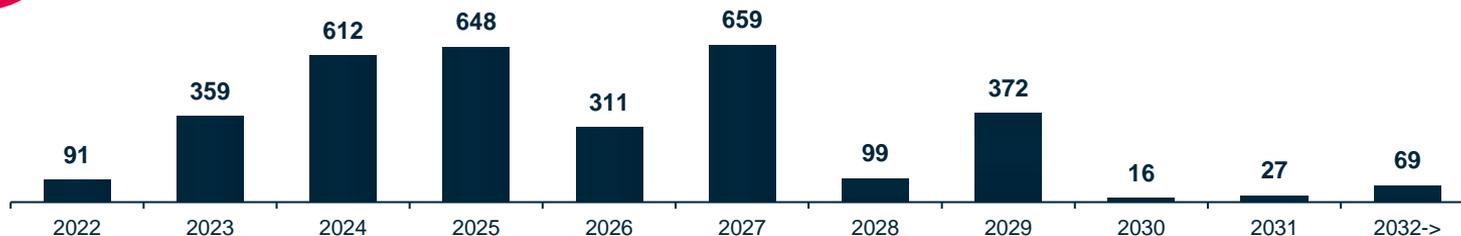
Loan amounts presented as IFRS figures. In addition, lease liabilities amounting to EUR 71.5 million are included in interest-bearing liabilities

Financing key figures



Average interest rate includes interest rate derivatives

Distribution of the Group's loan maturities, M€





Strategic targets 2020–2023

Key figure	Actual 2021	Actual 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



Outlook, financial targets and dividend policy



Outlook for Kojamo in 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 costs.

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.



Dividend policy

Dividend proposal by the Board of Directors

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.

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



* Board's proposal for the Annual General Meeting
 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

Total revenue and net rental income increased. Our balance sheet strengthened

The fair value of our investment properties increased. A strong pipeline allows growth to continue in line with the strategy

We expect that urbanisation will continue strong after the COVID-19 pandemic recedes



Thank you!

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Interim Report for January-March
2022 to be published on
12 May 2022



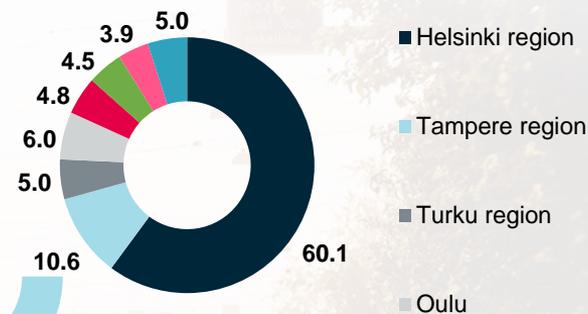
Appendix



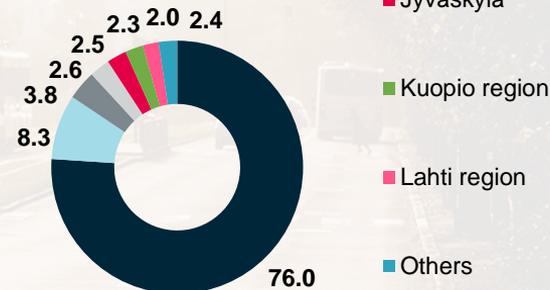
Kojamo's apartment portfolio

Region	Number of apartments, units	Number of commercial premises and other leased premises, units	Fair value, (EUR million)	Fair value, (EUR thousand / unit)	Fair value, (EUR / sqm)	Financial occupancy rate, % ³⁾	Share of revenue, %
Helsinki region	22,191	414	5,872	260	4,710	93.2	66
Tampere region	3,899	116	642	160	3,112	97.4	10
Turku region	1,855	20	291	155	2,730	97.4	5
Others	8,952	145	918	101	1,891	93.7	20
Total	36,897	695	7,722¹⁾	205	3,776	93.9	100
Others			605 ²⁾				
Total portfolio	36,897	695	8,327			93.9	100

Apartment distribution, %



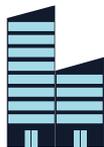
Fair value distribution, %



Our strategy 2020–2023

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

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

Strategic focal points

- Delivering the best customer experience
- Strong growth
- Operational excellence
- Responsibility and sustainable development
- The most competent personnel and a dynamic place to work
- Renewal through digital solutions

Values



Happy to serve



Strive for success



Courage to change



Strategic focal points 2020–2023

Delivering the best customer experience



We offer easy and effortless services for our customers and create added value through services

Strong growth



We seek profitable growth with multi-channel approach and optimised financing structure

Operational excellence



We create competitiveness and profitability through industry-leading operating models

Responsibility and sustainable development



Responsibility is a part of our DNA and plays important role in the work of everyone at Kojamo

Renewal through digital solutions



We improve our business and create added value to our customers by taking advantage of solutions enabled by digitalisation

The most competent personnel and a dynamic place to work



We are known for dynamic and effective corporate culture. We ensure our future competitiveness through competence development and employee experience



Our Digital Roadmap will guide us from today to year 2023 according to our strategy

Customer experience and servitisation

Scalability of operations, employee experience

Digitalisation of properties and services

Knowledge-based management and AI

Enabling technology and IT architecture

NPS 64

Digital services

70%

My Lumo user coverage

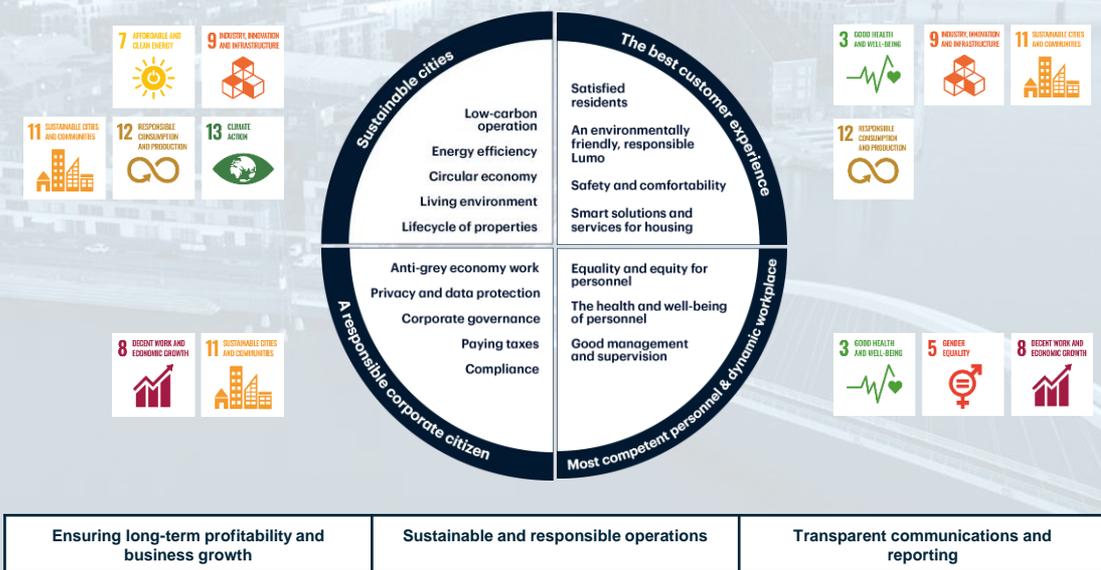
As at 31 December 2021



Sustainability programme guides our sustainability work from 2021 onwards

STRATEGIC FOCAL POINT 2020–2023: RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

We create better urban housing



Ensuring long-term profitability and business growth

Sustainable and responsible operations

Transparent communications and reporting



Key sustainability figures 2021

Energy efficiency

37.7

kWh/m³ (34.5)

9.8

MWh/apartment (8.9)

Carbon footprint

4.3

kg CO₂e/m³ (5.5)

1.2

t CO₂e/apartment (1.4)

20.0%

share of renewable energy
of energy consumption

82%

of completed apartments since
2016 with an E-value of ≤ 82¹⁾

100%

of apartments under
construction with
an E-value ≤ 82¹⁾

40%

waste recycling rate (37)

356.9 M€

gross investments in
growth centres

20

Net Promoter Score,
NPS (36)

~104 M€

Taxes and tax-like charges
(~ 101)

4.09/5

Personnel survey results²⁾
(75/68)



Sustainability is visible in our every day life

Sustainable cities

We commit to complying with the UN Sustainable Development Goals and to use carbon-neutral energy in our properties by 2030

100%

of Kojamo's premises are WWF Green Office certified

100%

of properties use water certified property electricity

28,000

apartments' indoor temperature controlled by IoT solution

-3.5%

heating index (kWh/m³)

-20.6%

carbon footprint (kg CO₂e/ apartment)

40%

waste recycle rate

our goal to improve energy consumption during 2017–2025

-7.5%

of which we have achieved

100%*

Investments to improve energy efficiency are a part of Kojamo's repairs and modernisation investments

The most competent personnel and a dynamic place to work

100%

Coverage of performance appraisals of personnel

61%

of personnel are women

95

occupational safety index

The best customer experience

20

Net Promoter Score

Shared cars

available for our tenants

A responsible corporate citizen

Anti-grey economy models

exceed legislative requirements

7,035

indirect employment effect (person years)

~104

tax footprint, EUR million

0

data protection violations or deviations

150

grants to support the physical activity and sports of youth and families with children living in Lumo homes



Sustainability commitments and reporting

Our sustainability commitments



We aim to use carbon-neutral energy in our properties by 2030



We commit to complying with the UN Sustainable Development Goals



We commit to improve our energy efficiency by 7.5% during 2017–2025



Our sustainability reporting and recognitions



GRESB
★★★★★ 2021

77/100

We participated the global GRESB sustainability assessment



We apply EPRA's Sustainability Best Practice Recommendations in our reporting



Our sustainability report is in accordance with GRI Core level



Our memberships

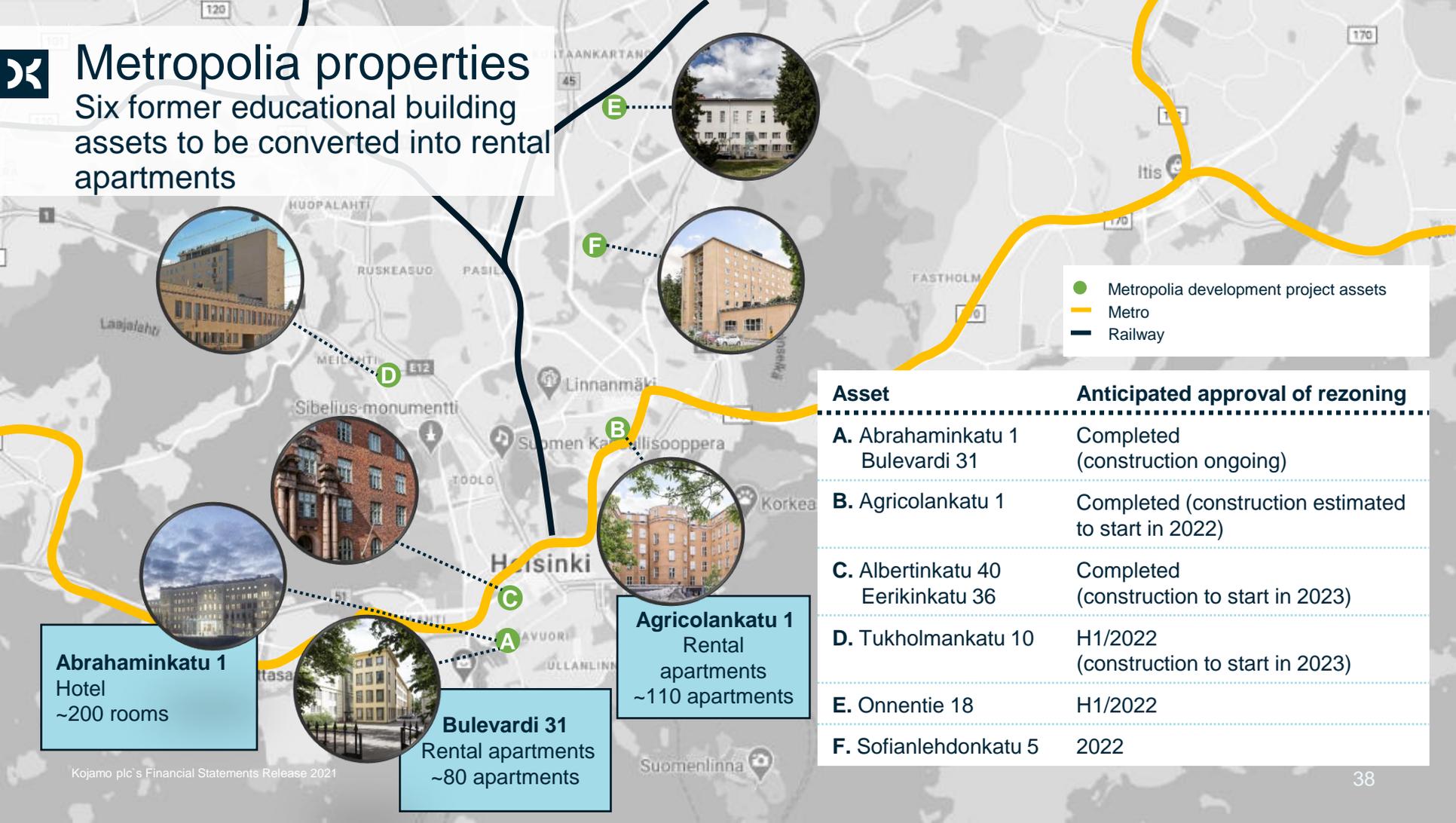


CLIMATE PARTNERS



Metropolia properties

Six former educational building assets to be converted into rental apartments



Abrahaminkatu 1
Hotel
~200 rooms

Bulevardi 31
Rental apartments
~80 apartments

Agricolankatu 1
Rental apartments
~110 apartments

Asset	Anticipated approval of rezoning
A. Abrahaminkatu 1 Bulevardi 31	Completed (construction ongoing)
B. Agricolankatu 1	Completed (construction estimated to start in 2022)
C. Albertinkatu 40 Eerikinkatu 36	Completed (construction to start in 2023)
D. Tukholmankatu 10	H1/2022 (construction to start in 2023)
E. Onnentie 18	H1/2022
F. Sofianlehdonkatu 5	2022



Kojamo's ten largest shareholders (as at 31 December 2021)

Shareholder	Number of shares	% of shares
Nominee-registered and direct foreign shareholders	129,450,733	52.4
1. Ilmarinen Mutual Pension Insurance Company	20,537,814	8.3
2. Varma Mutual Pension Insurance Company	19,362,375	7.8
3. The Finnish Industrial Union	16,506,142	6.7
4. Trade Union of Education in Finland	12,081,498	4.9
5. Finnish Construction Trade Union	8,278,075	3.3
6. Trade Union for the Public and Welfare Sectors	5,700,000	2.3
7. Trade Union PRO	5,154,150	2.1
8. Service Union United PAM	5,150,000	2.1
9. Elo Mutual Pension Insurance Company	2,661,113	1.1
10. Stiftelsen för Åbo Akademi sr	1,700,643	0.7
Other Finnish shareholders	20,561,856	8.3
Total	247,144,399	100.0

Source: Euroclear Finland

Development of the number of the shareholders



Flagging notifications exceeding flagging threshold

Shareholder	Transaction announced	Threshold	Ownership according to flagging
Norges Bank	6 Sep 2021	5%	5.30%
Heimstaden Bostad AB	1 Nov 2021	10%	10.00387%



Key figures

	10–12/2021	10–12/2020	Change, %	2021	2020	Change, %
Total revenue, M€	99.6	97.1	2.6	391.7	383.9	2.0
Net rental income, M€	65.5	63.8	2.6	262.3	257.6	1.8
Net rental income margin, %	65.8	65.7		67.0	67.1	
Profit before taxes, M€	662.9	193.2	243.2	1,278.9	391.2	226.9
Gross investments, M€	98.7	107.2	-7.9	356.9	371.2	-3.9
Funds From Operations (FFO), M€	38.6	38.2	1.1	153.1	151.4	1.1
FFO per share, €	0.16	0.15	6.7	0.62	0.61	1.6
Financial occupancy rate, %				93.9	96.4	
Fair value of investment properties, Bn€				8.3	6.9	21.3
Number of apartments				36,897	35,802	
Number of apartments under construction				2,675	2,624	
EPRA NRV per share, €				22.04	17.21	28.1
Equity ratio, %				49.0	45.6	
Loan to Value (LTV), %				37.7	41.4	



Consolidated income statement

M€	10–12/2021	10–12/2020	2021	2020
Total revenue	99.6	97.1	391.7	383.9
Maintenance expenses	-25.2	-22.4	-96.9	-90.5
Repair expenses	-8.9	-10.9	-32.4	-35.8
Net rental income	65.5	63.8	262.3	257.6
Administrative expenses	-9.9	-9.4	-37.3	-38.4
Other operating income and expenses	1.3	0.7	3.9	3.4
Profit/loss on sales of investment properties	-	-	0.3	-0.7
Profit/loss on fair value of investment properties	621.6	151.7	1,105.7	225.8
Depreciation, amortisation and impairment losses	-0.3	-0.2	-1.2	-1.3
Operating profit	678.2	206.7	1,333.7	446.3
Total amount of financial income and expenses	-15.5	-13.7	-54.9	-55.3
Share of result from associated companies	0.1	0.2	0.1	0.2
Profit before taxes	662.9	193.2	1,278.9	391.2
Current tax expense	-3.5	-3.4	-18.8	-16.9
Change in deferred taxes	-129.1	-35.4	-236.7	-61.5
Profit for the period	530.3	154.4	1,023.4	312.9



Balance sheet

M€	31 Dec 2021	31 Dec 2020
ASSETS		
Non-current assets		
Intangible assets	0.8	0.4
Investment properties	8,326.4	6,860.7
Property, plant and equipment	28.8	29.8
Investments in associated companies	1.5	1.1
Financial assets	0.7	0.7
Non-current receivables	6.9	7.7
Deferred tax assets	10.1	16.0
Total non-current assets	8,375.2	6,916.4
Non-current assets held for sale	1.1	2.4
Current assets		
Trading properties	0.1	0.1
Derivatives	0.4	0.1
Current tax assets	5.2	3.8
Trade and other receivables	8.9	10.5
Financial assets	128.8	117.5
Cash and cash equivalents	197.0	210.5
Total current assets	340.5	342.7
TOTAL ASSETS	8,716.8	7,261.5



Balance sheet

M€	31 Dec 2021	31 Dec 2020
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	4,263.3	3,309.5
Non-current liabilities		
Loans and borrowings	3,234.8	2,832.6
Deferred tax liabilities	981.0	744.5
Derivatives	47.9	80.6
Provisions	0.4	0.4
Other non-current liabilities	5.1	4.6
Total non-current liabilities	4,269.3	3,662.7
Current liabilities		
Loans and borrowings	99.7	220.7
Derivatives	0.3	0.6
Current tax liabilities	5.5	2.3
Trade and other payables	78.7	65.6
Total current liabilities	184.2	289.2
Total liabilities	4,453.5	3,952.0
TOTAL EQUITY AND LIABILITIES	8,716.8	7,261.5



Financial key figures

	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020
Equity ratio, %	49.0	46.2	45.8	45.5	45.6
Interest cover	4.0	4.0	4.0	4.1	4.2
Loan to Value (LTV), %	37.7	41.0	41.0	40.2	41.4
Hedging ratio, %	92	92	92	90	91
Average interest rate, % ¹⁾	1.8	1.8	1.8	1.9	1.8
Average loan maturity, years	4.3	4.5	4.7	4.5	4.5
Average interest rate fixing period, years	4.2	4.4	4.6	4.4	4.6

¹⁾ Includes interest rate derivatives



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