kojamo

Board of Directors' Report and Financial Statements

2023

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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.

Kojamo 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.

More information on Kojamo's strategic targets and their achievement is provided under Progress of strategy implementation and targets.

Summary of performance in 2023

- Total revenue increased by 7.0 per cent to EUR 442.2 (413.3) million.
- Net rental income increased by 6.1 per cent, totalling EUR 297.2 (280.1) million. Net rental income represented 67.2 (67.8) per cent of revenue.
- Result before taxes was EUR -112.3 (-499.8) million. The result includes EUR -295.4 (-682.0) million in net result on the valuation of investment properties at fair value and EUR 0.2 (0.2) million in profit/loss from the sale of investment properties. Earnings per share was EUR -0.36 (-1.62).
- Funds From Operations (FFO) increased by 4.1 per cent and amounted to EUR 167.2 (160.7) million.
- The fair value of investment properties was EUR 8.0 (8.2) billion at the end of the financial year.
- The financial occupancy rate stood at 93.0 (92.0) per cent during the financial year.
- Gross investments totalled EUR 190.7 (501.6) million, representing 43.1 (121.4) per cent of total revenue.
- Equity per share was EUR 14.67 (15.55) and return on equity was -2.4 (-9.9) per cent. Return on investment was -0.4 (-5.7) per cent.
- EPRA NRV per share (net reinstatement value) decreased by 5.5 per cent and amounted to EUR 18.45 (19.53).
- At the end of the financial year, there were 354 (1,804) Lumo apartments under construction.
- The Board of Directors' dividend proposal is that no dividend be paid for 2023.

Kojamo owned 40,619 (39,231) rental apartments at the end of the financial year. In 2023, Kojamo acquired 0 (985) apartments, completed 1,450 (1,348) apartments, sold 73 (0) apartments and demolished or otherwise altered 11 (1) apartments.

Outlook for 2024

Kojamo estimates that in 2024, the Group's total revenue will increase by 4–8 per cent year-on-year. In addition, Kojamo estimates that the Group's FFO for 2024 will amount to between EUR 154–166 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 market trends, the regulatory environment or the competitive landscape.

Saving programme

In August 2023, Kojamo launched a saving programme where the company targets total savings of approximately EUR 43 million in costs and investments during 2024, of which the share of costs is estimated to be approximately EUR 18 million. We will not make new investments for the time being, and we will reduce repairs other than those supporting renting of apartments. We started change negotiations as part of the saving programme which were concluded in October 2023. We may carry out property sales during 2024. In addition, the company's Board of Directors will propose to the Annual General Meeting in the spring of 2024 that no dividend be paid for 2023. All measures aim at maintaining the company's profitability and safeguarding credit rating.

The saving programme is proceeding as planned.

Effects of Russia's war of aggression in Ukraine on Kojamo

The continuation of Russia's war of aggression is still reflected in the recovery of the world economy. The development of the Finnish economy was weak last year. Energy prices, which had risen sharply due to the war, fell during the year, but in general, inflation continued to be high. The rise in prices affected Kojamo's maintenance costs, especially in the beginning of the year regarding heating costs and electricity prices.

Key figures

	2023	2022	Change %
Total revenue, M€	442.2	413.3	7.0
Net rental income, M€ *	297.2	280.1	6.1
Net rental income margin, % *	67.2	67.8	
Profit/loss before taxes, M€ *	-112.3	-499.8	77.5
EBITDA, M€ *	-39.9	-441.3	91.0
EBITDA margin, % *	-9.0	-106.8	
Adjusted EBITDA, M€ *	255.1	240.4	6.1
Adjusted EBITDA margin, % *	57.7	58.2	
Funds From Operations (FFO), M€ *	167.2	160.7	4.1
FFO margin, % *	37.8	38.9	
FFO excluding non-recurring costs, M€ *	167.2	160.7	4.1
Investment properties, M€	8,038.8	8,150.2	-1.4
Financial occupancy rate, %	93.0	92.0	
Interest-bearing liabilities, M€ *	3,600.4	3,678.2	-2.1
Return on equity (ROE), % *	-2.4	-9.9	
Return on investment (ROI), % *	-0.4	-5.7	
Equity ratio, % *	44.5	45.3	
Loan to Value (LTV), % *	44.6	43.7	
EPRA Net Reinstatement Value (NRV), M€	4,558.8	4,825.9	-5.5
Gross investments, M€ *	190.7	501.6	-62.0
Number of personnel, end of the period	288	304	

Key figures per share, €	**2023**	**2022**	**Change %**
FFO per share *	0.68	0.65	4.6
Earnings per share	-0.36	-1.62	77.8
EPRA NRV per share	18.45	19.53	-5.5
Equity per share	14.67	15.55	-5.7
Dividend per share [1)]	-	0.39	-100.0

* 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)] 2023: The Board of Directors proposes to the Annual General Meeting that no dividend be paid for 2023

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 financial market situation and interest rates, as well as macroeconomic factors, such as economic growth, employment, disposable income, inflation, regional population growth and household sizes.

Operating environment key figures

%	2024E	2023E
GDP growth	0.7	-0.5
Unemployment	7.5	7.2
Inflation	2.0	6.3

Source: Ministry of Finance, Economic survey 12/2023

According to the economic survey published by the Ministry of Finance in December, the outlook for the global economy is uncertain. High interest rates, weak consumer confidence as well as geopolitical tensions cast a shadow over the outlook. However, inflation has slowed down quickly, and employment has remained high in many economies.

The economic outlook for the United States is quite favorable, and the growth continued strong last autumn driven by private consumption. Economic growth is expected to slow down during 2024, but the decline is believed to be short-lived. Economic growth in the euro area stalled at the end of 2023 as Germany's growth, in particular, has been weak. The predictive indicators for industry and services are at a low level.

With the slowing inflation, it is estimated that the US and the European central bank's the rate hike cycle of is over, and the market expects interest rate cuts to start in the first half of 2024.

The Finnish economy contracted slightly in 2023. The fall in interest rates and the slowdown in inflation will increase consumers' purchasing power as well as investments, and the Finnish economy is expected to turn to a small growth in 2024. Employment is estimated to decrease temporarily, but to remain at a high level.

Industry operating environment

Industry key figures

	2024E	2023E
Residential start-ups, units	<19,500	<16,000
of which non-subsidised block-of-flats	5,000	3,800
Building permits granted, annual, units *	n/a	20,992
Construction costs, change % **	n/a	1.1

* Rolling 12 months, November 2023, ** 2023E: building cost index, December 2023
Sources: Confederation of Finnish Construction Industries (CFCI), economic forecast September 2023; Statistics Finland, Building and dwelling production; Statistics Finland, Building cost index; Construction companies' interim reports

According to the Confederation of Finnish Construction Industries CFCI's economic forecast published in September, the number of residential start-ups was predicted to fall to a historically low level of around 16,000 apartments in 2023 and to remain almost as low this year as well. Based on the interim reports published by construction companies, the number of start-ups may be significantly lower than this.

According to Nordea's housing market review published in December, the strong contraction in residential construction is due to weak demand and high plot and construction prices. Nordea estimates that plot prices and construction costs should fall by about 15 per cent from the current level in order for construction to become profitable again. Despite the expectation of lower interest rates, it does not appear that the construction will start on a large scale yet in 2024. Construction may be at a standstill for a longer period of time, which reduces the housing supply.

Effects of urbanisation

Area	Population growth forecast, % 2022–2040	Share of rental household-dwelling units, % 2010	2022
Helsinki	22.4	47.1	50.4
Capital region [1)]	25.9	41.9	46.6
Helsinki region [2)]	n/a	37.7	42.6
Jyväskylä	8.0	40.2	46.0
Kuopio	3.5	36.5	42.1
Lahti	-0.2	37.3	42.0
Oulu	9.6	36.7	43.3
Tampere	17.6	42.2	51.5
Turku	18.1	43.0	51.8
Other areas	n/a	23.8	26.8

[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 2022; MDI population forecast 2040 (urbanization scenario), September 2023

According to the population forecast published by MDI in September 2023, urbanization continues strongly, and regional differences are increasing. In the future, the population will be concentrated in large city areas largely with the rest of Finland weakening. In addition to migration within the country, immigration that has increased in the 2020s will advance urbanization. Immigration is strong to the capital region as well other large cities.

The population growth of the capital region, Tampere and Turku accelerated during the last year. According to Statistics Finland's preliminary population statistics, Helsinki, Espoo, Tampere, Vantaa and Turku were Finland's most grown municipalities in 2023. With the exception of Vantaa, the population increase of all these municipalities has been stronger than in the past few decades. The population growth was especially strong in Helsinki, where it was almost double compared to the previous year.

According to Nordea's housing market review, at the same time that urbanization has intensified, construction has fallen sharply. This is expected to significantly balance the supply-demand situation in the market.

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 40,619 (39,231) rental apartments. The fair value of Kojamo's investment properties amounted to EUR 8.0 (8.2) 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 2023, 97.5 per cent of Kojamo's rental apartments were located in the seven largest Finnish growth centres, 86.8 per cent in the Helsinki, Tampere and Turku regions and 73.8 per cent in the Helsinki region. Kojamo's share of the country's entire rental housing market is about four per cent.

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

Total revenue

Kojamo's total revenue increased to EUR 442.2 (413.3) million. Total revenue is generated entirely by income from rental operations.

Total revenue increased especially due to the rental apartments completed in 2022 and 2023 by around EUR 17.0 million, due to the development of rents and the financial occupancy rate by around EUR 6.1 million, and due to the properties acquired in the summer of 2022 by around EUR 4.8 million.

Result and profitability

Net rental income increased to EUR 297.2 (280.1) million, which corresponds to 67.2 (67.8) per cent of total revenue. The growth of total revenue EUR 28.9 million and the decrease of repair costs by a EUR 0.9 million had a positive impact and higher property maintenance costs EUR 12.6 million had a negative impact on the net rental income. Heating costs, credit losses and property taxes, in particular, increased year-on-year.

Result before taxes was EUR -112.3 (-499.8) million. Result includes EUR -295.4 (-682.0) million in net result on the valuation of investment properties at fair value and EUR 0.2 (0.2) million in profit/loss from the sale of investment properties. The negative impact on the valuation of the investment properties at fair value was mainly attributable to yield increase by EUR -815.5 million and positively affected by the growth in net rental income by EUR 305.9 million, changes in inflation, rents and expense growth assumptions by EUR 181.7 million and other items by EUR 32.5 million. The yield requirements and other input data are based on market observations and the best available market information. This information includes the opinion of an external independent valuer. The yield requirements for the valuation of the investment properties were increased on an average by 0.43 percentage points. Result before taxes and excluding net result on the valuation of the investment properties at the fair value increased by EUR 0.9 million totalling EUR 183.1 (182.2) million.

Financial income and expenses totalled EUR -71.3 (-57.4) million. Financial income and expenses increased EUR 13.9 million year-on-year. Gain/loss on the valuation of investments amounted to EUR 1.1 (-1.4) million and the unrealised change in the fair value of derivatives EUR -0.9 (6.8) million. A profit of EUR 8.7 million was recorded in financial income as the difference between the nominal value of the repurchased bonds and their purchase prices. Interest expenses increased by EUR 17.6 million year-on-year due to the higher amount of interest-bearing liabilities.

Funds From Operations (FFO) amounted to EUR 167.2 (160.7) million. The increase in FFO was attributable to the improvement in net rental income and the profit from the repurchase of bonds during the financial year.

Balance sheet, cash flow and financing

	31 Dec 2023	31 Dec 2022
Balance sheet total, M€	8,158.3	8,482.3
Equity, M€	3,625.9	3,842.7
Equity per share, €	14.67	15.55
Equity ratio, %	44.5	45.3
Return on equity (ROE), %	-2.4	-9.9
Return on investment (ROI), %	-0.4	-5.7
Interest-bearing liabilities, M€	3,600.4	3,678.2
Loan to Value (LTV), %	44.6	43.7
Coverage ratio	3.6	3.8
Average interest rate of loan portfolio, % *	2.4	1.9
Average loan maturity, years	2.8	3.5
Cash and cash equivalents, M€	15.0	119.4

* Includes interest rate derivatives

Kojamo's liquidity was good during the financial year. At the end of the financial year, Kojamo's cash and cash equivalents stood at EUR 15.0 (119.4) million and liquid financial assets at EUR 3.3 (104.0) million.

EUR 39.7 (30.9) million of the EUR 250 million commercial paper programme was in use at the end of the financial year. Kojamo has committed credit facilities of EUR 275 million and an uncommitted credit facility of EUR 5 million that were unused at the end of the financial year. In addition, the below mentioned EUR 425 million syndicated loan signed in October was undrawn at the end of the financial year.

The following financing arrangements were made during the financial year:

In April, Kojamo plc signed a new EUR 75 million credit agreement with Aktia Bank Plc. The credit agreement is unsecured and has a maturity of five years. The loan was used for the refinancing of a EUR 50 million credit agreement with Aktia that matured in summer 2023, as well as for the group's general financing needs.

In May, Kojamo plc signed a new EUR 425 million credit facility agreement linked to its sustainability targets together with six relationship banks. The syndicated loan is secured and has a maturity of three years with two one-year extension options. The loan was used to refinance company's existing indebtedness as well as for the group's general financing needs.

In June, Kojamo plc repurchased with a public tender offer EUR 150 million of its bonds maturing in 2024 and 2025. The

bond maturing in 2024 was repurchased for EUR 65.5 million and the bond maturing in 2025 for EUR 84.5 million.

In October, Kojamo plc signed a new EUR 425 million credit agreement linked to its sustainability targets together with five relationship banks. The loan is secured and has a maturity of three years with two one-year extension options. The loan will be used for the refinancing of company's existing indebtedness as well as for the group's general financing needs.

Kojamo's unsecured financing agreements include financial covenants. They are described in more detail in note 4.6.

Real estate property and fair value

M€	31 Dec 2023	31 Dec 2022
Fair value of investment properties on 1 Jan	8,150.2	8,327.5
Acquisition of investment properties	165.1	478.9
Modernisation investments	26.7	22.5
Disposals of investment properties	-12.0	-1.3
Capitalised borrowing costs	4.2	4.6
Profit/loss on fair value of investment properties	-295.4	-682.0
Fair value of investment properties at the end of the period	**8,038.8**	**8,150.2**

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

M€	31 Dec 2023	31 Dec 2022
Fair value on 1 Jan	73.8	70.6
Increases/decreases	5.2	4.3
Profit/loss on fair value of investment properties	-1.3	-1.1
Fair value of investment properties at the end of the period	**77.8**	**73.8**

Kojamo owned a total of 40,619 (39,231) 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 issued on the situation as at 31 Dec 2023. 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 211,000 (184,000) floor sq.m. The fair value of the plot and real estate development reserve (including the Metropolia properties) was EUR 178.1 (152.7) million at the end of the financial year.

Rental housing

Apartments	31 Dec 2023	31 Dec 2022
Number of apartments	40,619	39,231
Average rent, €/m²/month	17.81	17.55
Average rent, €/m²/month, yearly average	17.74	17.30

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 are also easily available for rent on our webstore.

Rental housing key figures

%	1–12/2023	1–12/2022
Financial occupancy rate	93.0	92.0
Tenant turnover rate, excluding internal turnover	29.5	31.1
Like-for-Like rental income growth *	1.9	0.3
Rent receivables in proportion to revenue	1.6	1.5

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

The full-year financial occupancy rate was 93.0 (92.0) per cent. At year-end, 133 (274) apartments were vacant due to renovations.

Kojamo's property portfolio by region as at 31 December 2023

%	Helsinki region	Tampere region	Turku region	Oulu	Jyväskylä	Kuopio region	Lahti region	Others
Distribution by number of apartments	62.4	9.7	5.2	5.5	5.1	4.1	3.5	4.5
Distribution by fair value	73.8	8.7	4.3	2.9	3.1	2.5	2.2	2.5

Information on the property portfolio as at 31 December 2023

Area	Number of apartments, units	Number of commercial premises and other leased premises, units	Fair value, M€	Fair value, € 1,000/unit	Fair value, €/m²	Financial occupancy rate, % [3)]
Helsinki region	25,332	476	5,711.4	221	4,135	91.9
Tampere region	3,949	111	670.7	165	3,234	96.4
Turku region	2,122	25	334.6	156	2,935	95.8
Other	9,216	145	1,017.9	109	2,063	94.7
Total	**40,619**	**757**	**7,734.5** [1)]	**187**	**3,523**	**93.0**
Other			304.3 [2)]			
Total portfolio	**40,619**	**757**	**8,038.8**			

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

[2)] Fair value of ongoing projects under constructions, 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 2023	31 Dec 2022
Acquisition of investment properties *	159.9	474.5
Modernisation investments	26.7	22.5
Capitalised borrowing costs	4.2	4.6
Total	**190.7**	**501.6**
Repair expenses, M€	29.3	30.2

* Not including leases for plots of land.

Number of apartments

Units	31 Dec 2023	31 Dec 2022
Apartments at the start of the financial year	39,231	36,897
Divestments	-73	-
Acquisitions	-	985
Completed	1,450	1,348
Demolished or altered	11	1
Apartments at the end of the financial year	**40,619**	**39,231**
Started during the financial year	-	477
Under construction at the end of the financial year	354	1,804
Preliminary agreements for new construction	119	230

A total of 0 (985) apartments were acquired and sold 73 (0) apartments during the financial year.

Of the apartments under construction, 354 (1,671) are located in the Helsinki region and 0 (133) in other Finnish growth centres. A total of 1,450 (1,348) apartments were completed during the financial year.

Modernisation investments during the financial year amounted EUR 26.7 (22.5) million and repair costs totalled EUR 29.3 (30.2) million.

Kojamo estimates that investments in development projects will amount to EUR 15–18 million in 2024.

Binding acquisition agreements for new development

M€	31 Dec 2023	31 Dec 2022
Actual costs incurred from new construction in progress	84.8	293.6
Cost of completing new construction in progress	10.0	145.1
Total	**94.9**	**438.7**

Plots and real estate development sites owned by the company

	31 Dec 2023		31 Dec 2022	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Plots	30.9	51	35.6	59
Plots and existing residential building	74.5	93	44.4	57
Conversions	72.8	67	72.8	68
Total *	**178.1**	**211**	**152.7**	**184**

* 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 2023		31 Dec 2022	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Preliminary agreements for new construction [1)]	24.7		48.7	
Estimate of the share of plots of preliminary agreements for new development [2)]	4.2	5	8.5	12
Preliminary agreements and reservations for plots [2)]	34.9	45	31.0	44

[1)] Including plots

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

Strategic targets and their achievement

Strategic targets

	2023	2022	2021	2020	Target
Annual growth of total revenue, %	7.0	5.5	2.0	2.3	4–5
Annual investments, M€	190.7	501.6	356.9	371.2	200–400
FFO/total revenue, %	37.8	38.9	39.1	39.5	> 36
Loan to Value (LTV), %	44.6	43.7	37.7	41.4	< 50
Equity ratio, %	44.5	45.3	49.0	45.6	> 40
Net Promoter Score (NPS) *	50	45	20	36	40

* The calculation method has changed for example including digital services in calculation. Actual for years 2021 and 2020 have not been adjusted to reflect the current calculation method.

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.

In August, Kojamo plc announced that as a part of the saving programme, the company's Board of Directors will propose to the Annual General Meeting in the spring of 2024 that no dividend be paid for 2023.

Shares and shareholders

Issued shares and share capital

Kojamo's share capital on 31 December 2023 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

	2023	2022	2021
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

	2023	2022	2021
Lowest price, €	7.41	11.62	15.64
Highest price, €	15.71	22.10	21.42
Average price, €	10.29	16.98	18.97
Closing price, €	11.90	13.80	21.24
Market value of share capital, 31 Dec, M€	2,941.0	3,410.6	5,249.3
Share trading, million units	103.8	86.5	125.0
Share trading of total share stock, %	42.0	35.0	50.6
Share trading, M€	1,068.6	1,471.8	2,370.9

In addition to the Nasdaq Helsinki stock exchange, Kojamo shares were traded on other marketplaces. From 1 January to 31 December 2023, approximately 215 million (approximately 185 million) Kojamo shares were traded on alternative marketplaces, corresponding to approximately 70 per cent (approximately 70 per cent) of the total trading volume (Source: Modular Finance).

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 16 March 2023 decided that a dividend of EUR 0.38 per share, or EUR 96,386,315.61 in total, be paid for the financial year 2022 and that EUR 154,673,003.39 be retained in unrestricted equity. The dividend payment date was 5 April 2023.

In August, Kojamo plc announced that as a part of the saving programme, the company's Board of Directors will propose to the Annual General Meeting in the spring of 2024 that no dividend be paid for 2023.

Shareholders

At the end of the review period, the number of registered shareholders was 13,452, including nominee-registered shareholders. The proportion of nominee-registered and direct foreign shareholders was 53.7 per cent of the company's shares at the end of the financial year. The 10 largest shareholders owned in aggregate 55.0 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.

The Board of Directors' authorisations

Kojamo's Annual General Meeting on 16 March 2023 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 2024.

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 2024.

The Board has not used authorisations.

The Annual General Meeting decided that an addition is made to the Articles of Association to allow the Board of Directors, at their discretion, to arrange a General Meeting as a virtual meeting without a meeting venue, as proposed by the Board of Directors.

The change has been made to the Articles of Association in 2023.

Flagging notifications

Kojamo has not received any flagging notification pursuant to Chapter 9, Section 5 of the Securities Market Act in 2023.

Managers' transactions and shareholdings

Managers' transactions at Kojamo in 2023 have been published as stock exchange releases and they are available on the Kojamo website at https://kojamo.fi/en/news-releases/.

The members of the Board of Directors or corporations over which they exercise control owned a total of 57,783 (55,754) 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 163,115 (190,033) shares and share-based rights in the company or in companies belonging to the same Group as the company. These shares represent 0.09 (0.10) per cent of the company's entire share capital.

Shareholdings

There are a total of 13,452 shareholders in Kojamo plc, the ten largest shareholders being (share register at 31 Dec 2023):

10 largest shareholders as at 31 December 2023

Shareholder	No. of shares	Holding, %
Heimstaden Bostad AB	49,389,283	19.98
Ilmarinen Mutual Pension Insurance Company	20,537,814	8.31
Varma Mutual Pension Insurance Company	19,362,375	7.83
The Finnish Industrial Union	16,067,182	6.50
Trade Union of Education in Finland	11,814,417	4.78
Finnish Construction Trade Union	5,708,609	2.31
Trade Union PRO	4,904,150	1.98
Elo Mutual Pension Insurance Company	3,627,000	1.47
OP-Finland Fund	2,231,091	0.90
Service Union United PAM	2,200,000	0.89
Other	111,302,478	45.04
Total	**247,144,399**	**100.00**

Breakdown of share ownership

Shares	No. of owners	%	No. of shares	% of shares
1–100	7,718	57.37	301,822	0.12
101–500	3,996	29.71	1,018,156	0.41
501–1,000	901	6.70	690,441	0.28
1,001–5,000	623	4.63	1,325,829	0.54
5,001–10,000	82	0.61	586,668	0.24
10,001–50,000	68	0.51	1,681,253	0.68
50,001–100,000	12	0.09	920,969	0.37
100,001–500,000	22	0.16	5,070,997	2.05
500,001–	30	0.22	235,548,264	95.31
Total	**13,452**	**100.00**	**247,144,399**	**100.00**

Ownership structure

Shareholders	No. of shares	% of shares
Public sector	45,722,089	18.50
Financial and insurance corporations	71,781,707	29.04
Households	3,895,597	1.58
Non-financial corporations	2,076,041	0.84
Non-profit institutions	51,758,703	20.94
Other countries	71,910,262	29.10
Total	**247,144,399**	**100.00**
Nominee-registered	83,172,598	33.65

Governance

Annual General Meeting

Kojamo's Annual General Meeting (AGM) of 16 March 2023 adopted the financial statements for the financial year 2022 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 and also decided amendment of the Articles of Association. 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/annual-general-meeting-2023/.

Board of Directors and auditors

The members of Kojamo's Board of Directors are Mikael Aro (Chairman), Mikko Mursula (Vice-Chairman), Kari Kauniskangas, Anne Koutonen, Andreas Segal, Catharina Stackelberg-Hammarén and Annica Ånäs. The company's auditor is KPMG Oy Ab, with Authorised Public Accountant Petri Kettunen 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 Koutonen (Chairman), Kari Kauniskangas, Mikko Mursula and Annica Ånäs serve in the Audit Committee. Mikael Aro (Chairman), Andreas Segal and Catharina Stackelberg-Hammarén serve in the Remuneration Committee.

Nomination Board

A stock exchange release was issued on 13 September 2023 announcing the composition of Kojamo plc's Nomination Board. Kojamo's three largest shareholders nominated the following members to the Shareholders' Nomination Board: Christian Fladeland, CIO, Heimstaden; Jouko Pölönen, 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 18 December 2023.

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; Ville Raitio, Chief Investment Officer; and Janne Ojalehto, Executive Vice President, Housing.

The company published a stock exchange release on May 31, 2023 announcing that Katri Harra-Salonen, Chief Digital Officer, has resigned and left her position at the end of August.

The company published a stock exchange release on 22 August, 2023 announcing that Tiina Kuusisto will not continue working for Kojamo. Her work obligation ended on August 23, 2023.

Description of corporate governance

The description of Kojamo's administration and the Corporate Governance Statement are publicly available on Kojamo's website at https://kojamo.fi/en/investors/releases-and-publications/financial-reports/.

Personnel

At the end of 2023, Kojamo had a total of 288 (304) employees, of who 271 (270) were on permanent contracts and 17 (34) were on temporary contracts. The average number of personnel during the year was 315 (316). The average length of service was 9.3 (9.3) years. Personnel turnover in 2023 was 10.9 (17.6) per cent. The company hired about 50 summer employees in 2023.

The salaries and fees paid during the financial year totalled EUR 18.8 (17.8) million.

Annual performance bonus and incentive system

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

Kojamo also has a long-term share-based incentive plan for the Group's key personnel. The reward is based on reaching the targets set for Kojamo's key business criteria in relation to the Group's strategic goals. Three performance periods were ongoing at the end of the review period: 2021–2023, 2022–2024 and 2023–2025.

On 15 February 2023, Kojamo's Board of Directors resolved on the long-term incentive plan's performance period of 2023–2025. The possible rewards for the performance period are based on the Group's revenue (%), Funds From Operations (FFO) per share and apartment-specific CO2 emission reduction target for years 2023–2025, and Loan to Value ratio. The rewards to be paid on the basis of the performance period correspond to the value of a maximum total of 178,000 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 385,211 Kojamo shares, of which part of would be paid in Kojamo shares and part of in cash. More information on the long-term incentive plan is provided in Kojamo's Remuneration Report for 2023.

On 15 February 2023, Kojamo's Board of Directors approved to establish a new restricted share programme for the years 2023–2025. The programme will be used in specific situations decided by the Board of Directors separately. The programme consists of individual, annually commencing maximum three-year long restricted share plans within which the participants have the opportunity to receive a fixed number of shares as a long-term incentive and retention award.

2023–2025 commitment period will last until the end of 2025 and the possible reward will be paid during the year following the expiry of the period partially in shares in the company and partially in cash. The maximum gross number of shares to be granted is 50,000 shares.

Statement of non-financial information

Taxonomy reporting

Since 2021, we have voluntarily reported on the EU taxonomy eligibility and, in 2022, we also included alignment in our taxonomy reporting. For the year 2023, we have revised our taxonomy reporting in accordance with the EPRA's (European Public Real Estate Association) taxonomy reporting recommendations updated in November 2023 (EU Taxonomy Alignment in Listed Real Estate, Nov 2023 Edition).

Of the seven economic activities included in the EU taxonomy, according to EPRA's recommendations, only 7.7 Acquisition and ownership of buildings is relevant to our business when reviewing objectives related to climate change. Regarding the four environmental goals – transition to a circular economy, sustainable use and protection of water and marine resources, pollution prevention and control, protection and restoration of biodiversity and ecosystems, EPRA states that only the goals related to circular economy are relevant in the real estate sector. However, EPRA does not connect the five circular economic activities defined in the taxonomy at all to the acquisition and ownership of buildings.

Therefore, we have interpreted that our taxonomy reporting should only cover 7.7. Acquisition and ownership of buildings in terms of climate change mitigation and climate change adaptation. Accordingly, our taxonomy alignment reporting for 2023 covers the acquisition and ownership of buildings and substantial contribution to climate change mitigation. The existing portfolio makes up the majority of our business operations.

EPRA's recommendations divide the existing portfolio into two different categories according to the date of construction: properties built before 31 December 2020 and properties built after 31 December 2020.

To the properties built before 31 December 2020, the taxonomy applies an energy efficiency criterion according to which the energy rating of the property must be A or the property must represent the best 15 per cent of national building stock in terms of primary energy demand. To determine the best 15 per cent, we have used as the threshold energy rating of 119, referring to the study commissioned by Finnish Association of Building Owners and Construction Clients (Rakli ry), titled "Assessment of the primary energy consumption of the best 15 per cent of property stock" (in Finnish: *Rakennuskannan 15 prosentin parhaimmiston primäärienergian kulutuksen määrittely*). For properties that were built before 31 December 2020, we have reported properties with an energy class of A or an E value of 119 or below as aligning with the taxonomy.

For properties built after 31 December 2020, in accordance with EPRA's recommendations, we have used a criterion that determines the energy efficiency to be at least 10 per cent lower in terms of primary energy demand than the threshold value for nearly zero energy buildings. This sets the E value threshold to 81. For properties built after 31 December 2020, we have reported as aligning with the taxonomy properties with an E value of 81 or below, and which are 5,000 m^2 or less in size.

The EU taxonomy's only "do no significant harm" criterion for the acquisition and ownership of buildings is the implementation of property-specific climate risk mapping. We have carried out property-specific climate risk mapping in accordance with the taxonomy requirements for 80 per cent of the properties that meet the criteria mentioned above. Only a few individual properties were found to currently have a medium level risk related to climate change. These risks were related to heat waves and floods. Even in the medium term, only less than twenty properties were found to have a medium level risk. These were mainly related to heat waves. RCP 2.6 and RCP 8.5 scenarios were used in property-specific risk mapping.

We report total revenue, capital expenditures and operational costs as described above for properties that we have owned in 2023. Capital expenditures include all repair costs for properties that align with the taxonomy, as well as the costs of renovations and energy improvements for properties for which a capital expenditure plan has been drawn up to achieve taxonomy alignment. With reference to EPRA's recommendations, we have used the date of entry into force of the building permit to determine whether the property was built before or after 31 December 2020. We don't produce fossil gas or nuclear energy.

Taxonomy-aligned proportion of revenue

Financial year 2023				Substantial contribution criteria						DNSH criteria								
Economic activities	Code	Revenue	Proportion of revenue	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation *	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned revenue, year 2022	Category enabling activity	Category transitional activity
		M€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	7.7	129.1	29.2	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	N			
Revenue of environmentally suistainable activities (Taxonomy-aligned) (A.1)		**129.1**	**29.2**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**N**			
Of which Enabling		129.1	29.2	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	N			
Of which Transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				E/KEL N/EL	**E/KEL N/EL**	**E/KEL N/EL**	**E/KEL N/EL**	**E/KEL N/EL**	**E/KEL N/EL**										
Acquisition and ownership of buildings	7.7	312.9	70.8	EL	EL	N/EL	N/EL	N/EL	N/EL										
Revenue of Taxonomy-eligible but not environmentally sustainable (not Taxonomy-aligned activities) (A.2)		**312.9**	**70.8**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**										
A. Revenue of Taxonomy eligible activities (A.1 + A.2)		**442.0**	**100.0**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**										
B. Taxonomy-non eligible activities																			
Revenue of Taxonomy-non-eligible activities		0.2	0.0																
Total (A + B)		**442.2**	**100.0**																

* Climate risk assessment coverage 80%

EL = Eligible; N/EL = Non-eligible

Taxonomy-aligned proportion of CapEx

Financial year 2023				Substantial contribution criteria							DNSH criteria									
Economic activities	Code	CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity		Climate change mitigation	Climate change adaptation *	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proposition of taxonomy aligned CapEx, year 2022	Category enabling activity	Category transitional activity
		M€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N		Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																				
A.1 Environmentally suistanable activities (Taxonomy-aligned)																				
Acquisition and ownership of buildings	7.7	16.3	40.9	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	N			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**16.3**	**40.9**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**N**			
Of which Enabling		16.3	40.9	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	N			
Of which Transitional																				
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				E/KEL N/EL	E/KEL N/EL	E/KEL N/EL	E/KEL N/EL	E/KEL N/EL	E/KEL N/EL											
Acquisition and ownership of buildings	7.7	23.6	59.1	EL	EL	N/EL	N/EL	N/EL	N/EL											
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**23.6**	**59.1**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**											
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		**40.0**	**100.0**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**											
B. Taxonomy-non eligible activities																				
Turnover of Taxonomy-non-eligible activities		-	0.0																	
Total (A + B)		**40.0**	**100.0**																	

* Climate risk assessment coverage 80%

EL = Eligible; N/EL = Non-eligible

Taxonomy-aligned proportion of OpEx

Financial year 2023				Substantial contribution criteria						DNSH criteria								
Economic activities	Code	OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation *	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proposition of taxonomy aligned OpEx, year 2022	Category enabling activity	Category transitional activity
		M€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally suistanable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	7.7	34.2	22.9	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	N			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**34.2**	**22.9**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**N**			
Of which Enabling		34.2	22.9	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	N			
Of which Transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				E/KEL N/EL	E/KEL N/EL	E/KEL N/EL	E/KEL N/EL	E/KEL N/EL	E/KEL N/EL										
Acquisition and ownership of buildings	7.7	114.2	76.5	EL	EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally suistainable activities (not Taxonomy-aligned activities) (A.2)		**114.2**	**76.5**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**										
A. OpEx of Taxonomy eligible activities (A.1 + A.2)		**148.4**	**99.4**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**										
B. Taxonomy-non eligible activities																			
Turnover of Taxonomy-non-eligible activities		1.0	0.6																
Total (A + B)		**149.4**	**100.0**																

* Climate risk assessment coverage 80%

EL = Eligible; N/EL = Non-eligible

Sustainability programme

Responsibility and sustainable development is one of the focus areas in Kojamo's strategy. Our sustainability programme is based on materiality assessment, and it extends across our businesses. It helps us steer and develop our sustainability efforts systematically as a key component of our business operations. Our sustainability programme sets out focus areas, long-term and short-term targets and performance indicators for our sustainability efforts.

The focus areas of our sustainability programme are:

- sustainable cities
- the best customer experience
- most competent personnel and a dynamic place to work
- a responsible corporate citizen.

The foundation of our sustainability programme is built on ensuring long-term profitability and growth, sustainable and responsible operations and transparent sustainability communications and reporting.

Sustainability management

Our responsibility work is guided by our strategy, values, operating principles and sustainability programme. The Board of Directors is responsible for strategic policies and decisions concerning sustainability. The CEO is responsible for the implementation of the Board of Director's decisions and, with the assistance of the Management Team, monitors the realisation of sustainability as part of the Group's business operations in accordance with the Board's decisions. At the Management Team level, the Executive Vice President, Investments & Portfolio Management, is in charge of sustainability. The Sustainability Manager is responsible for Kojamo's sustainability related matters and their development, sustainability reporting and supporting the Group's business units as an expert on sustainability issues. The Sustainability Manager reports to the Executive Vice President, Investments & Portfolio Management. Business directors are in charge of actions related to their respective areas of responsibility with regard to the implementation of the sustainability programme. Sustainability targets are integral elements of the operating plans and objectives of our businesses. The Management Team acts as the sustainability steering group.

Sustainable cities

Key policies, principles, commitments and programmes

Kojamo's strategy, Kojamo's values, Code of Conduct, UN Sustainable Development Goals, Voluntary energy efficiency agreement of the Finnish real estate sector 2017-2025, WWF Green Office, Due diligence in investment decisions

Key targets

Our target is to achieve carbon-neutral energy consumption for our property portfolio by 2030

- Performance indicator 1: Carbon footprint of the property portfolio, result 2023: 33,304 tCO_2e
- Performance indicator 2: Carbon footprint of the property portfolio, result 2023: 0.8 tCO_2e/apartment

The property electricity used by our property portfolio is 100% carbon-neutral

- Performance indicator: Share of carbon-neutral electricity of property electricity consumption, result 2023: 100%

All of our own new development projects, the planning of which began in 2021, will be implemented with an E value of ≤ 80

- Performance indicator 1: Construction starts, using Kojamo's own plot reserve, with an E-value of ≤ 80, result: N/A
- Performance indicator 2: Completed apartments, using Kojamo's own plot reserve, with an E-value of ≤ 80, result 2023: 100%

The sustainability of our business is based on the notion that we invest in growth centres, in locations with good public transport connections and services. We aim to improve energy efficiency, reduce the carbon footprint and promote circular economy in property maintenance and in all our investments, from new construction to renovation.

Our goal is to achieve carbon-neutral energy consumption in our properties by 2030. We have drafted a roadmap that lays out measures to achieve this goal. The primary means of reducing emissions include modernisation, renovations and energy management. In addition, we make investments, for example, in geothermal systems and other renewable energy solutions. New construction also plays a significant role in the reduction of the portfolio's relative CO_2 emissions. The roadmap's principles, targets and actions are reviewed systematically as part of annual planning and budgeting.

Our annual carbon dioxide emission reduction target is a minimum 4 per cent reduction in CO_2 emissions for the entire property portfolio until the end of 2025 (measured in terms of tCO_2e/apartment). For 2023, CO_2 emission reduction was -16.9 per cent. A significant action during the financial year was the demand response agreement for district heating signed with Vantaa Energy for nearly 70 properties. In connection with the agreement, we adopted a renewable district heating product for the properties in question.

Our target is to improve the energy efficiency by 30 per cent in connection with renovations. In 2023, we continued to invest in the repair and modernisation of our property portfolio, with the total investments amounting to EUR 56.0 (52.7) million. We completed four renovation projects: in Helsinki, Jyväskylä, Tampere and Turku. The energy efficiency of our property portfolio was improved during the year, for example, by replacing ventilation fans, optimising the energy consumption of properties and making adjustments to the heating network. In 2022, we started the conversion of seven properties from district heating to geothermal heating. The first geothermal heat projects have been concluded, and the remaining projects will be completed during 2024. Plans for six new geothermal heat projects were completed in 2023.

Our goal is to reduce the total energy consumption and emissions of our properties. We control the heating of 77.0 per cent of our apartments with the help of smart optimisation systems. Practically all our property portfolio is heated by district heating. The property electricity of our entire property portfolio is produced by using 100 per cent carbon-neutral energy sources.

We promote circular economy in new construction and renovation. We have set a target of sorting and recycling over 70 per cent of non-hazardous waste by the end of 2023. During the year, we developed our reporting process for collecting data on the recycling rate of our construction sites. The reporting process was in place for part of the year and, based on the initial data, we can conclude that achieving a 70 per cent recycling rate will be challenging. We will continue to develop our cooperation with our partners to achieve the target.

The best customer experience

Key policies, principles, commitments and programmes

Kojamo's strategy, Kojamo's values, Code of Conduct, UN Sustainable Development Goals, Through the Customer's Eyes programme, Whistleblowing procedure, Customer satisfaction surveys

Key targets

By the end of 2023, 90 per cent of our households will use the My Lumo service

- Performance indicator 1: Percentage of households using My Lumo, result 2023: 81%
- Performance indicator 2: Percentage of customers using My Lumo, result 2023: 86%

We will improve the waste recycling rate of our properties to 55 per cent by the end of 2023

- Performance indicator: Waste recycling rate of the property portfolio, result 2023: 33%

We will promote a strong sense of community in housing through our active Lumo teams, among other means

- Performance indicator: Number of Lumo teams and percentage of all properties, result 2023: 429 pcs and 56%

By the end of 2025, the opportunity to use a shared vehicle will be offered at all of our properties

- Performance indicator: Percentage of properties with possibility to share a vehicle, result 2023: 100%

We work with a long-term view to promote better and more sustainable urban living. The Lumo brand delivers the best customer experience in housing for our customers: safe, convenient and environmentally friendly housing paired with the best housing services. Our main objectives are satisfied residents and increasing our Net Promoter Score. We measure customer satisfaction with Net Promoter Score (NPS), which was 50 in 2023. The positive development of NPS has been influenced by the improvement of our service ability. We have also invested in understanding the needs of our customers.

All our available apartments are available for renting at the Lumo webstore where we provide information also on sustainability perspectives on the pages that present our apartments. In 2023, we added a travel time search to the webstore which helps customers looking for an apartment in the Helsinki Region Transport (HSL) area to find a Lumo home from where it is easy to travel to key destinations within the desired time frame using public transport. We also incorporated an AI-driven Apartment Agent function to our webstore which searches for the most suitable Lumo homes for the user with the help of a recommendation algorithm running in the background.

Sustainable values are incorporated into the marketplace on the My Lumo platform, where customers can purchase various additional services related to housing, such as shared vehicle service, cleaning or moving services. We have customized a carbon footprint test for our residents, and residents also have the option of purchasing a service that allows them to reduce the carbon footprint of their heating to zero.

During the year, we developed the My Lumo service on the basis of our residents's feedback. The changes were based on a resident survey and usability testing carried out in the previous year, and their aim was to improve customer satisfaction and retention, as well as to reduce the number of customer service contacts. The changes made the service more user-friendly and enhanced communication between the property manager and residents. In addition, residents with a foreign background have been taken into account better than before.

In the summer of 2023, we conducted our annual survey among our residents regarding the sustainability of housing. As the most important sustainability themes in housing, the residents highlighted the provision of comprehensive waste sorting opportunities, both in the apartment and at the waste collection point, indoor environmental conditions, i.e. home temperature and ventilation, as well as the safety of housing.

We take electric vehicle charging needs into consideration in all of our new construction projects and continuously increase the availability of charging opportunities at our existing properties based on demand.

Promoting inclusion and a strong sense of community and creating meeting places are important for us and the residents. Lumo teams consist of volunteers who live in the building, and who are tasked with developing and livening up the residential environment by organising events and shared activities for the residents. In 2023, such events included for example Venetian festival celebrations, Christmas parties and resident events with varying themes. There were a total of 429 active Lumo teams in 2023. The shared facilities of Lumo buildings provide opportunities for community-oriented living. Examples of shared facilities include club rooms, gyms and remote workstations.

Waste sorting and recycling as well as clean waste disposal facilities are important aspects of the comfort of residents. In 2023, we focused on improving our residents' recycling and waste sorting awareness. Improving the effectiveness of communications on recycling has been identified as a key method of increasing the recycling rate. We also tested new operating practices at selected properties.

The most competent personnel and a dynamic place to work

Key policies, principles, commitments and programmes

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

Key targets

Employee Net Promoter Score

- Performance indicator: eNPS, new employees, result 2023: 82

We promote gender equality amongst our personnel. Equal and fair operating models are applied in all functions and roles

- Performance indicator: Gender distribution, result 2023 (women/men):
    - All employees: 60 / 40
    - Supervisors: 44 / 56
    - Management: 0 / 100
    - Board of Directors: 43 / 57

Zero accidents

- Performance indicator: Accident frequency (LTIF), result 2023: total accident frequency: 14.7, work accidents: 9.2, commuting accidents: 5.5

Our shared values – happy to serve, strive for success and courage to change – guide our operations and are reflected in our day-to-day work. Our aim is that every Kojamo employee enjoys their work and can take pride in the results of their work. In 2023, we focused particularly on ensuring smooth and effective work for our employees working at the customer interface and developing their working methods with the help of our handbooks for sales and property management.

We have a "Safe at work" training model for new employees, safety and rescue plans as well as an occupational healthcare action plan. These cover 100 per cent of our employees and operating locations. We also have a Customer Service Safety Plan for employees who work at the customer interface.

During 2023, we organised a training related to safety at work for our customer service operations. In addition, we carried out training activities related to data protection and the use of artificial intelligence, among other topics. The new ERP system deployment project and related process renewals have also provided our employees with opportunities to develop their expertise and professional skills.

Our most recent personnel satisfaction survey was conducted in 2022, and the overall results were very good, although the overall average score decreased slightly from the previous year and came to 4/5. The response rate was 79 per cent. The next personnel satisfaction survey will be conducted in 2024.

As part of the saving programme, we conducted change negotiations to adapt the number of personnel. Improving the efficiency of various functions and potential restructuring measures were assessed broadly in the negotiations. As the result of the negotiations, 59 employees were laid off until further notice or for a fixed term, and five person's duties ended permanently.

A responsible corporate citizen

Key policies, principles, commitments and programmes

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

Key targets

A zero tolerance policy concerning the grey economy

- Performance indicator: Reports through the whistleblowing channel or internal reporting procedures, result 2023: 0 pcs

Zero tolerance for data protection violations

- Performance indicator: Data protection violations or suspected misconducts, result 2023: 4 pcs

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 TR >90

- Performance indicator: TR indicator, result 2023: 96

Our Code of Conduct is based on Kojamo's values. It is the foundation for our operating practices and applies to everyone at Kojamo. The Code of Conduct includes the Group's business practices and requirements related to responsible and legally compliant operations, conflicts of interest, combating the grey economy, competition, responsibility for employees, bribery and corruption, sponsorship, environmental responsibility and the protection of assets and data. We have incorporated our Code of Conduct training into the orientation of all new employees. Kojamo has a whistleblowing channel that employees, partners' employees and other stakeholders can use to confidentially report any shortcomings, either anonymously or by identifying themselves.

Especially anti-grey economy models have been recognised as key focus areas in the field of construction and contracting. Our anti-grey economy operating models are effective and exceed the legislative requirements in many respects. Responsibility in our procurement activities is guided by Kojamo's Code of Conduct and other procurement principles and guidelines. We require compliance with laws and regulations from all our partners and subcontractors. We require our partners to be registered with the Reliable Partner service maintained by

Vastuu Group Ltd to verify that they fulfil the obligations stipulated by the Contractor's Obligations Act.

We ensure the sustainability of our procurement activities by maintaining a Procurement Policy and providing related training to our procurement personnel. We have drawn up a separate Procurement Policy for construction contracting, IT purchasing and property services. In 2023, we updated our training regarding the Procurement Policy. In addition to the Procurement Policy, our responsibility is guided by Kojamo's Code of Conduct, which is issued to our employees and incorporated into the agreements that we conclude with our partners. We conduct supplier audits systematically.

Our aim is to have no personal data breaches in our operations and that we are not the subject of any justified complaints pertaining to data protection. We operate in full compliance with data protection legislation in all processing of personal data, and we process personal data with particular care. This ensures the confidentiality of the personal data of our customers and other data subjects throughout the personal data lifecycle. The data protection policy covers our main principles, responsibilities and operating practices concerning data protection. The data protection policy is complemented by harmonised data protection guidelines and function-specific practical work instructions. In 2023, we introduced a new data protection training to our online learning environment. The training is intended for our entire personnel, and the participation rate for the training was 100 per cent. We also updated our data protection and data security agreement templates.

In 2023, we identified two personal data breaches in our operations, both of which were isolated incidents caused by human error. We processed the breaches in accordance with our procedures as required by the EU's General Data Protection Regulation. We did not receive any substantiated complaints from customers or other data subjects regarding the processing of personal data, nor did we receive any requests for clarification from the Data Protection Ombudsman based on a data subject's complaint.

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, which was carried out in December 2023 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.

The risk assesment takes into consideration strategic and financial risks as well as risks related to business operations, operating environment and safety. Kojamo's most significant risks and their primary risk management methods are described below.

RISK	CAUSES OF THE RISK	CONSEQUENCES
Strategic risks		
Decreased availability of capital	• Lower availability of financing due to banking regulations and/or the domestic or international economic situation • Market disruptions	• Difficulty in financing investments • Refinancing of maturing loans becomes more difficult • Slows down investment and business growth • Deteriorates the prerequisites for repair work
Decrease in apartment values in growth centres	• Due to the weak economic situation or inflation and rising interest rates, the volumes of home sales and portfolio transactions will decrease and the prices of apartments will decrease, and the demand for returns will rise	• Weakened equity ratio • Slows down investment and business growth
Renting apartments becomes more difficult due to the increased supply of rental apartments	• Investments in new rental apartments • Measures of society and cities do not support the construction of the right types of apartments • Property rents are priced above the local rental price level	• Difficulty achieving results
Reform of housing and rent legislation	• Changes in general housing legislation, or in particular in rent legislation • Significant changes in the housing allowance system • Restrictions on rent and leasing	• Loss of profitability
Demand for rental housing declines	• Continuing trend of urbanization • Segregation within locations • Popularity of owner-occupied housing will increase	• Financial performance will deteriorate • Failure to achieve strategic growth targets
Not getting enough investment projects off the ground	• Increase in the level of construction costs • Incorrect assessment of project risks • No quotes received; limited resources allocated to projects with better margins • Increase in yield requirements • Limited access to capital	• Failure to achieve strategic growth targets

Profile raising	• Kojamo's and Lumo's brands are not becoming stronger in line with the set goal • Brand promises not redeemed • Target group not interested in the offering • Failure to meet responsibility requirements	• Negative media coverage • Loss of customers • Loss of the intended benefits • Image of Lumo rental apartments' attractiveness and price-quality ratio suffers, which would have a negative impact on Lumo's business and the listed company's profile
National economy is not growing	• International economic situation deteriorates further • International financial market in difficulty • Pandemics	• Decrease in residents' ability to pay, which has an impact on economic performance (increase in vacancy rates) • Investment financing becomes more difficult and prevents business growth
Suitability of services	• Failure to identify customers' needs • Failure to define customer groups • No demand for services	• Weakened cash flow • Weakened financial performance • Weakened ability to create customer retention
Failure to take advantage of the opportunities presented by digitalisation	• Failure to repatriate the benefits of digitalisation • Failure to commercialise services • Failure to involve partners in the development of services • Organisation's capabilities/operating methods do not meet the requirements of digitalisation • Current technology solutions do not support digital development	• Difficulty achieving financial results • Loss of customers • Loss of the intended benefits • Difficulties to recruit skilled staff and weakened employer reputation • Loss of pioneering position • Strategy implementation slows down
Technology solutions fail to support business	• Wrong technology solutions • Failures in quality assurances of the new deployments • Cyber security related deviations	• Cause challenges to run the business operations • Technology incidents cause damage to reputation • Errors and delays in financial reporting • Incorrect business decisions are taken due to incorrect information in the financial system
Financial risks		
Decreased availability of capital	• Lower availability of financing due to banking regulations and/or the domestic or international economic situation or the capital debt market • Market failures, access to equity, changes in environmental conditions in the financial market • Lack of equity	• The refinancing risk is mitigated by diversifying the financing sources and instruments in the loan portfolio, spreading the maturity of loans and maintaining a strong balance sheet structure
Rising market interest rates	• Significant changes in floating market interest rates, interest margins and spreads • Changes can be caused by the market or the acceleration of inflation	• The interest rate risk associated with the loan portfolio is managed by dividing loans between fixed and floating rate loans, by different interest rate renewal periods and by the use of interest rate derivatives • In accordance with Kojamo Group's treasury policy, the target hedging ratio is 50–100%
Loss of investment grade credit rating	• Deterioration of the market situation • Deterioration of key performance indicators, in particular coverage ratio, LTV and liquidity	• Proactive measures to maintain key performance indicators • A savings program refraining from investments and dividend payment, sale of properties, front-loaded financing and capital raising
Other risks		
Data security threats (cyber threats) - Confidential or secret information leaks to third parties or to the public by various means (privacy breach) - Deviations (privacy breaches) from the General Data Protection Regulation in the processing of personal data	• Confidential or sensitive documents are stored in the wrong place or in violation of the right of access, contrary to instructions • Customer data is processed in violation of the principles of the GDPR • Customer's rights guaranteed by GDPR are not respected • The processing of personal data is not planned, its risks are not assessed or there is no accountability • Processing activities are not described according to the process before the signing of contracts	• Guidelines for data protection and security matters and monitoring that the guidelines are followed • Data life cycle and risk management • Organising processes/projects and keeping responsibilities up-to-date • Access control • Concentration of most confidential customer information in industry aplication • Increasing automation • Ensuring that Kojamo's guidelines are up-to-date and that the personnel have sufficient knowledge of the relevance of the matter by providing them with new personnel orientation and other training

	• Inadequate controls and supervision and failure to comply with data protection and data security guidelines • Deficiencies in technical or administrative data security • Phishing • Cyber attacks	• Systematic data protection audits • Adequate controls and ensuring their functionality • Cyber insurance • Crisis communications plan review and training, also the simplicity of guidelines and ensuring that they are up-to-date
The information systems that are the most critical for the Group's operations are not available, there is lack of integrity in the available data or the systems function incorrectly	• Malware • Denial-of-service attacks • Intentional misconduct • Failure to comply with data security guidelines • Software coding error • Incompatibility of different software and middleware • Disturbances in telecommunications connections or in cloud-based business support systems	• Guidelines for data security matters and monitoring that the guidelines are followed • Ensuring sufficient technical competence and expertise • Auditing the operating models of key IT partner companies and ensuring the competence and sufficiency of own resources in software deployment and testing • Ensure the timeliness of reporting and controller operations in identifying possible deviations • Maintaining and refining of business continuity plans as well as regular training • Training • Keeping IT services up-to-date and planning updates, as well as quality assurances in connection with service changes
Violation of data protection legislation or practices	• Data protection principles are not fully complied with • Data subjects' rights are realised inadequately • Insufficient data protection expertise • Data protection documentation is inadequate or outdated and accountability is not realised • The data subject is inadequately informed of the processing of personal data • Personal data breaches occur • There are shortcomings in data security and personal data is jeopardised • There are shortcomings in the data protection or data security of the partner acting as the processor of personal data	• Assigning an owner to each processing activity • Preparing and updating processing activity descriptions, impact assessments, balance tests and TIA assessments • Regular evaluation and updating of the information targeted at the data subject • Regular evaluation and updating of data protection processes • Ensuring the meeting of data protection and data security requirements as part of development projects and partner selection • Regular data protection and data security training for the personnel as well as work instructions • Appropriate access control • Identifying, reporting and addressing data protection shortcomings
Change management, the personnel do not commit to the short-term and long-term goals set or to operational reforms and their development	• The goals of the operations have not been defined or described or they are unclear or unmeasurable and do not allow for adequate monitoring and control of the operations • The goals are not prioritised clearly enough • The goals are not managed top-down in the organisation • The achievement of the goals is not sufficiently communicated or reported on	• Supervisory work • Systematic change management according to the change plan • Defining, communicating and actively monitoring clear goals derived from the strategy • Ensuring communications about the strategy and interactivity with development discussions • Appropriate setting, prioritisation and regular monitoring of goals
Physical risks caused by climate change: Extreme weather phenomena cause damage to properties, apartments and yard and parking areas	• Decrease in the value of properties in risk areas • Loss of rental income in high-risk areas • Increase in maintenance costs of properties • Increase in the repair costs of properties • Failure of temperature control in apartments and increasing turnover of residents • Missing the opportunity to achieve pioneership, competitive advantage and a market position as a responsible operator through progressive and proactive operations	• Assessing flood-prone areas as part of the due diligence process • As part of the investment decision proposal for new projects, the risk of the site being located in a flood risk area is assessed and the necessary measures to be taken are determined • Taking extreme weather phenomena into account in maintenance control • Insurance policies in case of damage caused by extreme weather phenomena • Leanheat control to adjust the indoor temperatures of apartments • Sustainability programme • Climate risk assessment for selected properties
Risks caused by climate change related to the transition to a low-carbon society (technological risks, market risks)	• Increasing investment costs in the transition to energy-efficient and low-carbon construction in both new construction and renovation due to stricter regulations	• Active monitoring of the development of EU and national legislation • Promoting the sustainability programme and carbon-neutral energy consumption roadmap

	• Increasing demand for low-carbon and energy-efficient apartments • The dependence on district heating companies' low-carbon energy production is emphasised; the significance of the price development of district heating is emphasised • Emissions trading expands to the real estate and construction sectors, posing a cost risk	• Consideration of stricter requirements in the design of new construction as early as possible

Near-term risks and uncertainties

Kojamo estimates that the most significant near-term risks and uncertainties are caused by the uncertain situation in property and financial markets, interest rate development as well as by geopolitical tensions.

Geopolitical tensions including Russia's war of aggression in Ukraine and the conflict in the Middle East continue to cause economic uncertainty and may affect inflation and interest rates. The uncertainty can have impacts on the housing and property markets, including apartment prices, rents and yield requirements as well as on the operations of the construction companies. In addition, the acts of war may have an impact on the availability and prices of building materials. If inflation does not decrease as predicted, the decrease in interest rates may be postponed. The increased costs could affect Kojamo's result and cash flow as well as the fair value of apartments.

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 downturn may lead to unemployment and reduce household purchasing power, which may affect the ability of residents to pay rent and, subsequently, the company's rental income.

The weakening of the property and financial markets as well as the changes in market interest rates may lower the credit rating, make it more difficult to get financing and increase the price of financing significantly as well as weaken Kojamo's financial key figures. These factors may affect Kojamo's profit and cash flow, as well as the fair value of the apartments.

Urbanisation is expected to continue in the longer term. 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.

Cyber attacks and various other data security threats have increased. These data security breaches could impact Kojamo's business operations and the reliability of information systems.

Kojamo's most significant risks are described in more detail in the report on non-financial information.

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 has been outsourced to the audit firm PricewaterhouseCoopers Oy. 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 2023, the main focus areas of internal auditing operations were related to unit audits, information security, sustainability and management of occupancy rate and customer satisfaction.

Group structure and changes therein

At the end of the financial year, the legal Group comprised 377 (380) subsidiaries and 44 (42) associates companies.

Subsidiaries wholly owned by Kojamo plc are Lumo Kodit Oy, Lumo Vuokratalot Oy, Lumohousing 2 Oy, Lumohousing 11 Oy, Lumohousing 12 Oy, Lumo Asumisen Palvelut Oy, VVO Hoivakiinteistöt Oy, Kojamo Holding Oy, Kotinyt Oy and Kojamo Palvelut Oy. In addition, Kojamo plc has a 50 per cent holding in SV-Asunnot Oy.

Lumohousing 10 Oy merged with Lumo Kodit Oy on 1 May 2023.

Group structure 31 Dec 2023

M€	Subsidiaries	Associated companies
Kojamo plc	10 [1)]	2
Parent companies of sub-groups		
Lumo Kodit Oy	355	34
Lumo Vuokratalot Oy	10	3 [2)]
Lumo Asumisen Palvelut Oy	1	6
Kojamo Palvelut Oy	1	
Total	**377**	**44**

[1)] Includes the parent companies of the sub-groups and other subsidiaries listed
[2)] 1 of the associated company is subsidiary at Kojamo Group level

Events after the financial year

In January 2024, Kojamo plc announced as a stock exchange release that Kojamo plc issued EUR 200 million unsecured green notes as a private placement. The new notes were issued under the company's EMTN programme as an increase to the company's notes maturing on 28 May 2029. The proceeds of the issue will be used for the refinancing of projects in accordance with the company's Green Finance Framework.

Proposal by the Board of Directors for the distribution of profits

The parent company Kojamo plc's distributable unrestricted equity on 31 Dec 2023 was EUR 155,723,844.51, of which the profit for the financial year amounted to EUR 1,043,478.44. No significant changes have taken place in the company's financial position since the end of the financial year.

In August, Kojamo plc announced that as a part of the saving programme, the company's Board of Directors will propose to the Annual General Meeting in the spring of 2024 that no dividend be paid for 2023.

EPRA PERFORMANCE MEASURES

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

EPRA performance measures

	2023	2022
EPRA Earnings, M€	159.9	158.2
EPRA Earnings per share (EPS), €	0.65	0.64
EPRA Net Reinstatement Value (NRV), M€	4,558.8	4,825.9
EPRA NRV per share, €	18.45	19.53
EPRA Net Tangible Assets (NTA), M€	4,558.2	4,825.2
EPRA NTA per share, €	18.44	19.52
EPRA Net Disposal Value (NDV), M€	3,757.3	4,060.8
EPRA NDV per share, €	15.20	16.43
EPRA Loan to Value (LTV), %	44.6	43.2
EPRA Net Initial Yield (NIY), %	4.0	3.7
EPRA 'topped-up' NIY, %	4.0	3.7
EPRA Vacancy Rate, %	7.1	8.0
EPRA Cost Ratio (including direct vacancy costs), %	12.7	12.5
EPRA Cost Ratio (excluding direct vacancy costs), %	9.2	8.6

EPRA Earnings

M€	2023	2022
Earnings per IFRS income statement	-89.0	-399.8
(i) Change in value of investment properties, development properties held for investment and other interests	295.4	682.0
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interest	-0.4	-0.2
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-	0.0
(iv) Tax on profits or losses on disposals	-0.2	0.2
(vi) Changes in fair value of financial instruments	0.9	-6.8
(vi) Early close-out costs/gains of financial instruments and debt	-7.0	-
(viii) Deferred tax in respect of EPRA adjustments	-39.8	-117.2
EPRA Earnings	**159.9**	**158.2**
Average number of shares, million	247.1	247.1
EPRA Earnings per share (EPS), €	**0.65**	**0.64**

EPRA Net Asset Values

	2023			2022		
M€	**NRV**	**NTA**	**NDV**	**NRV**	**NTA**	**NDV**
IFRS Equity attributable to shareholders	3,625.9	3,625.9	3,625.9	3,842.7	3,842.7	3,842.7
Diluted NAV	3,625.9	3,625.9	3,625.9	3,842.7	3,842.7	3,842.7
Diluted NAV at Fair Value	3,625.9	3,625.9	3,625.9	3,842.7	3,842.7	3,842.7
Exclude:						
(v) Deferred tax in relation to fair value gains	825.4	825.4		872.8	872.8	
(vi) Fair value of financial instruments	-13.1	-13.1		-52.6	-52.6	
(viii.b) Intangibles as per the IFRS balance sheet		-0.6			-0.7	
Include:						
(ix) Fair value of fixed interest rate debt *			131.4			218.1
(xi) Real estate transfer tax	120.6	120.6		163.0	163.0	
Net Asset Value	**4,558.8**	**4,558.2**	**3,757.3**	**4,825.9**	**4,825.2**	**4,060.8**
Number of shares, million	247.1	247.1	247.1	247.1	247.1	247.1
NAV per share	**18.45**	**18.44**	**15.2**	**19.53**	**19.52**	**16.43**

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

EPRA LTV (Loan to Value)

M€	2023 Group as reported	Share of Joint Ventures	Share of Material Associates	Non-controlling Interest	Combined
Include:					
Borrowings from Financial institutions	1,483.3	-	-	-	1,483.3
Commercial paper	39.7	-	-	-	39.7
Bond Loans	1,993.2	-	-	-	1,993.2
Net Payables	56.8	-	-	-	56.8
Owner-occupied property (debt)	5.6	-	-	-	5.6
Exclude:					
Cash and cash equivalents	-15.0	-	-	-	-15.0
Net Debt (A)	**3,563.7**	**-**	**-**	**-**	**3,563.7**
Include:					
Owner-occupied property	27.2	-	-	-	27.2
Investment properties at fair value	7,781.2	-	-	-	7,781.2
Properties under development	179.8	-	-	-	179.8
Intangibles	0.6	-	-	-	0.6
Financial assets	4.1	-	-	-	4.1
Total Property Value	**7,992.9**	**-**	**-**	**-**	**7,992.9**
EPRA Loan to Value (LTV), %	**44.6**	**-**	**-**	**-**	**44.6**

M€	2022 Group as reported	Share of Joint Ventures	Share of Material Associates	Non-controlling Interest	Combined
Include:					
Borrowings from Financial institutions	1,226.4	-	-	-	1,226.4
Commercial paper	30.9	-	-	-	30.9
Bond Loans	2,338.9	-	-	-	2,338.9
Net Payables	65.7	-	-	-	65.7
Owner-occupied property (debt)	7.5	-	-	-	7.5
Exclude:					
Cash and cash equivalents	-119.4	-	-	-	-119.4
Net Debt (A)	**3,550.0**	**-**	**-**	**-**	**3,550.0**
Include:					
Owner-occupied property	27.6	-	-	-	27.6
Investment properties at fair value	7,681.2	-	-	-	7,681.2
Properties under development	395.2	-	-	-	395.2
Intangibles	0.7	-	-	-	0.7
Financial assets	104.7	-	-	-	104.7
Total Property Value	**8,209.3**	**-**	**-**	**-**	**8,209.3**
EPRA Loan to Value (LTV), %	**43.2**	**-**	**-**	**-**	**43.2**

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

M€		2023	2022
Investment property		8,038.8	8,150.2
Trading property		-	0.1
Developments		-179.8	-395.2
Completed property portfolio		**7,859.0**	**7,755.1**
Allowance for estimated purchasers' costs		117.9	155.1
Gross up completed property portfolio valuation	**B**	**7,976.9**	**7,910.2**
Annualised cash passing rental income		464.2	438.9
Property outgoings		-146.7	-148.9
Annualised net rents	**A**	**317.5**	**290.0**
Notional rent expiration of rent free periods or other lease incentives		-	-
Topped-up net annualised rent	**C**	**317.5**	**290.0**
EPRA Net Initial Yield (NIY), %	**A/B**	**4.0**	**3.7**
EPRA 'topped-up' NIY, %	**C/B**	**4.0**	**3.7**

EPRA Vacancy Rate

M€		2023	2022
Estimated rental value of vacant space *	A	31.3	33.7
Estimated rental value of the whole portfolio *	B	444.4	419.8
EPRA Vacancy Rate, %	**A/B**	**7.1**	**8.0**

* Including rental value of apartments.

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

M€		2023	2022
Include:			
(i) Administrative expense line per IFRS income statement		45.6	43.1
(i) Maintenance expense line per IFRS income statement		115.7	103.1
(i) Repair expense line per IFRS income statement		29.3	30.2
(ii) Net service charge costs/fees		-15.8	-13.8
(iii) Management fees less actual/estimated profit element		-0.2	-0.2
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits		-0.3	-0.3
Exclude:			
(vii) Ground rent costs		-0.1	0.0
(viii) Service charge costs recovered through rents but not separately invoiced		-137.5	-128.3
EPRA Costs (including direct vacancy costs)	**A**	**36.7**	**33.8**
(ix) Direct vacancy costs		-10.2	-10.7
EPRA Costs (excluding direct vacancy costs)	**B**	**26.5**	**23.1**
(x) Gross Rental Income less ground rent costs - per IFRS		425.7	398.5
(xi) Service fee and service charge costs components of Gross Rental Income		-137.5	-128.3
Gross Rental Income	**C**	**288.1**	**270.3**
EPRA Cost Ratio (including direct vacancy costs), %	**A/C**	**12.7**	**12.5**
EPRA Cost Ratio (excluding direct vacancy costs), %	**B/C**	**9.2**	**8.6**

EPRA Property-related CapEx

M€	2023 Group (excl. Joint Ventures)	2023 Joint Ventures (proportionate share)	2023 Total Group	2022 Group (excl. Joint Ventures)	2022 Joint Ventures (proportionate share)	2022 Total Group
Acquisitions	-	-	-	197.5	-	197.5
Development	159.9	-	159.9	277.1	-	277.1
Investment properties						
No incremental lettable space	26.7	-	26.7	22.5	-	22.5
Capitalised interest	4.2	-	4.2	4.6	-	4.6
Total CapEx	**190.7**	**-**	**190.7**	**501.6**	**-**	**501.6**
Conversion from accrual to cash basis	10.5	-	10.5	3.3	-	3.3
Total CapEx on cash basis	**201.3**	**-**	**201.3**	**504.9**	**-**	**504.9**

EPRA Like-for-Like

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

	2023 M€	2022 M€	Change M€	Change %
Rental income	391.7	384.5	7.2	1.9
Net rental income	259.4	259.2	0.2	0.1
Like-for-Like investment properties	6,438.9	6,670.2		

	2022 M€	2021 M€	Change M€	Change %
Rental income	372.3	371.3	1.0	0.3
Net rental income	249.0	248.1	0.9	0.4
Like-for-Like investment properties	6,320.6	6,969.7		

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	1–12/2023	1–12/2022
Total revenue	2.1	442.2	413.3
Maintenance expenses		-115.7	-103.1
Repair expenses		-29.3	-30.2
Net rental income		**297.2**	**280.1**
Administrative expenses	2.3	-45.6	-43.1
Other operating income	2.2	4.0	3.8
Other operating expenses	2.2	-0.3	-0.3
Profit/loss on sales of investment properties	2.2	0.2	0.2
Profit/loss on sales of trading properties		-	0.0
Profit/loss on fair value of investment properties	3.1	-295.4	-682.0
Depreciation, amortisation and impairment	2.5	-1.3	-1.2
Operating profit/loss		**-41.1**	**-442.5**
Financial income		13.5	9.6
Financial expenses		-84.8	-67.0
Total amount of financial income and expenses	**4.2**	**-71.3**	**-57.4**
Share of result from associated companies		0.1	0.1
Profit/loss before taxes		**-112.3**	**-499.8**
Current tax expense	5.1	-16.5	-17.3
Change in deferred taxes	5.2	39.8	117.2
Profit/loss for the period		**-89.0**	**-399.8**
Profit/loss for the financial period attributable to			
shareholders of the parent company		-89.0	-399.8
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	4.2	-39.8	92.4
Deferred taxes	5.2	8.0	-18.5
Items that may be reclassified subsequently to profit or loss		**-31.8**	**74.0**
Total comprehensive income for the period		**-120.8**	**-325.8**
Total comprehensive income attributable to			
shareholders of the parent company		-120.8	-325.8
Earnings per share based on profit/loss attributable to shareholders of the parent company	**2.7**		
Basic, €		-0.36	-1.62
Diluted, €		-0.36	-1.62
Average number of shares, million	2.7	247.1	247.1

Consolidated balance sheet

M€	Note	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets			
Intangible assets	6.2	0.6	0.7
Investment properties	3.1, 6.1	8,038.8	8,150.2
Property, plant and equipment	6.1, 6.3	28.0	28.4
Investments in associated companies	7.3	2.0	1.5
Financial assets	4.3	0.8	0.7
Non-current receivables	6.4	6.5	6.7
Derivatives	4.5	29.8	53.8
Deferred tax assets	5.2	4.9	1.5
Total non-current assets		**8,111.4**	**8,243.4**
Current assets			
Trading property	3.3	-	0.1
Derivatives	4.5	0.6	0.2
Current tax assets		11.1	4.0
Trade and other receivables	6.5	17.0	11.1
Financial assets	4.3	3.3	104.0
Cash and cash equivalents		15.0	119.4
Current assets total		**46.9**	**238.9**
Total assets		**8,158.3**	**8,482.3**
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		11.2	43.0
Invested non-restricted equity reserve		164.4	164.4
Retained earnings		3,356.4	3,541.4
Equity attributable to shareholders of the parent company		**3,625.9**	**3,842.7**
Total equity	**4.1**	**3,625.9**	**3,842.7**
Liabilities			
Non-current liabilities			
Loans and borrowings	4.4, 6.1	3,007.2	3,330.5
Deferred tax liabilities	5.2	829.3	873.7
Derivatives	4.5	17.3	1.4
Provisions	6.6	0.1	0.3
Other non-current liabilities	6.6	4.9	5.0
Total non-current liabilities		**3,858.9**	**4,210.9**
Current liabilities			
Loans and borrowings	4.4, 6.1	593.2	347.7
Derivatives	4.5	-	0.0
Current tax liabilities		4.9	2.5
Trade and other payables	6.7	75.4	78.5
Current liabilities total		**673.5**	**428.7**
Total liabilities		**4,532.4**	**4,639.6**
Total equity and liabilities		**8,158.3**	**8,482.3**

Consolidated statement of cash flows

M€	Note	1–12/2023	1–12/2022
Cash flow from operating activities			
Profit/loss for the period		-89.0	-399.8
Adjustments	7.1	345.0	639.4
Change in net working capital			
Change in trade and other receivables		-0.5	-1.6
Change in trading properties		-	0.0
Change in trade and other payables		-0.6	-2.2
Interest paid		-79.4	-58.4
Interest received		2.3	1.1
Other financial items		-3.4	-0.4
Taxes paid		-21.2	-19.0
Net cash flow from operating activities		**153.3**	**159.0**
Cash flow from investing activities			
Acquisition of investment properties	3.1	-201.3	-504.9
Acquisition of associated companies		-0.6	-0.1
Acquisition of property, plant and equipment and intangible assets		-0.3	-0.3
Proceeds from sale of investment properties		5.1	1.1
Proceeds from sale of associated companies		0.3	-
Purchases of financial assets		-55.0	-140.9
Proceeds from sale of financial assets		157.1	164.4
Non-current loans, granted		0.0	-0.1
Repayments of non-current loan receivables		0.2	0.2
Interest and dividends received on investments		0.9	0.4
Net cash flow from investing activities		**-93.6**	**-480.2**
Cash flow from financing activities	4.4		
Non-current loans and borrowings, raised		500.0	450.0
Non-current loans and borrowings, repayments		-574.5	-91.6
Current loans and borrowings, raised		135.8	205.8
Current loans and borrowings, repayments		-127.2	-225.2
Repayments of lease liabilities		-1.8	-1.6
Dividends paid		-96.4	-93.9
Net cash flow from financing activities		**-164.1**	**243.5**
Change in cash and cash equivalents		**-104.4**	**-77.6**
Cash and cash equivalents at the beginning of the period		**119.4**	**197.0**
Cash and cash equivalents at the end of the period	4.3	**15.0**	**119.4**

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 2023		**58.0**	**35.8**	**43.0**	**164.4**	**3,541.4**	**3,842.7**	**3,842.7**
Comprehensive income								
Cash flow hedging				-31.8			-31.8	-31.8
Profit for the period						-89.0	-89.0	-89.0
Total comprehensive income for the period				**-31.8**		**-89.0**	**-120.8**	**-120.8**
Transactions with shareholders								
Share-based incentive scheme						0.4	0.4	0.4
Dividend payment						-96.4	-96.4	-96.4
Total transactions with shareholders						**-96.0**	**-96.0**	**-96.0**
Total change in equity				-31.8		-185.0	-216.8	-216.8
Equity at 31 Dec 2023	**4.1**	**58.0**	**35.8**	**11.2**	**164.4**	**3,356.4**	**3,625.9**	**3,625.9**

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 2022		**58.0**	**35.8**	**-31.0**	**164.4**	**4,036.0**	**4,263.3**	**4,263.3**
Comprehensive income								
Cash flow hedging				74.0			74.0	74.0
Profit for the period						-399.8	-399.8	-399.8
Total comprehensive income for the period				**74.0**		**-399.8**	**-325.8**	**-325.8**
Transactions with shareholders								
Share-based incentive scheme						-0.9	-0.9	-0.9
Dividend payment						-93.9	-93.9	-93.9
Total transactions with shareholders						**-94.8**	**-94.8**	**-94.8**
Total change in equity				74.0		-494.6	-420.6	-420.6
Equity at 31 Dec 2022	**4.1**	**58.0**	**35.8**	**43.0**	**164.4**	**3,541.4**	**3,842.7**	**3,842.7**

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	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
Current tax expense 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
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

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. The Group's five 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 15 February 2024, 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 2022 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 Group 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 2023

The new standards and interpretations applied in the financial years 2023 did not have a significant impact on the consolidated financial result, financial position, or the presentation of the financial statements of the Group. In 2023, Kojamo implemented a change in the IAS 12 standard related to deferred tax arising from a single transaction, which is detailed in note 5.2. Other standards and model rules that came into effect in 2023, such as IFRS 17 Insurance Contracts and Council Directive (EU) 2022/2523, ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union, do not apply to Kojamo.

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 2023. 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, Fair value of investment properties by valuation method

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, Accounting policies).

2. Result

Accounting policies

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 comprehensive 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 comprehensive income statement items except those mentioned above are presented below operating profit.

2.1 Specification of revenue

M€	1–12/2023	1–12/2022
Revenue from contracts with customers	441.7	412.5
Other income from revenue	0.5	0.8
Total revenue	**442.2**	**413.3**

Specification of revenue from contracts with customers

M€	1–12/2023	1–12/2022
Rental income	425.7	398.5
Water fees	15.0	13.2
Sauna fees	0.8	0.6
Other income from service sales	0.2	0.2
Total	**441.7**	**412.5**

Revenue consists primarily of rental income based on tenancy agreements. In the Group's business, the scope of IFRS 15 Revenue from Contracts with Customers -standard 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€	1–12/2023	1–12/2022
Profit on sales of investment properties	0.4	0.2
Losses on sales of investment properties	-0.2	-
Total	**0.2**	**0.2**

Kojamo sold 73 (0) rental apartments.

Other operating income

M€	1–12/2023	1–12/2022
Income from construction contracting	0.0	0.1
Income from the sales of fixed assets	0.2	-
Income from debt collection	3.2	2.8
Other	0.5	0.9
Total	**4.0**	**3.8**

Other operating expenses

M€	1–12/2023	1–12/2022
Cost on construction contracting	-0.3	-0.3
Total	**-0.3**	**-0.3**

Auditor's fees

M€	1–12/2023	1–12/2022
KPMG Oy Ab		
Audit	-0.4	-0.3
Tax consultancy	0.0	-0.1
Advisory services	-0.1	-0.2
Total	**-0.5**	**-0.5**

Accounting policies

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 among other things to construction contracting.

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 comprehensive income statement under Profit/loss on sales of investment properties.

2.3 Administrative expenses

M€	1–12/2023	1–12/2022
Personnel costs	-22.8	-21.5
Administrative rents and maintenance charges	-2.5	-2.1
Other administrative expenses	-20.4	-19.5
Total	-45.6	-43.1

2.4 Employee benefits expenses

M€	1–12/2023	1–12/2022
Salaries and wages	-18.6	-17.0
Share-based incentive plan	-0.3	-0.8
Funded pension plans	-0.2	-0.2
Defined contribution pension plans	-3.1	-2.9
Other social security costs	-0.6	-0.6
Total	-22.8	-21.5

	31 Dec 2023	31 Dec 2022
Number of personnel, average for the financial year	315	316

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

Accounting policies

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.

2.5 Depreciation, amortisation and impairment

Amortisation and depreciation by asset group

M€	1–12/2023	1–12/2022
Intangible assets	-0.2	-0.2
Property, plant and equipment	-0.6	-0.6
Right-of-use assets	-0.5	-0.4
Total	**-1.3**	**-1.2**

No impairment was recognised on intangible assets, property, plant and equipment and right-of-use assets in the financial years 2022 and 2023.

2.6 Research and development expenditure

Research and development expenditure recognised as expenses totalled EUR 2.8 (1.2) million in 2023. 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 0.5 (0.6) million.

Accounting policies

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.

2.7 Earnings per share

	1–12/2023	1–12/2022
Profit/loss for the period attributable to shareholders of the parent company, M€	-89.0	-399.8
Weighted average number of shares during the period (million)	247.1	247.1
Earnings per share		
Basic, €	-0.36	-1.62
Diluted, €	-0.36	-1.62

The company has no diluting instruments.

Accounting policies

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.

3.1 Investment properties

Fair value of investment properties

M€	31 Dec 2023	31 Dec 2022
Fair value of investment properties on 1 Jan	8,150.2	8,327.5
Acquisition of investment properties	165.1	478.9
Modernisation investments	26.7	22.5
Disposals of investment properties	-12.0	-1.3
Capitalised borrowing costs	4.2	4.6
Transfer from property, plant and equipment	-	0.0
Profit/loss on fair value of investment properties	-295.4	-682.0
Fair value of investment properties at the end of the period	**8,038.8**	**8,150.2**

Profit/loss on fair value of investment properties

M€	1–12/2023	1–12/2022
Changes in yield requirement	-815.5	-670.9
Change in net rentall income	305.9	-119.7
Changes in inflation, rents and expense growth assumptions	181.7	2.1
Other	32.5	106.6
Profit/loss on fair value of investment properties	**-295.4**	**-682.0**

During the year, the number of transactions observed from the market is limited and the comparability of the transactions is weak. In addition, the transaction prices partly indicate that the sales have been highly motivated. The price indications of buyers appearing in the market are very opportunistic and therefore do not represent genuine price formation.

When deciding on the yield requirements used in the valuation in an environment where transaction data is limited, the company's management has taken into account the views of an external expert, the deals completed in the market, discussions with various market participants, interest rates and interest rate views, as well as the company's own information about the market and its real estate portfolio. The yield requirements have also been evaluated in relation to other valuation parameters and the 10-year calculation period. Most relevant other valuation parameters are inflation assumption, rent increase assumption and expense increase assumption, which the company's management has estimated based on the current market views.

Right-of-use assets included in the fair values of investment properties (plots of land)

M€	31 Dec 2023	31 Dec 2022
Fair value on 1 Jan	73.8	70.6
Increases/decreases	5.2	4.3
Profit/loss on fair value of investment properties	-1.3	-1.1
Fair value of investment properties at the end of the period	**77.8**	**73.8**

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 4.2 (4.6) million. The interest rate applied to capitalised borrowing costs was 2.5 (1.8) per cent.

Kojamo acquired a total of 0 (985) rental apartments.

Fair value of investment properties by valuation method

M€	31 Dec 2023	31 Dec 2022
Yield value	7,656.3	7,535.3
Acquisition cost	304.7	541.0
Right-of-use assets (plots of land)	77.8	73.8
Total	**8,038.8**	**8,150.2**

Number of apartments	31 Dec 2023	31 Dec 2022
Yield value	39,390	37,551
Acquisition cost *	1,229	1,680
Total	**40,619**	**39,231**

* Includes 4 apartments as part of development projects

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

Average valuation parametres

	31 Dec 2023		
	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement cash flow, weighted, % *	4.11	5.00	4.40
Exit capitalisation rate, weighted, % *	4.26	5.15	4.55
Cash flow discount rate, weighted, % *	6.11	7.00	6.40
Inflation assumption, %	2.0	2.0	2.0
Market rents, weighted by square metres, €/m²/month	20.55	16.13	18.54
Property maintenance expenses, repairs and modernisation investments €/m²/month	6.67	6.41	6.56
10-year average financial occupancy rate, %	97.5	96.6	97.2
Rent increase assumption, %	2.7	2.4	2.6
Expense increase assumption, %	2.5	2.5	2.5

* Yield requirement for net rental income

	31 Dec 2022		
	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement cash flow, weighted, % *	3.56	4.92	3.97
Exit capitalisation rate, weighted, % *	3.71	5.07	4.12
Cash flow discount rate, weighted, % *	5.36	6.72	5.77
Inflation assumption, %	1.8	1.8	1.8
Market rents, weighted by square metres, €/m²/month	20.08	15.53	17.97
Property maintenance expenses, repairs and modernisation investments €/m²/month	6.77	6.52	6.65
10-year average financial occupancy rate, %	97.5	96.6	97.2
Rent increase assumption, %	2.3	2.0	2.2
Expense increase assumption, %	2.3	2.3	2.3

* Yield requirement for net rental income

Climate-related matters have not had a significant impact on the fair value measurement of investment properties so far.

Sensitivity analysis for measuring the fair value of investment properties

Properties measured at yield value			31 Dec 2023		
Change % (relative)	**-10%**	**-5%**	**0%**	**5%**	**10%**
Change, M€					
Yield requirement	860.3	407.3		-368.2	-702.7
Market rents	-944.8	-472.4		472.4	944.8
Maintenance costs	310.0	155.0		-155.0	-310.0
Change % (absolute)	**-2%**	**-1%**	**0%**	**1%**	**2%**
Change, M€					
Financial occupancy rate	-194.4	-97.2		97.2	194.4

Properties measured at yield value			31 Dec 2022		
Change % (relative)	**-10%**	**-5%**	**0%**	**5%**	**10%**
Change, M€					
Yield requirement	840.1	397.8		-359.6	-686.3
Market rents	-961.0	-480.5		480.5	961.0
Maintenance costs	329.7	164.8		-164.8	-329.7
Change % (absolute)	**-2%**	**-1%**	**0%**	**1%**	**2%**
Change, M€					
Financial occupancy rate	-197.7	-98.8		98.8	197.7

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

Accounting policies

Fair value measurement of investment property

Kojamo's fair value of investment properties is based on IFRS 13 Fair Value Measurement -standard and IAS 40 Investment Property -standard. The valuation is carried out on quarterly basis and are reviewed by external independent valuation expert. 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 2023 is available on Kojamo's website.

According to IFRS 13 Fair value Measurement -standard is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. However, determining the fair values of investment properties requires significant management estimates and assumptions especially when the level of transaction activity is significantly decreased. Estimates and assumptions are especially related to the yield requirements, occupancy rate and market rent levels. Kojamo strives to use as much relevant observable input data as possible and as little non-observable input data as possible.

The yield requirements are analysed quarterly in connection with the valuation. The yield requirements and other input data used are based on market observations and the best information available under current conditions. The information includes the opinion of an external independent expert as well as Kojamo's own information.

Fair value is the price that would be received from the sale of an asset or paid for the transfer of a liability between market parties in a normal transaction on the valuation date.

Kojamo uses valuation techniques that are appropriate under those circumstances, and for which sufficient data is available to measure fair value.

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 comprehensive 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 comprehensive 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.

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 meas-ure the value of properties that belong to the following re-striction 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 basis 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/month)***
0−10 years	*0.25*
11−30 years	*1.00*
31−40 years	*1.50*
>40 years	*2.00*

Provisions for modernisation investments are used in 10-year discounted cash flow calculations.

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 had no non-current assets held for sale in 2023 and 2022.

Accounting policies

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 0.0 (0.1) million at the end of the financial year.

Trading properties are reclassified to financial assets EUR 0.1 million during the financial year 2023. A write-down of EUR 0.0 million has made on the trading properties during the financial year 2022.

Accounting policies

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 2023	31 Dec 2022
New development under construction	10.0	145.1
Preliminary agreements for new construction	24.7	48.7
Renovation	8.8	27.6
Total	**43.6**	**221.4**

Other liabilities

Value added tax refund liabilities

M€	31 Dec 2023	31 Dec 2022
Value added tax refund liabilities	5.5	4.6

Land purchase liabilities

M€	31 Dec 2023	31 Dec 2022
Transaction prices based on target building rights and draft plans	13.5	13.5
Liabilities for municipal infrastructure	3.7	3.7

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

Construction liability

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

The zoned areas are divided into three execution areas in the agreement. Kojamo holds building rights in these areas as follows: area 2 – 10,350 (10,350) floor sq.m. and area 3 – 3,200 (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.

One of the plot 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, Albertinkatu 40–42, Abrahaminkatu 1–3, Kalevankatu 41, Eerikinkatu 32–38 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, Onnentie 18, Tukholmankatu 10, Kalevalankatu 41, Albertinkatu 40–42 and Agricolankatu 1. The building permit has entered into force at Bulevardi 31 and the conversion project into apartments has been completed during 2023. Koy Eerikinkatu 32–36 has been sold in 2023.

Accounting policies

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 2023	**247.1**	**58.0**	**35.8**	**43.0**	**164.4**	**3,541.4**	**3,842.7**	**3,842.7**
Transactions with shareholders						-96.0	-96.0	-96.0
Profit for the financial period						-89.0	-89.0	-89.0
Other comprehensive income				-31.8			-31.8	-31.8
31 Dec 2023	**247.1**	**58.0**	**35.8**	**11.2**	**164.4**	**3,356.4**	**3,625.9**	**3,625.9**

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 2022	**247.1**	**58.0**	**35.8**	**-31.0**	**164.4**	**4,036.0**	**4,263.3**	**4,263.3**
Transactions with shareholders						-94.8	-94.8	-94.8
Profit for the financial period						-399.8	-399.8	-399.8
Profit for the financial period				74.0			74.0	74.0
31 Dec 2022	**247.1**	**58.0**	**35.8**	**43.0**	**164.4**	**3,541.4**	**3,842.7**	**3,842.7**

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 2023 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 0.39 per share was paid in EUR 2023. After the balance sheet date, 31 December 2023, the Board of Directors has proposed that no dividend for 2023 be paid.

Restrictions related to Kojamo's equity

Kojamo's retained earnings for 2023, EUR 3,356.4 (3,541.4) million, include a total of EUR 134.4 (133.7) 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 16 March 2023 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 2024. 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 2024. The Board has not used the authorisation.

Furthermore, the Annual General Meeting decided that an addition is made to the Articles of Association to allow the Board of Directors, at their discretion, to arrange a General Meeting as a virtual meeting without a meeting venue, as proposed by the Board of Directors. The change has been made to the Articles of Association in 2023.

Accounting policies

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€	1–12/2023	1–12/2022
Interest income	3.2	1.6
Valuation changes on financial assets recognised at fair value through profit or loss	1.1	7.6
Gains on the disposal of financial assets recognised at fair value through profit or loss	0.2	0.1
Other financial income *	9.0	0.2
Financial income, total	**13.5**	**9.6**
Interest expenses		
Interest expenses on financial liabilities measured at amortised cost	-92.7	-49.5
Interest expenses on interest rate derivatives	15.6	-9.9
Interest expenses on lease agreements	-2.9	-2.7
Valuation changes on financial assets recognised at fair value through profit or loss	-0.9	-2.3
Losses on the disposal of financial assets recognised at fair value through profit or loss	-0.1	0.0
Other financial expenses	-3.8	-2.6
Financial expenses, total	**-84.8**	**-67.0**
Financial income and expenses, total	**-71.3**	**-57.4**

Other comprehensive income

M€	1–12/2023	1–12/2022
Cash flow hedges	-39.8	92.4
Total	**-39.8**	**92.4**

* Includes 8.7 M€ the profit from the repurchase of bonds

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

Accounting policies

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 2023 Carrying value total	LEVEL 1	LEVEL 2	LEVEL 3	Fair value total
Financial assets					
Measured at fair value					
Interest rate derivatives	30.4		30.4		30.4
Financial assets recognised at fair value through profit or loss	4.1	3.3		0.8	4.1
Measured at amortised cost					
Cash and cash equivalents	15.0		15.0		15.0
Trade receivables	7.5				7.5
Financial liabilities					
Measured at fair value					
Interest rate derivatives	17.3		17.3		17.3
Measured at amortised cost					
Other interest-bearing liabilities	1,607.3		1,604.7		1,604.7
Bonds	1,993.2	1,831.5			1,831.5
Trade payables	1.8				1.8

M€	31 Dec 2022 Carrying value total	LEVEL 1	LEVEL 2	LEVEL 3	Fair value total
Financial assets					
Measured at fair value					
Interest rate derivatives	54.0		54.0		54.0
Financial assets recognised at fair value through profit or loss	104.7	84.1	19.9	0.7	104.7
Measured at amortised cost					
Cash and cash equivalents	119.4		119.4		119.4
Trade receivables	6.4				6.4
Financial liabilities					
Measured at fair value					
Interest rate derivatives	1.4		1.4		1.4
Measured at amortised cost					
Other interest-bearing liabilities	1,339.3		1,225.1		1,225.1
Bonds	2,338.9	2,073.2			2,073.2
Trade payables	21.6				21.6

Accounting policies

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 2023. 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 2023	31 Dec 2022
Beginning of period	0.7	0.7
Change	0.1	0.0
End of period	**0.8**	**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.

Accounting policies

Recognition and measurement

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 or 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 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 comprehensive income statement in the period in which they arise.

Impairment of financial assets

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

4.4 Interest-bearing liabilities

M€	31 Dec 2023	31 Dec 2022
Non-current liabilities		
Bonds	1,558.7	2,139.2
Loans from financial institutions	1,353.3	1,092.7
Interest subsidy loans	18.8	26.2
Lease liability	76.4	72.4
Non-current liabilities total	**3,007.2**	**3,330.5**
Current liabilities		
Bonds	434.5	199.8
Loans from financial institutions	110.6	108.4
Interest subsidy loans	0.2	0.3
Commercial papers	39.7	30.9
Other loans	6.0	6.2
Lease liability	2.2	2.1
Current liabilities total	**593.2**	**347.7**
Total interest-bearing liabilities	**3,600.4**	**3,678.2**

Two green bonds have been issued within Kojamo's Green Finance Framework, the proceeds of which have been used to build energy-efficient buildings.

In May 2021, Kojamo issued the first green bond of EUR 350 million, with a maturity of 8 years. The maturity date is 28 May 2029, and the bond carries a fixed annual coupon of 0.875%. The EUR 300 million green bond issued in March 2022 has a maturity of 4 years. The maturity date is 31 March 2026, and the fixed annual coupon rate is 2.0%.

Both loans are unsecured and made under the EUR 2.5 billion EMTN programme established by Kojamo plc in 2020. An unsecured bond of EUR 500 million was also issued under the EMTN programme in 2020. The bond matures on 27 May 2027, and it carries a fixed annual coupon rate of 1.875%.

In addition, Kojamo has an unsecured bond issued in 2018, of which the remaining nominal amount is EUR 415.5 million. It matures on 7 March 2025 and carries a fixed annual coupon of 1.625%. In 2017, Kojamo plc issued an unsecured bond, of which the remaining nominal amount is EUR 434.5 million. The bond matures on 19 June 2024, and its fixed annual coupon rate is 1.50%. All five bonds are listed on the official list of the Irish Stock Exchange.

Interest-bearing liabilities related to financing

M€	1 Jan 2023	Cash flow	Other than cash changes	31 Dec 2023
Non-current interest-bearing liabilities	3,258.0	500.0	-827.2	2,930.8
Non-current lease liabilities	72.4		4.0	76.4
Current interest-bearing liabilities	345.6	-566.0	811.4	591.0
Current lease liabilities	2.1	-1.8	1.8	2.2
Total interest-bearing liabilities	**3,678.2**	**-67.7**	**-10.0**	**3,600.4**

M€	1 Jan 2022	Cash flow	Other than cash changes	31 Dec 2022
Non-current interest-bearing liabilities	3,165.2	450.0	-357.2	3,258.0
Non-current lease liabilities	69.7		2.8	72.4
Current interest-bearing liabilities	97.9	-111.0	358.7	345.6
Current lease liabilities	1.8	-1.6	1.9	2.1
Total interest-bearing liabilities	**3,334.5**	**337.4**	**6.3**	**3,678.2**

The changes arising from cash flows consist of the withdrawal of EUR 500.0 (450.0) million and repayment of EUR -574.5 (-91.6) million of non-current loans, the withdrawal EUR 135.8 (205.8) million and repayment EUR -127.2 (-225.2) million of short-term commercial papers and other loans 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 2023 Positive	Negative	Net	31 Dec 2022 Net
Interest rate derivatives				
Interest rate swaps, cash flow hedging	30.1	-16.2	13.8	52.4
Interest rate swaps, not in hedge accounting	0.4	-1.1	-0.7	0.2
Total	**30.4**	**-17.3**	**13.1**	**52.5**

Nominal values of derivative instruments

M€	31 Dec 2023	31 Dec 2022
Interest rate derivatives		
Interest rate swaps, cash flow hedging	1,141.0	746.9
Interest rate swaps, not in hedge accounting	40.0	40.6
Total	**1,180.9**	**787.5**

Items under hedge accounting

M€	31 Dec 2023	31 Dec 2022
Cash flow hedging		
Nominal value		
Hedged loans	1,160.6	814.4
Interest rate derivatives	1,141.0	746.9
Fair value of derivatives		
Positive	30.1	53.3
Negative	-16.2	-0.9
Net	**13.8**	**52.4**
Effective portion		
Recognised in other comprehensive income	-39.8	92.4
Ineffective portion		
Recognised in the income statement	-	-

During the financial year, EUR -39.8 (92.4) million was recognised in the fair value reserve from interest rate derivatives classified as cash flow hedges. A total of EUR 1.2 (1.2) million was transferred from cash flow hedging to be recognised through profit or loss.

The interest rate derivatives mature between 2024 and 2035. At the balance sheet date, the average maturity of interest rate swaps was 3.7 (4.0) years.

Accounting policies

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. 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 or loss. These instruments are classified as held for trading. Fluctuations in Kojamo's result caused by changing electricity prices has been managed since 2022 by using electricity purchase agreements.

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 93 (84) 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 floating 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.

Interest rate sensitivity

	31 Dec 2023				31 Dec 2022			
	Income statement		Comprehensive income		Income statement		Comprehensive income	
M€	1%	-0.1%	1%	-0.1%	1%	-0.1%	1%	-0.1%
Floating rate loans	-14.4	1.4	0.0	0.0	-9.9	0.9	0.0	0.0
Interest rate derivatives	11.1	-1.1	33.6	-3.5	7.5	-0.8	22.4	-2.3
Total effect	**-3.4**	**0.3**	**33.6**	**-3.5**	**-2.3**	**0.1**	**22.4**	**-2.3**

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 15.0 million and financial assets at EUR 3.3 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 275 million and a EUR 5 million non-committed credit facility agreement. A total of EUR 39.7 million of the commercial paper programme had been issued at the end of the financial year. All credit facilities were unused at the balance sheet date. In addition, the EUR 425 million syndicated loan signed in October was unwithdrawn at the end of the financial year.

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

	31 Dec 2023				31 Dec 2022			
M€	Within 1 year	1-2 years	2-5 years	Total	Within 1 year	1-2 years	2-5 years	Total
Undrawn committed credit facilities	-	-	275.0	275.0	25.0	-	275.0	300.0

In the past few years, the functioning of the financial market has been affected by stricter bank regulation. In 2023, the uncertainty in the financial market and the strong rise in interest rates were reflected on bank lending and the cost of financing. Due to Kojamo's strong financial position and stable cash flow, the availability of financing remained good. Kojamo has a credit rating of Baa2 with a negative 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 Group's aim is to ensure access to different financing sources.

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. The cash flows of interest rate derivatives have remained positive in current interest rate levels.

Maturity profile of financial liabilities

31 Dec 2023 M€	Within 1 year	2–5 years	6–10 years	11–15 years	Later
Bonds	466.2	1,274.6	353.1	-	-
Loans from financial institutions	185.1	1,398.6	94.5	53.3	1.1
Interest subsidy loans	0.9	3.4	4.4	5.0	15.5
Commercial papers	40.0	-	-	-	-
Other loans	-	6.0	-	-	-
Interest rate derivatives	23.7	51.5	10.6	1.9	-
Lease liabilities	4.7	17.8	21.8	20.8	92.6
Trade payables	1.8	-	-	-	-
Total	**722.4**	**2,751.8**	**484.4**	**81.0**	**109.1**

31 Dec 2022 M€	Within 1 year	2–5 years	6–10 years	11–15 years	Later
Bonds	237.3	1,891.5	356.1	-	-
Loans from financial institutions	138.5	855.0	282.8	60.9	1.2
Interest subsidy loans	0.7	2.1	3.2	4.2	19.2
Commercial papers	31.0	-	-	-	-
Other loans	-	6.2	-	-	-
Interest rate derivatives	-2.1	-4.2	-1.2	-0.3	-
Lease liabilities	4.6	17.1	21.0	20.3	92.5
Trade payables	21.6	-	-	-	-
Total	**431.7**	**2,767.7**	**662.0**	**85.1**	**112.9**

Price risk

Unexpected changes in electricity pricing may expose company to price risk. Kojamo has hedged it's electricity price risk by using electricity purchase agreements.

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 0.0 (-0.0) 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 and rent receivables

	31 Dec 2023		31 Dec 2022	
	M€	%	M€	%
Less than a month	4.7	63.9	4.1	63.9
1–3 months	2.2	23.5	1.5	23.5
3–6 months	0.5	7.3	0.5	7.3
6–12 months	0.1	2.3	0.1	2.3
More than a year	0.1	3.0	0.2	3.0
Total	**7.5**	**100.0**	**6.4**	**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.

Accounting policies

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

Impairment of financial assets

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

Currency risk

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

Management of capital structure

Kojamo's aim is to achieve a capital structure that best ensures Kojamo's strategic long-term operations, promotes the company's growth targets and is optimal with respect to the prevailing market situation. In addition to the financial result, Kojamo's capital structure is affected by factors such as capital expenditure, asset sales and acquisitions, dividend payments, equity-based facilities and measurement at fair value.

Kojamo's strategic targets include an equity ratio of more than 40 per cent 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 2023 was 44.5 (45.3) per cent, and Loan to Value (LTV) was 44.6 (43.7) per cent. Kojamo's interest-bearing liabilities totalled EUR 3,600.4 (3,678.2) million at the end of the financial year.

Kojamo's 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 Kojamo'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 0.44 (0.42), the secured solvency ratio was 0.10 (0.09) and the coverage ratio was 3.6 (3.8). These covenants are included in addition to the bonds in drawn or undrawn financing agreements.

According to the terms and conditions of certain financial agreements, the Group's Loan to Value (LTV) shall not exceed 60 per cent and the interest cover ratio (ICR) shall be at least 1.8. At the end of the financial year, the interest cover ratio was 3.2 (3.9). These covenants are included in drawn or undrawn financial agreements.

4.7 Guarantees and commitments

M€	31 Dec 2023	31 Dec 2022
Loans covered by pledges on property and shares as collateral	839.3	780.7
Pledges given	1,691.6	922.2
Shares	293.2	102.1
Pledged collateral, total [1)]	**1,984.9**	**1,024.3**
Other collaterals given		
Mortgages and shares	8.1	8.1
Guarantees [2)]	723.5	756.4
Other collateral, total	**731.6**	**764.5**

[1)] Pledged mortgages and shares relate in some cases to the same properties. The collaterals for the syndicated loan made in October 2023 was given at the time of signing, but the loan was unwithdrawn at the end of the financial year.

[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. Income taxes

5.1 Current tax expense

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

M€	1–12/2023	1–12/2022
Current tax expense	-16.4	-17.3
Taxes for previous financial years	-0.1	0.0
Change in deferred taxes	39.8	117.2
Total	**23.3**	**100.0**

Tax effects relating to components of other comprehensive income

M€	1–12/2023	1–12/2022
Cash flow hedges		
Before taxes	-39.8	92.4
Tax effect	8.0	-18.5
After taxes	**-31.8**	**74.0**

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

M€	1–12/2023	1–12/2022
Profit before taxes	-112.3	-499.8
Taxes calculated using the current tax rate (20%)	22.5	100.0
Tax-exempt income/non-deductible costs	-0.2	0.1
Utilisation of confirmed tax losses	0.6	0.8
Change of deferred tax assets on unused confirmed tax losses	0.7	-0.9
Taxes from previous periods	-0.1	0.0
Other	-0.1	-0.1
Adjustments total	**0.8**	**0.0**
Total taxes recognised in profit or loss	**23.3**	**100.0**

Accounting policies

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 2023	Recognised through profit or loss	Recognised in other compre-hensive income	Other changes	31 Dec 2023
Deferred tax assets					
Confirmed losses	0.8	0.7		-	1.5
Cash flow hedges	0.2		3.1	-	3.2
Other items/transfers	0.5	-0.3		-	0.2
Lease agreements	14.9	0.8		-	15.7
Total	**16.4**	**1.1**	**3.1**	**-**	**20.6**
Set-off of deferred tax of lease agreements	-14.9	-0.8		-	-15.7
Deferred tax assets	**1.5**	**0.3**	**3.1**	-	**4.9**
Deferred tax liabilities					
Investment properties measured at fair value and residential building provisions	862.3	-39.5		-	822.8
Cash flow hedges	10.9		-4.9	-	6.0
Other items/transfers	0.4	0.0		-	0.5
Lease agreements	14.9	0.8		-	15.7
Total	**888.6**	**-38.7**	**-4.9**	**-**	**845.0**
Set-off of deferred tax of lease agreements	-14.9	-0.8		-	-15.7
Deferred tax liabilities	**873.7**	**-39.5**	**-4.9**	**-**	**829.3**

M€	1 Jan 2022	Recognised through profit or loss	Recognised in other compre-hensive income	Other changes	31 Dec 2022
Deferred tax assets					
Confirmed losses	0.9	-0.1		-	0.8
Cash flow hedges	8.2		-8.1	-	0.2
Other items/transfers	0.9	-0.5		-	0.5
Lease agreements	14.3	0.6		-	14.9
Total	**24.4**	**0.1**	**-8.1**	**-**	**16.4**
Set-off of deferred tax of lease agreements	-14.3	-0.6		-	-14.9
Deferred tax assets	**10.1**	**-0.5**	**-8.1**	-	**1.5**
Deferred tax liabilities					
Investment properties measured at fair value and residential building provisions	979.9	-117.6		0.0	862.3
Cash flow hedges	0.5		10.4	-	10.9
Electricity derivatives measured at fair value	0.1	-0.1		-	-
Other items/transfers	0.6	-0.1		-	0.4
Lease agreements	14.3	0.6		-	14.9
Total	**995.3**	**-117.2**	**10.4**	**0.0**	**888.6**
Set-off of deferred tax of lease agreements	-14.3	-0.6		-	-14.9
Deferred tax liabilities	**981.0**	**-117.8**	**10.4**	**0.0**	**873.7**

Expiration years for unrecognised confirmed losses

	Year of expiration					
M€	2024−2025	2026−2027	2028−2029	2030−2031	2032−2033	Total
Confirmed losses	0.2	0.5	0.1	0.0	0.0	0.8
Unrecognised deferred tax	0.0	0.1	0.0	0.0	0.0	0.2

Accounting policies

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 Business Combinations -standard. 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. Lease agreements

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 (3.8) per cent on 31 December 2023.

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 2023.

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 2023	31 Dec 2022
Fair value od Leases for plots of land 1 Jan *	73.8	70.6
Increases/decreases	5.2	4.3
Profit/loss on fair value of investment properties	-1.3	-1.1
Fair value of Leases for plots of land 31 Dec	**77.8**	**73.8**

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

M€	31 Dec 2023	31 Dec 2022
Car leasing agreements 1 Jan *	1.7	1.7
Increases/decreases	-0.1	0.0
Acquisition cost 31 Dec	**1.6**	**1.7**
Accumulated depreciation 1 Jan	-0.9	-0.8
Depreciation, amortisation and impairment	-0.5	-0.4
Increases/decreases	0.6	0.3
Accumulated depreciation	**-0.8**	**-0.9**
Car leasing agreements 1 Jan	0.8	0.9
Car leasing agreements 31 Dec	**0.8**	**0.8**

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

Right-of-use assets total on 1 Jan	74.6	71.5
Right-of-use assets total on 31 Dec	**78.6**	**74.6**

Lease liabilities

M€	31 Dec 2023	31 Dec 2022
Lease liabilities on 1 Jan	74.6	71.5
New leases	1.9	2.2
Repayments of lease liabilities	-1.8	-1.6
Other non-cash movements	3.9	2.5
Lease liabilities on 31 Dec	**78.6**	**74.6**

Lease liabilities

M€	31 Dec 2023	31 Dec 2022
Non-curret liabilities		
Investment property, leases for plot of land	76.0	72.1
Depreciation, amortisation and impairment, car leasing agreements	0.4	0.3
Non-curret liabilities total	**76.4**	**72.4**
Current liabilities		
Investment property, leases for plot of land	1.8	1.7
Depreciation, amortisation and impairment, car leasing agreements	0.4	0.4
Current liabilities total	**2.2**	**2.1**
Lease liabilities total	**78.6**	**74.6**

6.2 Intangible assets

M€	Intangible rights	Other intangible assets	Total
Acquisition cost 1 Jan 2023	0.1	1.2	1.3
Increases	-	0.1	0.1
Decreases	-0.1	-0.1	-0.2
Acquisition cost 31 Dec 2023	**0.0**	**1.2**	**1.2**
Accumulated depreciation 1 Jan 2023	-0.1	-0.5	-0.6
Decreases	0.1	0.1	0.2
Depreciation for the financial year	-	-0.2	-0.2
Accumulated depreciation 31 Dec 2023	**0.0**	**-0.7**	**-0.7**
Carrying value 1 Jan 2023	0.0	0.7	0.7
Carrying value 31 Dec 2023	**0.0**	**0.6**	**0.6**

M€	Intangible rights	Other intangible assets	Total
Acquisition cost 1 Jan 2022	0.1	1.1	1.2
Increases	-	0.1	0.1
Acquisition cost 31 Dec 2022	**0.1**	**1.2**	**1.3**
Accumulated depreciation 1 Jan 2022	-0.1	-0.3	-0.4
Depreciation for the financial year	0.0	-0.2	-0.2
Accumulated depreciation 31 Dec 2022	**-0.1**	**-0.5**	**-0.6**
Carrying value 1 Jan 2022	0.0	0.8	0.8
Carrying value 31 Dec 2022	**0.0**	**0.7**	**0.7**

Accounting policies

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 fiver to twenty 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.

The accounting for cloud computing arrangements depends on whether the cloud-based software classifies as a software intangible asset or a service contract. Those arrangements where Kojamo does not have control over the underlying software are accounted for as service contracts providing the Group with the right to access the cloud provider's application software over the contract period. The ongoing fees to obtain access to the application software, together with related configuration or customisation costs incurred, are recognised under Other operating expenses when the services are received.

6.3 Property, plant and equipment

M€	Land areas	Connection charges	Buildings	Machinery and equipment	Right-of-use assets	Other tangible assets	Total
Acquisition cost 1.1.2023	5.4	0.1	26.5	3.5	1.7	1.4	38.7
Increases	-	-	0.1	0.0	-0.1	-	0.1
Decreases	-	-	-	-0.4	-	0.0	-0.4
Hankintameno 31 Dec 2023	**5.4**	**0.1**	**26.6**	**3.2**	**1.6**	**1.4**	**38.4**
Accumulated depreciation 1 Jan 2023	-	-	-6.2	-3.1	-0.9	-0.1	-10.3
Depreciation for the financial year	-	-	-0.4	-0.1	-0.5	0.0	-1.0
Decreases	-	-	-	0.4	0.6	-	1.0
Accumulated depreciation 31 Dec 2023	**-**	**-**	**-6.6**	**-2.9**	**-0.8**	**-0.1**	**-10.4**
Carrying value 1 Jan 2023	5.4	0.1	20.3	0.4	0.8	1.3	28.4
Carrying value 31 Dec 2023	**5.4**	**0.1**	**20.0**	**0.3**	**0.8**	**1.3**	**28.0**

M€	Land areas	Connection charges	Buildings	Machinery and equipment	Right-of-use assets	Other tangible assets	Total
Acquisition cost 1 Jan 2022	5.4	0.1	26.5	3.3	1.7	1.4	38.4
Increases	-	-	0.0	0.2	0.0	-	0.2
Acquisition cost 31 Dec 2022	**5.4**	**0.1**	**26.5**	**3.5**	**1.7**	**1.4**	**38.7**
Accumulated depreciation 1 Jan 2022	-	-	-5.7	-3.0	-0.8	-0.1	-9.6
Depreciation for the financial year	-	-	-0.4	-0.1	-0.4	0.0	-1.0
Decreases	-	-	0.0	0.0	0.3	-	0.3
Accumulated depreciation 31 Dec 2022	**-**	**-**	**-6.2**	**-3.1**	**-0.9**	**-0.1**	**-10.3**
Carrying value 1 Jan 2022	5.4	0.1	20.8	0.3	0.9	1.3	28.8
Carrying value 31 Dec 2022	**5.4**	**0.1**	**20.3**	**0.4**	**0.8**	**1.3**	**28.4**

Accounting policies

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.

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*
Capitalised renovations and repairs	*10–50 years*
IT hardware	*4–5 years*
Base stations	*7 years*
Office equipment	*10 years*
Multifunction devices	*6-8 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 2023	31 Dec 2022
Loan receivables from associated companies	4.7	4.8
Loan receivables from others	1.6	1.7
Non-current accrued income	0.1	0.2
Total	**6.5**	**6.7**

6.5 Current trade and other receivables

M€	31 Dec 2023	31 Dec 2022
Trade receivables	7.5	6.4
Receivables from associated companies	0.0	0.2
Loan receivables	0.1	0.1
Other receivables	1.3	2.2
Prepaid expenses and accrued income	8.0	2.1
Total	**17.0**	**11.1**

Specification of prepaid expenses and accrued income	31 Dec 2023	31 Dec 2022
Rental services	1.0	1.4
Prepayments	0.4	0.1
Interest	6.2	0.1
Other prepaid expenses and accrued income	0.4	0.5
Total	**8.0**	**2.1**

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

6.6 Provisions and other non-current liabilities

Provisions

Provisions include EUR 0.1 (0.3) million in ten-year guarantee reserves for Lumo Kodit Oy's (VVO Rakennuttaja Oy's) founder construction, estimated on the basis of experience.

Accounting policies

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.

Other non-current liabilities

M€	31 Dec 2023	31 Dec 2022
Security deposits received	4.3	4.3
Other liabilities, investments	0.6	0.8
Total	**4.9**	**5.0**

Other non-current liabilities comprise mainly received security deposits.

6.7 Current trade payables and other payables

M€	31 Dec 2023	31 Dec 2022
Advances received	6.2	6.2
Trade payables	1.8	21.6
Other debts	1.4	1.5
Accrued expenses and deferred income	66.0	49.2
Total	**75.4**	**78.5**

Specification of accrued expenses and deferred income	31 Dec 2023	31 Dec 2022
Rental services	8.8	2.7
Investments	11.2	9.9
Personnel expenses	6.0	5.8
Interest	38.6	30.7
Other items	1.4	0.0
Total	**66.0**	**49.2**

7. Other notes

7.1 Adjustments to cash flow from operating activities

M€	1–12/2023	1–12/2022
Depreciation	1.3	1.2
Financial income and expenses	71.3	57.4
Income taxes	-23.3	-100.0
Share of result of associated companies	-0.1	-0.1
Profit/loss on fair value of investment properties	295.4	682.0
Profit/loss on the disposal of investment properties	-0.2	-0.2
Other adjustments	0.8	-0.8
Total	**345.0**	**639.4**

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, the CEO and other members of the Management Team and the close members of their families and the corporations over which they exercise control. 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€	1–12/2023	1–12/2022
Wages and salaries to management		
CEO	-0.6	-0.4
Other members of the Management Team	-1.1	-1.0
Members of the Board and its committees	-0.1	-0.1
Total wages and salaries for the management	**-1.7**	**-1.5**
Share-based payments		
CEO	-0.1	-0.5
Other members of the Management Team	-0.1	-0.7
Members of the Board and its committees	-0.3	-0.3
Share-based payments total	**-0.5**	**-1.5**
Funded pension plans	-0.2	-0.2
Defined contribution pension plans	-0.4	-0.4
Total	**-2.7**	**-3.6**

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

1,000 €	1–12/2023	1–12/2022
Jani Nieminen, CEO	-625.4	-970.0
Board of Directors and its committees		
Mikael Aro, Chairman of the Board	-80.5	-78.8
Mikko Mursula, Vice chairman of the board	-52.1	-50.9
Reima Rytsölä	-10.0	-45.0
Anne Koutonen	-52.1	-51.5
Minna Metsälä	-	-9.7
Kari Kauniskangas	-47.1	-35.3
Matti Harjuniemi	-8.8	-45.0
Catharina von Stackelberg-Hammarén	-45.3	-44.4
Andreas Segal	-38.2	-
Annica Ånäs	-36.1	-
Board of Directors and its committees total	**-370.1**	**-360.3**
Total *	**-995.5**	**-1,330.3**

* The salaries and wages include share-based payments

For the 2023–2024 term of office, the Board of Directors has been paid fees totalling EUR 367.8 thousand. EUR 370.1 thousand is allocated to the financial year 2023. Annual fee is paid as company shares and cash so that approximately 40 per cent of the annual fee will be paid as Kojamo plc's shares and the rest will be paid in cash.

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 2021–2023: total revenue and FFO.
- for the performance period 2022–2024: total revenue, FFO and apartment-specific CO2 emission reduction target.
- for the performance period 2023–2025: total revenue, FFO and apartment-specific CO2 emission reduction target for years 2023–2025, and Loan to Value ratio.

If the three ongoing earning periods were accrued in full, the maximum remuneration would be a sum corresponding to 385,211 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.

On 15 February 2023, Kojamo's Board of Directors approved to establish a new restricted share programme for the years 2023-2025. The programme will be used in specific situations decided by the Board of Directors separately. The programme consists of individual, annually commencing maximum three-year long restricted share plans within which the participants have the opportunity to receive a fixed number of shares as a long-term incentive and retention award. 2023-2025 commitment period will last until the end of 2025 and the possible reward will be paid during the year following the expiry of the period partially in shares in the company and partially in cash. The maximum gross number of shares to be granted is 50,000 shares.

In the financial year 2023, the effect of the share-based incentive plan for key personnel on Kojamo's result was EUR -0,2 (-0.4) million.

Other related party information

The members of the Board of Directors or corporations over which they exercise control owned a total of 57,783 (55,754) 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 163,115 (190 033) shares and share-based rights in the company or in companies belonging to the same Group as the company.

These shares represent 0.09 (0.10) per cent of the company's entire share capital.

Kojamo had no related party transactions deviating from the company's normal business operations in 2022 and 2023.

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

Accounting policies

Consolidation policies

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

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 2023 and 2022.

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.

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.

Group structure 31 December 2023

Units	Subsidiaries	Associated companies
Kojamo plc	10 [1)]	2
Parent companies of sub-groups		
Lumo Kodit Oy	355	34
Lumo Vuokratalot Oy	10	3 [2)]
Lumo Asumisen Palvelut Oy	1	6
Kojamo Palvelut Oy	1	
Total	**377**	**44**

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

[2)] 1 of the associated company is subsidiary 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
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 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
Kotinyt 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 Kivenlahdenkatu 2	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 Luoteisrinne 7 A-D	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 Piispanristi 2	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 Uuno Kailaan katu 4	Espoo	100.00	100.00
Asunto Oy Espoon Uuno Kailaan katu 5	Espoo	100.00	100.00
Asunto Oy Espoon Uuno Kailaan katu 6	Espoo	100.00	100.00
Asunto Oy Espoon Valakuja 8	Espoo	100.00	100.00
Asunto Oy Espoon Ylismäenkuja 14	Espoo	100.00	100.00
Asunto Oy Espoon Ylismäentie 12 A-B	Espoo	100.00	100.00
Asunto Oy Espoon Ylismäentie 12 C-D	Espoo	100.00	100.00
Asunto Oy Espoon Ylismäentie 12 E	Espoo	100.00	100.00
Asunto Oy Espoon Ylismäentie 12 F	Espoo	100.00	100.00
Asunto Oy Helsingin Annankatu 5	Helsinki	100.00	100.00
Asunto Oy Helsingin Bahamankatu 8	Helsinki	100.00	100.00
Asunto Oy Helsingin Bulevardi 31	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 Juhana Herttuan tie 8	Helsinki	100.00	100.00
Asunto Oy Helsingin Junailijankuja 9a	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 2a	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 Kellosilta 8b	Helsinki	100.00	100.00
Asunto Oy Helsingin Kivensilmänkuja 3	Helsinki	100.00	100.00
Asunto Oy Helsingin Klaavuntie 11	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 8	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 4	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 Madetojankuja 1b	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 Minervankatu 4	Espoo	100.00	100.00
Asunto Oy Helsingin Oulunkylän tori 3	Helsinki	100.00	100.00
Asunto Oy Helsingin Palmsenpolku 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 4	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 Tankomäenkatu 7	Helsinki	100.00	100.00
Asunto Oy Helsingin Tankomäenkatu 9	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 Tulisuontie 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 Vanha Helsingintie 20	Helsinki	100.00	100.00
Asunto Oy Helsingin Vanhaistentie 1 d	Helsinki	100.00	100.00
Asunto Oy Helsingin Vinsentinaukio 4	Helsinki	100.00	100.00
Asunto Oy Helsingin Von Daehnin katu 8	Helsinki	100.00	100.00
Asunto Oy Helsingin Vuorenpeikontie 5	Helsinki	100.00	100.00
Asunto Oy Helsingin Välimerenkatu 8	Helsinki	100.00	100.00
Asunto Oy Hilapellontie 4	Helsinki	100.00	100.00
Asunto Oy Hyvinkään Astreankatu 27	Hyvinkää	100.00	100.00
Asunto Oy Hyvinkään Merino	Hyvinkää	100.00	100.00
Asunto Oy Hyvinkään Mohair	Hyvinkää	100.00	100.00
Asunto Oy Hyvinkään Värimestarinkaari 3	Hyvinkää	100.00	100.00
Asunto Oy Hämeenlinnan Aurinkokatu 10	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Hallituskatu 14	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Hilpi Kummilantie 16	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Kajakulma	Hämeenlinna	73.97	73.97
Asunto Oy Hämeenlinnan Keilakatu 4	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Kummilantie 6	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Linnaniemenkatu 1	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Linnankatu 3b	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Pikkujärventie 9	Hämeenlinna	100.00	100.00
Asunto Oy Hämeenlinnan Uusi-Jukola	Hämeenlinna	100.00	100.00
Asunto Oy Hämeentie 48	Helsinki	100.00	100.00
Asunto Oy Jyväskylän Heinämutka 5	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Honkaharjuntie 14b	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Jontikka 4	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Kelokatu 4	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Kerkkäkatu 1	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Kerkkäkatu 3	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Kerkkäkatu 4	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 Mannisenmäentie 6-8	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Mannisenrinne 2	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	98.67	98.67
Asunto Oy Jyväskylän Tervalankatu 6	Jyväskylä	100.00	100.00
Asunto Oy Jyväskylän Tiilitehtaantie 44	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 Rekivatro	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 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 Tapulikatu 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 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 Vilhelmiina	Kuopio	100.00	100.00
Asunto Oy Kuopion Vuorikatu 22	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 Tukkivartio	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 Myrskynkatu 4	Tampere	100.00	100.00
Asunto Oy Tampereen Nuolialantie 44	Tampere	100.00	100.00
Asunto Oy Tampereen Näsilinnankatu 40	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 Kotkankatu 2	Turku	100.00	100.00
Asunto Oy Turun Laivurinkatu 4	Turku	100.00	100.00
Asunto Oy Turun Lemminkäisenkatu 17	Turku	100.00	100.00
Asunto Oy Turun Reelinkikatu 7	Turku	100.00	100.00
Asunto Oy Turun Riitasuonkatu 28	Turku	100.00	100.00
Asunto Oy Turun Työnjohtajankatu 1	Turku	100.00	100.00
Asunto Oy Turun Vänrikinkatu 2	Turku	100.00	100.00
Asunto Oy Tuusulan Bostoninkaari 2	Tuusula	100.00	100.00
Asunto Oy Tuusulan Kievarinkaari 4	Tuusula	100.00	100.00
Asunto Oy Vantaan Antaksentie 3	Vantaa	100.00	100.00
Asunto Oy Vantaan Arinatie 10	Vantaa	100.00	100.00
Asunto Oy Vantaan Elmontie 11	Vantaa	100.00	100.00
Asunto Oy Vantaan Esikkotie 9	Vantaa	100.00	100.00
Asunto Oy Vantaan 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 Kilterinaukio 4	Vantaa	100.00	100.00
Asunto Oy Vantaan Kilterinkaari 2	Vantaa	100.00	100.00
Asunto Oy Vantaan Krassitie 8	Vantaa	98.10	98.10
Asunto Oy Vantaan Laajaniityntie 2a	Vantaa	100.00	100.00
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 Pähkinämetsä	Vantaa	100.00	100.00
Asunto Oy Vantaan Pähkinäpolku	Vantaa	100.00	100.00
Asunto Oy Vantaan Pähkinärinteentie 41	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
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 Eerikinkatu 38	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Kalevankatu 39a	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Kalevankatu 39b	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Kalevankatu 39c	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 Tampereen Kyllikinkatu 15	Tampere	100.00	100.00
Kiinteistö Oy Tuureporin Liiketalo	Turku	100.00	100.00
Kiinteistö Oy Uuno Kailaan kadun Pysäköinti	Espoo	100.00	100.00
Kiinteistö Oy Vantaan Karhunkierros 1 C	Vantaa	86.58	86.58
Kiinteistö Oy Vantaan Pyhtäänpolku	Vantaa	100.00	100.00
Kiinteistö Oy Ylä-Malmintori	Helsinki	100.00	100.00
Koy Espoon Ylismäentie 12 Pysäköinti	Espoo	100.00	100.00
Lumo Espoon Ylismäentie Oy	Helsinki	100.00	100.00
Lumo Hankeyhtiö 2 Oy	Helsinki	100.00	100.00
Lumo Holding 50 Oy	Helsinki	100.00	100.00
Lumohousing 13 Oy	Helsinki	100.00	100.00
Lumohousing 14 Oy	Helsinki	100.00	100.00
Lumohousing 15 Oy	Helsinki	100.00	100.00
Lumohousing 16 Oy	Helsinki	100.00	100.00
Lumohousing 17 Oy	Helsinki	100.00	100.00
Lumohousing 18 Oy	Helsinki	100.00	100.00
Lumohousing 19 Oy	Helsinki	100.00	100.00
Ylismäentie Pysäköinti Oy	Helsinki	100.00	100.00

Asunto Oy Helsingin Kantelettarentie 15 osakkuusyhtiö:			
Kiinteistö Oy Sävelkorttelin Parkkihalli	Helsinki	31.19	65.35
Asunto Oy Helsingin Vanhaistentie 1 d osakkuusyhtiö:			
Kiinteistö Oy Sävelkorttelin Parkkihalli	Helsinki	34.16	65.35

Subsidiaries and joint arrangements		Parent company holding %	Group holding %
Lumo Vuokratalot 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
A subsidiary of Kiinteistö Oy Vehnäpelto			
Kiinteistö Oy Viljapelto	Vantaa	55.56	76.67

Subsidiaries and joint arrangements		Parent company holding %	Group holding %
Kojamo Palvelut Oy			
Piispanristin Pysäköinti Oy	Espoo	100.00	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 and joint arrangements		Parent company holding %	Group holding %
Kojamo plc			
Asunto Oy Nilsiän Ski	Nilsiä	28.33	28.33
SV-Asunnot Oy	Helsinki	50.00	50.00
Lumo Asumisen Palvelut Oy			
Asemamiehenkadun Pysäköinti Oy	Helsinki	48.94	48.94
Haltian Pysäköinti Oy	Vantaa	39.25	39.25
Kiinteistö Oy Espoon Pegasos Pysäköinti	Espoo	27.23	27.23
Kiinteistö Oy Nihtitorpankujan Parkki	Espoo	34.38	34.38
Kiinteistö Oy Säterinkallion Pysäköinti	Espoo	46.41	46.41
Louhen Pysäköinti Oy	Helsinki	32.00	32.00
Lumo Kodit Oy			
Asunto Oy Espoon Otsonkulma	Espoo	28.98	28.98
Hatanpäänhovin Pysäköinti Oy	Tampere	41.88	41.88
Kiinteistö Oy Bäckisåker	Espoo	50.00	50.00
Kiinteistö Oy Jyväskylän Torikulma	Jyväskylä	42.63	42.63
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-Suurpelto	Espoo	50.00	50.00
Kiinteistö Oy Tampereen Tieteen Parkki	Tampere	41.71	41.71
Lehtolantien Pysäköinti Oy	Riihimäki	22.60	22.60
Leinelän 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
Miilun alueen huolto Oy	Salo	28.57	28.57
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 Leinelänkaari 13:			
Leinelänkaaren 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
Asunto Oy Vantaan Kaivokselantie 5 b:			
Kiinteistö Oy Vantaan Pumppupuiston Parkki	Vantaa	11.45	24.20
Asunto Oy Vantaan Kaivokselantie 5 f:			
Kiinteistö Oy Vantaan Pumppupuiston Parkki	Vantaa	12.75	24.20
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 Effects of Russia's war of aggression in Ukraine on Kojamo

The continuation of Russia's war of aggression is still reflected in the recovery of the world economy. The development of the Finnish economy was weak last year. Energy prices, which had risen sharply due to the war, fell during the year, but in general, inflation continued to be high. The rise in prices affected Kojamo's maintenance costs, especially in the beginning of the year regarding heating costs and electricity prices.

7.5 Events after the financial year

In January 2024, Kojamo plc announced as a stock exchange release that Kojamo plc issued EUR 200 million unsecured green notes as a private placement. The new notes were issued under the company's EMTN programme as an increase to the company's notes maturing on 28 May 2029. The proceeds of the issue will be used for the refinancing of projects in accordance with the company's Green Finance Framework.

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

	Formula	2023	2022	2021	2020	2019
Total revenue, M€		442.2	413.3	391.7	383.9	375.3
Net rental income, M€	1	297.2	280.1	262.3	257.6	247.3
Net rental income margin, %	2	67.2	67.8	67.0	67.1	65.9
Profit/loss before taxes, M€	3	-112.3	-499.8	1,278.9	391.2	1,031.3
EBITDA, M€	4	-39.9	-441.3	1,334.8	447.6	1,083.1
EBITDA margin, %	5	-9.0	-106.8	340.8	116.6	288.6
Adjusted EBITDA, M€	6	255.1	240.4	228.5	222.6	210.3
Adjusted EBITDA margin, %	7	57.7	58.2	58.3	58.0	56.0
Funds From Operations (FFO), M€ [1)]	8	167.2	160.7	153.1	151.4	140.7
FFO margin, %	9	37.8	38.9	39.1	39.5	37.5
Funds From Operations (FFO) per share, €	10	0.68	0.65	0.62	0.61	0.57
FFO excluding non-recurring costs, M€	11	167.2	160.7	153.1	151.4	140.7
Adjusted Funds From Operations (AFFO), M€	12	140.5	138.2	141.1	124.3	110.0
Investment properties, M€ [2)]		8,038.8	8,150.2	8,327.5	6,863.1	6,260.8
Financial occupancy rate, %	26	93.0	92.0	93.9	96.4	97.2
Interest-bearing liabilities, M€	13	3,600.4	3,678.2	3,334.5	3,053.3	2,674.2
Return on equity, % (ROE)	14	-2.4	-9.9	27.0	9.8	30.3
Return on investment, % (ROI)	15	-0.4	-5.7	19.2	7.4	20.5
Equity ratio, %	16	44.5	45.3	49.0	45.6	46.9
Loan to Value (LTV), % [3)]	17	44.6	43.7	37.7	41.4	40.5
Unencumbered asset ratio, %	18	74.7	87.1	86.3	79.4	69.8
Coverage ratio	19	3.6	3.8	3.9	4.1	4.2
Solvency ratio	20	0.44	0.42	0.36	0.39	0.39
Secured solvency ratio	21	0.10	0.09	0.09	0.14	0.20
Earnings per share, €		-0.36	-1.62	4.14	1.27	3.34
Equity per share, €		14.67	15.55	17.25	13.39	12.51
Dividend/share, € [4)]		-	0.39	0.38	0.37	0.34
Dividend/earnings, %	22	-	-	9.2	29.1	10.2
Price/Earnings ratio (P/E)	23	-	-	5.1	14.3	4.9
Effective dividend yield, %	24	-	2.8	1.8	2.0	2.1
Gross investments, M€	25	190.7	501.6	356.9	371.2	259.9
Average number of personnel		315	316	321	315	305

[1)] The formula used in the calculation was changed 2021 regarding current taxes from disposals. The comparison figures for 2020 have been adjusted to reflect the current calculation method

[2)] Including Non-current assets held for sale

[3)] Excluding Non-current assets held for sale

[4)] 2023: the Board of Directors proposes to the Annual General Meeting that no dividend be paid for 2023

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, % = $\frac{\text{Net rental income}}{\text{Total revenue}}$ x 100

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

3) Profit/loss 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/loss before taxes measures profitability after operative costs and financial expenses.

4) EBITDA = Profit/loss 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, % = $\frac{\text{EBITDA}}{\text{Total revenue}}$ x 100

EBITDA margin discloses EBITDA in relation to net sales.

6) Adjusted EBITDA = Profit/loss 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 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, % = $\frac{\text{Adjusted EBITDA}}{\text{Total revenue}}$ x 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.

9) FFO margin, % = $\frac{\text{FFO}}{\text{Total revenue}}$ x 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) = $\frac{\text{Profit for the period (annualised)}}{\text{Total equity, average during the period}}$ x 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) = $\frac{\text{(Profit before taxes + Interests and other financial expenses) (annualised)}}{\text{(Total assets - Non-interest-bearing liabilities), average during the period}}$ x 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, % = $\frac{\text{Total equity}}{\text{Balance sheet total - Advances received}}$ x 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), % = $\frac{\text{Interest-bearing liabilities - Cash and cash equivalents}}{\text{Investment properties}}$ x 100

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

18) Unencumbered asset ratio, % = $\frac{\text{Unencumbered assets}}{\text{Assets total}}$ x 100

This APM illustrates the amount of unencumbered assets relative to total assets.

19) Coverage ratio = $\frac{\text{Adjusted EBITDA, rolling 12 months}}{\text{Adjusted net financial expenses, rolling 12 months}}$

The ratio between EBITDA and net financial expenses. This APM illustrates the Group's ability to service its debts.

20) Solvency ratio = $\frac{\text{Interest-bearing debt* - Cash and cash equivalents}}{\text{Assets total}}$

The solvency ratio illustrates the ratio of net debt to total assets.
*For this APM, interest-bearing debt includes interest-bearing liabilities, interest-bearing 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, % = $\frac{\text{Dividend per share}}{\text{Earnings per share}}$ x 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, % = $\frac{\text{Dividend per share}}{\text{Closing price of the share}}$ x 100

Effective dividend yield illustrates the ratio between earnings per share and the share price.

25) Gross investments = Acquisition and development of investment properties + Modernisation investments + Capitalised borrowing costs

This APM illustrates total investments including acquisitions, development investments, modernisation investments and capitalised interest.

Other performance measures

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

Reconciliation of key indicators

M€	2023	2022	2021	2020	2019
Profit/loss for the period	-89.0	-399.8	1,023.4	312.9	825.2
Depreciation, amortisation and impairment	1.3	1.2	1.2	1.3	1.1
Profit/loss on sales of investment properties	-0.2	-0.2	-0.3	0.7	-0.1
Profit/loss on sales of trading properties	-	0.0	-	-	-0.2
Profit/loss on sales of other non-current assets	-0.2	0.0	-0.3	-	0.0
Profit/loss on fair value of investment properties	295.4	682.0	-1,105.7	-225.8	-872.4
Financial income	-13.5	-9.6	-4.8	-1.8	-2.6
Financial expenses	84.8	67.0	59.7	57.0	53.4
Share of result from associated companies	-0.1	-0.1	-0.1	-0.2	-0.2
Current tax expense	16.5	17.3	18.8	16.9	19.9
Change in deferred taxes	-39.8	-117.2	236.7	61.5	186.2
Adjusted EBITDA	**255.1**	**240.4**	**228.5**	**222.6**	**210.3**
Financial income and expenses	-71.3	-57.4	-54.9	-55.3	-50.8
Profit/loss on fair value measurement of financial assets	-0.2	-5.3	-3.2	1.0	1.1
Adjusted net interest charges	**-71.5**	**-62.7**	**-58.1**	**-54.2**	**-49.7**
Current taxes from disposals	0.1	0.2	1.5	-0.1	n/a
Current tax expense	-16.5	-17.3	-18.8	-16.9	-19.9
FFO	**167.2**	**160.7**	**153.1**	**151.4**	**140.7**
Non-recurring costs	-	-	-	-	-
FFO excluding non-recurring costs	**167.2**	**160.7**	**153.1**	**151.4**	**140.7**
Equity	3,625.9	3,842.7	4,263.3	3,309.5	3,090.6
Assets total	8,158.3	8,482.3	8,716.8	7,261.5	6,590.4
Advances received	-6.2	-6.2	-6.6	-6.6	-6.7
Equity ratio, %	**44.5**	**45.3**	**49.0**	**45.6**	**46.9**
Unencumbered investment properties	5,918.2	7,008.2	7,084.2	5,327.0	4,296.3
Non-current assets, other than investment properties	125.7	142.3	94.2	97.6	25.6
Current assets	46.9	238.9	340.5	342.7	277.6
Unencumbered assets total	**6,090.8**	**7,389.3**	**7,518.8**	**5,767.3**	**4,599.6**
Total assets	8,158.3	8,482.3	8,716.8	7,261.5	6,590.4
Unencumbered asset ratio, %	**74.7**	**87.1**	**86.3**	**79.4**	**69.8**
Adjusted EBITDA, rolling 12 months	255.1	240.4	228.5	222.6	210.3
Adjusted net interest charges, rolling 12 months	-71.5	-62.7	-58.1	-54.2	-49.7
Coverage ratio	**3.6**	**3.8**	**3.9**	**4.1**	**4.2**
Interest-bearing liabities	3,600.4	3,678.2	3,334.5	3,053.3	2,674.2
Deferred purchase price due after 90 days	-	-	-	-	8.7
Cash and cash equivalents	15.0	119.4	197.0	210.5	137.3
Total indebtedness- Cash and cash equivalents	**3,585.5**	**3,558.8**	**3,137.5**	**2,842.8**	**2,545.6**
Total assets	8,158.3	8,482.3	8,716.8	7,261.5	6,590.4
Solvency ratio	**0.44**	**0.42**	**0.36**	**0.39**	**0.39**
Secured loans	839.3	780.7	809.5	1,048.5	1,298.1
Total assets	8,158.3	8,482.3	8,716.8	7,261.5	6,590.4
Secured solvency ratio	**0.10**	**0.09**	**0.09**	**0.14**	**0.20**

PARENT COMPANY'S FINANCIAL STATEMENTS

Parent company's income statement, FAS

€	Note	1–12/2023	1–12/2022
Rental income		500,832.84	458,760.72
Sales revenue from administration		13,836,624.00	12,738,978.00
Total revenue	**1**	**14,337,456.84**	**13,197,738.72**
Other operating income	2	864.97	-
Personnel costs	3	-4,120,711.66	-4,163,339.44
Depreciation, amortisation and impairment losses	4	-314,028.05	-272,914.17
Other operating expenses	5	-12,500,148.52	-12,779,120.58
Operating profit/loss		**-2,596,566.42**	**-4,017,635.47**
Investment income		3,000.00	6,000.00
Financial income		77,782,715.73	48,706,918.17
Value adjustments in investments held as current assets		958,222.21	-902,860.39
Financial expenses		-66,972,018.00	-47,164,988.71
Total amount of financial income and expenses	**6**	**11,771,919.94**	**645,069.07**
Profit/loss before appropriations and taxes		**9,175,353.52**	**-3,372,566.40**
Appropriations	7	-8,140,000.00	49,810,100.00
Income taxes	8	8,124.92	-9,326,991.24
Profit/loss for the period		**1,043,478.44**	**37,110,542.36**

Parent company's balance sheet, FAS

€	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	9		
Other long-term expenses		537,723.35	629,555.80
Intangible assets, total		**537,723.35**	**629,555.80**
Tangible assets	10		
Land and water areas		4,519,052.14	4,520,734.02
Machinery and equipment		225,309.16	345,649.75
Other tangible assets		187,206.12	187,206.12
Tangible assets, total		**4,931,567.42**	**5,053,589.89**
Investments	11		
Shares in subsidiaries		82,273,943.02	82,273,943.02
Shares in associates		176,951.96	176,951.96
Other securities and shares		594,029.89	594,029.89
Investments, total		**83,044,924.87**	**83,044,924.87**
Non-current assets, total		**88,514,215.64**	**88,728,070.56**
Current assets			
Non-current receivables	12	3,051,629,442.29	2,694,328,897.52
Current receivables	13	46,903,935.14	270,263,963.41
Finacial securities	14	20,120.68	90,851,215.89
Cash and cash equivalents		5,668,804.67	73,576,618.41
Current assets, total		**3,104,222,302.78**	**3,129,020,695.23**
ASSETS		**3,192,736,518.42**	**3,217,748,765.79**
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		-12,637,912.08	46,722,330.94
Profit for total period		1,043,478.44	37,110,542.36
Total equity		**250,089,804.23**	**345,517,111.17**
Liabilities			
Non-current liabilities	16	2,405,044,932.95	2,552,127,711.62
Current liabilities	17	537,601,781.24	320,103,943.00
Total liabilities		**2,942,646,714.19**	**2,872,231,654.62**
SHAREHOLDERS EQUITY AND LIABILITIES		**3,192,736,518.42**	**3,217,748,765.79**

Parent company’s cash flow statement, FAS

€	1–12/2023	1–12/2022
Cash flow from operating activities		
Profit/loss before appropriations and taxes	9,175,353.52	-3,372,566.40
Adjustments:		
Planned depreciation and impairment	314,028.05	272,914.17
Asset purchase	1,421.75	0.22
Financial income and expenses	-10,813,697.73	-1,547,929.46
Other adjustments	-84,469.77	-573,858.87
Cash flow from operating activities before change in working capital	**-1,407,364.18**	**-5,221,440.34**
Change in working capital:		
Change in trade and other receivables	-84,518.23	-2,426,783.44
Change in trade and other payables	-528,317.23	-614,465.14
Cash flow from operating activities before financial items, provisions and taxes	**-2,020,199.64**	**-8,262,688.92**
Interest paid and payments on other operational financial costs	-62,116,354.87	-39,390,960.49
Financial income from operating activities Direct taxes paid	10,462,517.01	4,896,582.35
Direct taxes paid	-13,246,578.35	-2,204,285.23
Cash flow from operating activities	**-66,920,615.85**	**-44,961,352.29**
Cash flow from investing activities		
Acquistion of property, plant and equipment and intangible assets	-211,433.81	-375,874.90
Capital gains on other investments	-	20,000.00
Non-current loans, granted	-380,000,000.00	-470,000,000.00
Repayments of non-current loan receivables	220,440,947.40	-
Financial securities acquired	-54,947,967.60	-140,991,008.37
Capital gains from financial securities	145,822,716.82	165,244,868.91
Interest and dividends received on investments	64,890,111.85	43,620,650.60
Cash flow from investing activities	**-4,005,625.34**	**-402,481,363.76**
Cash flow from financing activities		
Non-current loans and borrowings, raised	500,000,000.00	450,000,000.00
Non-current loans and borrowings, repayments	-412,600,000.00	-50,800,000.00
Current loans and borrowings, raised	135,768,487.40	205,438,139.03
Current loans and borrowings, repayments	-126,961,996.33	-224,878,551.15
Change in the Group's internal bank	-46,611,848.01	51,746,903.11
Dividens paid	-96,386,315.61	-93,914,871.62
Group contributions received	49,810,100.00	54,508,725.00
Cash flow from financing activities	**3,018,427.45**	**392,100,344.37**
Change in cash and cash equivalents	**-67,907,813.74**	**-55,342,371.68**
Cash and cash equivalents at the beginning of the period	**73,576,618.41**	**128,918,990.09**
Cash and cash equivalents at the end of the period	**5,668,804.67**	**73,576,618.41**

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
Base stations	7 years
Multifunction devices	6–8 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 reliable 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.

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

€	1–12/2023	1–12/2022
Intragroup revenue		
Plot rental income	364,871.16	334,220.52
Rental income, total	**364,871.16**	**334,220.52**
Central administration services	7,840,271.00	8,363,038.00
IT rental income	5,996,353.00	4,375,940.00
Other sales revenue, total	**13,836,624.00**	**12,738,978.00**
Intragroup revenue, total	**14,201,495.16**	**13,073,198.52**
Other operating revenue		
Plot rental income	135,961.68	124,540.20
Other operating revenue, total	**135,961.68**	**124,540.20**
Revenue, total	**14,337,456.84**	**13,197,738.72**

2. Other operating income

€	1–12/2023	1–12/2022
Other operating income	864.97	-
Total	**864.97**	**0,00**

3. Personnel costs

€	1–12/2023	1–12/2022
Wages, salaries and fees	-3,407,937.72	-3,347,832.35
Pension costs	-635,225.78	-737,251.02
Other employer contributions	-77,548.16	-78,256.07
Total	**-4,120,711.66**	**-4,163,339.44**

The management's performance bonuses have been calculated based on the closing price on 29 December 2023.

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

€	1–12/2023	1–12/2022
CEO Jani Nieminen	-625,423.37	-969,966.96
Fees paid to the Board of Directors and Board committees		
Mikael Aro	-80,525.00	-78,825.00
Matti Harjuniemi	-8,750.00	-44,950.00
Kari Kauniskangas	-47,050.00	-35,250.00
Anne Koutonen	-52,125.00	-51,450.00
Mikko Mursula	-52,125.00	-50,850.00
Minna Metsälä	-	-9,700.00
Reima Rytsölä	-9,950.00	-44,950.00
Andreas Segal	-38,200.00	-
Catharina Stackelberg-Hammarén	-45,250.00	-44,350.00
Annica Ånas	-36,100.00	-
Total	**-995,498.37**	**-1,330,291.96**

	2023	2022
Average number of personnel	19	21

For the 2023–2024 term of office, the Board of Directors and the Board committees have been paid fees totalling EUR 367,800.00, of which EUR 370.075.00 is allocated to the financial year 2023. The annual fee paid for the term of office beginning from the Annual General Meeting of 16 March 2023 was paid 60 per cent in cash and 40 per cent 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 annually into a group pension insurance plan. The period of notice for terminating the CEO's employment is 12 months. In 2023, the cost of the Finnish statutory pension plan for the CEO was EUR 136,769.27 (108,747.19), and payments to the voluntary pension plan amounted to EUR 69,554.50 (67,332.52).

In 2023, the cost of the Finnish statutory pension plan for the whole Management Team was 404,900.16 (357,430.89), and payments to the voluntary pension plan amount to EUR 163,096.52 (229,846.96).

4. Depreciation according to plan

€	1–12/2023	1–12/2022
Intangible assets	-	-8,241.96
Other long-term expenses		
Development expenses	-193,687.46	-168,275.41
Other long-term expenses, total	**-193,687.46**	**-168,275.41**
Machinery and equipment	-120,340.59	-96,396.80
Total	**-314,028.05**	**-272,914.17**

5. Other operating expenses

€	1–12/2023	1–12/2022
Property tax	-146,634.14	-146,634.15
Rents and maintenance charges	-398,513.61	-472,747.88
Central administration	-11,954,505.77	-12,157,675.88
Other operating expenses	-495.00	-2,062.67
Total	**-12,500,148.52**	**-12,779,120.58**
Audit fees		
KPMG Oy Ab		
Audit	-191,343.00	-168,900.46
Statutory statements	-	-4,340.00
Tax services	-9,276.00	-85,148.01
Advisory services	-101,800.00	-200,506.39
Total	**-302,419.00**	**-458,894.86**

6. Total amount of financial income and expenses

€	1–12/2023	1–12/2022
Dividend income		
From others	3,000.00	6,000.00
Total	**3,000.00**	**6,000.00**
Interest income		
From Group companies	67,863,787.45	48,067,461.60
From others	985,967.37	314,619.05
Other financial income	8,932,960.91	324,837.52
Total	**77,782,715.73**	**48,706,918.17**
Dividend, interest and financial income total	**77,785,715.73**	**48,712,918.17**
Value adjustments in investments		
Value adjustments in investments held as current assets	958,222.21	55,361.82
Impairment of financial securities held as current assets	-	-958,222.21
Total	**958,222.21**	**-902,860.39**
Interest and other financial expenses		
To others	-66,972,018.00	-47,164,988.71
Total	**-66,972,018.00**	**-47,164,988.71**
Total financial income and expenses	**11,771,919.94**	**645,069.07**

7. Appropriations

€	1–12/2023	1–12/2022
Group contributions, received	-	49,810,100.00
Group contributions, given	-8,140,000.00	-
Total	**-8,140,000.00**	**49,810,100.00**

8. Income tax

€	1–12/2023	1–12/2022
Income tax on operational income	-580.48	-9,334,936.88
Tax for earlier years	8,705.40	7,945.64
Total	**8,124.92**	**-9,326,991.24**

9. Intangible assets

€	Rights	Development expenses	Total
Acquisition cost 1 Jan 2023	114,249.72	954,353.97	1,068,603.69
Increases	-	101,855.01	101,855.01
Decreases	-114,249.72	-	-114,249.72
Acquisition cost 31 Dec 2023	**0.00**	**1,056,208.98**	**1,056,208.98**
Accumulated depreciation 1 Jan 2023	-114,249.72	-324,798.17	-439,047.89
Accumulated depreciation of decreases	114,249.72	-	114,249.72
Depreciation for the financial year	-	-193,687.46	-193,687.46
Accumulated depreciation 31 Dec 2023	**0.00**	**-518,485.63**	**-518,485.63**
Carrying value 31 Dec 2023	**0.00**	**537,723.35**	**537,723.35**

€	Rights	Development expenses	Total
Acquisition cost 1 Jan 2022	114,249.72	841,620.77	955,870.49
Increases	-	112,733.20	112,733.20
Acquisition cost 31 Dec 2022	**114,249.72**	**954,353.97**	**1,068,603.69**
Accumulated depreciation 1 Jan 2022	-106,007.76	-156,522.76	-262,530.52
Depreciation for the financial year	-8,241.96	-168,275.41	-176,517.37
Accumulated depreciation 31 Dec 2022	**-114,249.72**	**-324,798.17**	**-439,047.89**
Carrying value 31 Dec 2022	**0.00**	**629,555.80**	**629,555.80**

10. Tangible assets

€	Land areas	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan 2023	4,520,734.02	1,457,310.93	187,206.12	6,165,251.07
Vähennykset	-	-4,275.79	-	-4,275.79
Reductions	-1,681.88	-	-	-1,681.88
Acquisition cost 31 Dec 2023	**4,519,052.14**	**1,453,035.14**	**187,206.12**	**6,159,293.40**
Accumulated depreciation 1 Jan 2023		-1,111,661.18	-	-1,111,661.18
Accumulated depreciation of decreases		4,275.79	-	4,275.79
Depreciation for the financial year		-120,340.59	-	-120,340.59
Accumulated depreciation 31 Dec 2023		**-1,227,725.98**	**-**	**-1,227,725.98**
Carrying value 31 Dec 2023	**4,519,052.14**	**225,309.16**	**187,206.12**	**4,931,567.42**

€	Land areas	Machinery and equipment	Other tangible assets	Total
Acquisition cost 1 Jan 2022	4,520,734.02	1,267,846.93	187,206.12	5,975,787.07
Increases	-	189,464.00	-	189,464.00
Acquisition cost 31 Dec 2022	**4,520,734.02**	**1,457,310.93**	**187,206.12**	**6,165,251.07**
Accumulated depreciation 1 Jan 2022		-1,015,264.38	-	-1,015,264.38
Depreciation for the financial year		-96,396.80	-	-96,396.80
Accumulated depreciation 31 Dec 2022		**-1,111,661.18**	**-**	**-1,111,661.18**
Carrying value 31 Dec 2022	**4,520,734.02**	**345,649.75**	**187,206.12**	**5,053,589.89**

11. Investments

€	Shares in subsidiaries	Shares in associates	Other securities and shares	Total
Acquisition cost 1 Jan 2023	82,273,943.02	176,951.96	594,029.89	83,044,924.87
Acquisition cost 31 Dec 2023	**82,273,943.02**	**176,951.96**	**594,029.89**	**83,044,924.87**
Carrying value 31 Dec 2023	**82,273,943.02**	**176,951.96**	**594,029.89**	**83,044,924.87**

€	Shares in subsidiaries	Shares in associates	Other securities and shares	Total
Acquisition cost 1 Jan 2022	82,273,943.02	176,951.96	658,182.32	83,109,077.30
Decreases	-	-	-64,152.43	-64,152.43
Acquisition cost 31 Dec 2022	**82,273,943.02**	**176,951.96**	**594,029.89**	**83,044,924.87**
Carrying value 31 Dec 2022	**82,273,943.02**	**176,951.96**	**594,029.89**	**83,044,924.87**

12. Non-current receivables

€	31 Dec 2023	31 Dec 2022
Loan receivables from Group companies	3,044,703,938.60	2,686,944,886.00
Prepaid expenses and accrued income	6,925,503.69	7,384,011.52
Total	**3,051,629,442.29**	**2,694,328,897.52**
Amortized loan costs recognised in non-current receivables	6,849,348.88	7,202,392.20

13. Current receivables

€	31 Dec 2023	31 Dec 2022
From Group companies		
Trade receivables	2,617,389.98	2,144,380.47
Loan receivables	15,000.00	198,215,000.00
Other receivables	25,925,987.92	64,355,999.34
From Group companies, total	**28,558,377.90**	**264,715,379.81**
Loan receivables	1,737.40	3,201.53
Other receivables	85,054.75	613,632.11
Prepaid expenses and accrued income	18,258,765.09	4,931,749.96
Total	**46,903,935.14**	**270,263,963.41**
Amortized loan costs recognised in current receivables	4,494,355.78	4,346,815.08

14. Financial securities

€	31 Dec 2023	31 Dec 2022
Financial securities		
Other securities and funds	20,120.68	90,851,215.89
Total	**20,120.68**	**90,851,215.89**

Financial securities include fund units and money market funds.

15. Comprehensive income

€	31 Dec 2023	31 Dec 2022
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	83,832,873.30	141,255,213.86
Dividend payment	-96,386,315.61	-93,914,871.62
Share-based incentive scheme	-84,469.77	-618,011.30
Retained earnings as at 31 Dec	**-12,637,912.08**	**46,722,330.94**
Profit for the period	1,043,478.44	37,110,542.36
Total	**250,089,804.23**	**345,517,111.17**
Calculation on distributable equity		
Reserve for invested unrestricted equity	167,856,001.50	167,856,001.50
Retained earnings	-12,637,912.08	46,722,330.94
Profit for the period	1,043,478.44	37,110,542.36
Capitalised development costs	-537,723.35	-629,555.80
Total	**155,723,844.51**	**251,059,319.00**

pcs	31 Dec 2023	31 Dec 2022
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. Non-current liabilities

€	31 Dec 2023	31 Dec 2022
Loans from financial institutions	839,038,998.42	401,638,998.42
Bonds	1,565,515,000.00	2,150,000,000.00
Accrued expenses, wages and salaries	490,934.50	285,149.40
Bond derivative profit periodisation	0.03	203,563.80
Total	**2,405,044,932.95**	**2,552,127,711.62**

17. Current liabilities

€	31 Dec 2023	31 Dec 2022
Loans from financial institutions, instalments in the next financial year	435,285,000.00	200,800,000.00
Trade payables	269,463.01	1,045,785.55
Liabilities to Group companies		
Trade payables	1,097.40	417,290.93
Other debts	29,739,006.84	56,829,726.65
Other debts	40,239,137.62	30,990,823.98
Accrued expenses and deferred income		
Accrued financial liabilities	29,668,464.98	25,561,052.78
Personnel expenses	1,317,326.39	1,082,511.14
Tax liabilities	-	2,242,076.04
Other items	877,687.91	2,158.71
Bond derivative profit periodisation	204,597.09	1,132,517.22
Total	**537,601,781.24**	**320,103,943.00**

18. Derivative instruments

Interest rate derivatives

€	31 Dec 2023	31 Dec 2022
Fair values of derivative instruments		
Interest rate derivatives		
Interest rate swap, cash flow hedging	-6,458,592.65	14,636,094.37
Total	**-6,458,592.65**	**14,636,094.37**
Nominal values of derivative instruments		
Interest rate derivatives		
Interest rate swap, cash flow hedging	630,800,000.00	156,400,000.00
Total	**630,800,000.00**	**156,400,000.00**

Hedge accounting is applied to interest rate swaps as their terms and conditions are similar to the terms and conditions of the hedged loan agreements Interest rate swaps have not been recognized through profit and loss. If the duration of the derivative is longer than that of the loan, it is highly likely that the loan will be extended.

19. Guarantees and commitments

€	31 Dec 2023	31 Dec 2022
Loans that mature in more than five years		
Market-based loans	350,000,000.00	500,038,998.40
Loans for which montage on and shares in property have been given as a guarantee		
Loans from financial institutions	838,998.40	1,038,998.40
Mortgages given	4,015,000.00	4,015,000.00
Guarantees given		
Counter-guarantee	298,736,123.21	328,249,036.77

20. Other liabilities

€	31 Dec 2023	31 Dec 2022
Car leasing liabilities		
Payable during the next financial year	121,389.00	81,264.76
Payable later	126,141.34	43,632.71

Price risk

Unexpected changes in electricity pricing may expose company to price risk. Kojamo has hedged it´s electricity price risk by using electricity purchase agreements.

21. Related party transactions

The members of the Board of Directors or corporations over which they exercise control owned a total of 57,783 (55,754) 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 163,115 (190,033) shares and share-based rights in the company or in companies belonging to the same Group as the company. These shares represent 0.09 (0.10) 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 2023 and 2022.

SIGNATURES TO THE BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Helsinki, February 15 2024

Mikael Aro

Chairman of the Board of Directors

Mikko Mursula

Vice-Chairman of the Board of Directors

Kari Kauniskangas

Anne Koutonen

Andreas Segal

Catharina Stackelberg-Hammarén

Annica Ånäs

Jani Nieminen

CEO

A report on the audit has been issued today

Helsinki, 15 February 2024

KPMG Oy Ab

Petri Kettunen, 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, 2023. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, 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 IFRS Accounting Standards 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)

— Investment properties measured at fair value (EUR 8,039 million) represent 99% of the consolidated total assets as at 31 December 2023. 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 loss on fair value measurement of investment properties was EUR 295 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.	— 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)

— The Group's total revenue consists almost solely of rental income from investment properties.	— 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 rental agreement 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 2023 the acquired investment properties and modernisation investments totaled EUR 192 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, 4.5 and 4.6 to the consolidated financial statements)

— At the year-end 2023, Kojamo's interest-bearing liabilities totaled EUR 3,600 million, representing 44% 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 1.181 million as at 31 December 2023. 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, derivative instruments and financial risk management.

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 IFRS Accounting Standards 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 18 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 or 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 15 February 2024

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PETRI KETTUNEN
Authorised Public Accountant, KHT