

Transcript – Kojamo Q4 2025 Financial Statements Release

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Niina Saarto: I'm Niina Saarto from Investor Relations. Today, we have two presenters. We have CEO Reima Rytsölä, and we have CFO Erik Hjelt. We will first present last year's results and the outlook for this year. Then, we have interesting news we want to share. We have, after the review period, announced that we will acquire a big housing portfolio, and shortly, we will tell you more about that. Additionally, this morning, we announced an updated strategy and financial targets for years 2026-2028. We will also present these briefly today. Lots of topics are coming. We have a Q&A after the presentation, and we take both live questions and questions via chat. I believe we can now start the presentation.

Reima Rytsölä: Thank you, Niina, and very good morning from my side as well. We have had a very exciting 24 hours here in Kojamo, and happy to tell you the latest news as well. We start with the Q4 and the whole year 2025 results. I think it's fair to say that we had a strong quarter behind us, the last quarter of 2025. The total revenue and net rental income grew in 2025. FFO decreased for the whole year due to higher financial costs, but, for example, Q4 FFO was already increasing. Our balance sheet is still strong, and that enabled us as well to enter the transaction market, which we did tell you about yesterday evening and will tell you more about later this morning. I would say that the key highlight of the last year in Kojamo was definitely the very good development of the occupancy rate, and the last quarter's occupancy even rose to 96.3%. Even though the seasonal effect is always a bit of a burden in the rental market, as typical in the last quarter of the year. Our like-for-like rental income also turned clearly positive at 2.6%. We have previously communicated that it's a very backward-looking indicator, and we haven't seen that fitting that well, especially in a turnaround situation, which Kojamo had with the occupancy rate. However, that's kind of proving as well that our development has been really good on that side. Also, the Net Promoter Score was 57 and improved from last year. As I said earlier, our strong balance sheet enabled us to enter the transaction market and return to the growth path as well, and we still see that our financial position is very strong. We will get back to this latest acquisition and new strategy in a later stage of the presentation.

Reima Rytsölä: The operating environment, first, if we take a kind of macroeconomic view, we definitely see an improvement in the eurozone, and global growth has improved. The Finnish economy is still muted. We do have some signs, whether they are weak or a bit stronger, but we have seen some signs of a recovery now. Hopefully, that will carry on. We don't know that yet.

Going to the rental market as such, there's definitely oversupply still, especially in the capital region. The balancing of oversupply has been somewhat postponed, and it hasn't eased up. We repeat the confidence that we have in the medium term and the long term that it will balance out because of the fact that the new start-ups have been already three years at a very low level, especially in the non-subsidised market, but even when counting subsidised market. It's forecasted that the subsidised market will come down this year due to legislation changes. In this RT [CFI] statistics, it is forecasted that, actually, private startups or non-subsidised apartment startups would increase forecast-wise, even doubling from 4500 to 9000. We are not that optimistic. We think that on 2026, the unsubsidised side, the market will be very muted in new startups. All in all, the megatrends that are backing up the rental market are that urbanisation is continuing and population is growing all the time in the biggest cities. With match of the Kojamo portfolio and with the addition of new acquisitions which is even more concentrated on this growth triangle, the Helsinki area, Tampere, and the Turku area, it's very well fitted to the demand that the population growth and urbanisation will create in the future.

Reima Rytsölä: I will skip that [slide] due to the fact that we have plenty of news to cover. I would like to ask Erik on stage and just to highlight the last figures of last year. Especially the FFO was very strong in Q4. Having said that, we have to bear in mind that December was very warm, which January and February haven't been so far in Finland, but that improved the net rental income as well. All in all, I would say that kind of a very solid quarter for Kojamo and a very good year 2025 in the sense that I would like to say that we are back in business. Erik, please.

Erik Hjelt: Thank you, Reima. Good morning, everybody, from my side as well. Page 11, top line, grew EUR 2.8 million for the whole year 2025 compared to 2024 despite the disposal that we made during the summer. Q4 growth was negative EUR 1.9 million compared to Q4 2024. Net rental income grew by EUR 4.8 million for the whole year compared to the previous year, and in Q4 last year, the net rental income grew by EUR 1.6 million compared to Q4 2024. The whole year repairs were in line with the previous year, and Q4 repairs were EUR 1.5

million less than in the corresponding period. On the maintenance side, we saw EUR 2.1 million down from the corresponding period for the full year, and actually EUR 2.1 million for Q4 as well. The biggest items driving the changes in maintenance expenses are heating EUR 2.8 million down. Actually, the weather was quite mild both during the first quarter and the fourth quarter last year. Now, it seems to be colder, and the snow is coming down nicely as well.

Erik Hjelt: Credit losses down by EUR 1.3 million, electricity down by EUR 0.6 million, and waste management down by EUR 0.3 million. On the growing side, water expenses were up by EUR 1.2 million, maintenance by EUR 0.6 million, and cleaning by EUR 0.6 million. These growing items are because of the higher occupancy. Customers are using more water, and we need to clean a little bit more because there are more customers. That's actually a positive thing. Page 12 on the right-hand side, the whole year FFO is down by EUR 7.3 million, but if you look only at Q4, it's already on the positive side, EUR 0.3 million. The whole year's net rental income contributed EUR 4.8 million. SG&A expenses increased by EUR 0.4 million, and financial expenses are the biggest driver, bringing the FFO for the whole year down. FFO expenses grew by EUR 8.9 million.

Erik Hjelt: Occupancy improved, so very strong performance there. The whole year figure up by 3.3 percentage points, and the full-year average is 94.8%. We are extremely proud that the Q4 figure was already 96.3 and actually increased even from the third quarter despite the seasonal effect in the market. Our tenant turnover came down by 1.8 percentage points, and that's pretty much driven by our all-time high Net Promoter Score.

Erik Hjelt: On like-for-like, as Reima already explained, we are not quite in favour of this KPI in a turnaround situation because it's really backward-looking. However, as anticipated, now the impact of occupancy rates is very, very strong, positively strong, and that's driving the whole like-for-like rental income growth to 2.6%. The impact of occupancy was 3.7%. The impact of rents and water charges is negative one percent. We are still increasing the rents of the existing tenants by 1.2-1.3%. Q4 actually even slightly more than that. The negative impact is coming through because of the fact that we are more flexible with when it comes to the pricing in renting, so that is the driver behind the negative figure. However, as said, the impact of the occupancy is very strong there.

Erik Hjelt: Page 15, investments were on a low level, so we have only one ongoing development project, 119 apartments, and that will be completed by the end of this month. As we've said, we made a lot of disposals in July. Modernisation investments increased close to EUR 30 million for the whole year, and the driver there is that we started a couple of new big modernisation investment projects, and repairs EUR 24.1 million as in the previous year. Then page 16, values of investment properties, we didn't change our valuation parameters. Valuation yield remained the same. The slight negative impact came through because of the modernisation investments. The money spent has a negative impact, and once the project is completed, then most likely the slight positive figure will come through there.

Erik Hjelt: Loan-to-value is coming down, so moving in the right direction in that sense. We are very happy with the current level. Then, on page 18, our financial position has remained strong. In autumn, Moody's affirmed our Baa2 credit rating and stabilised our outlook. We are very happy with that. Net debt is down more than EUR 200 million from the corresponding period. Cash and cash equivalents, including financial assets, are EUR 239 million. That covers nicely all 2026 maturing loans, so the next refinancing is to refinance 2027 maturing loans. Perhaps we will start to address that before the summer, but we have plenty of time to do that. Financial KPIs remained stable. Average interest rate same as in Q3, 3.2%, and coverage ratio 2.4, and to make our figures more comparable with our peers, our coverage ratio excluding repair expenses is 2.6. And then, equity per share and EPRA NTA, not that great excitement there, very, very flattish.

Erik Hjelt: Page 20 outlook for this year, we estimate that the top line is going to be between EUR 484 million and EUR 497 million, and we estimate that FFO is going to be between EUR 147 million and EUR 157 million. In this outlook, we have taken into account the acquisition of 4,761 apartments. We estimate that the transaction will be completed the 1st of April. That impact is included in this outlook. Otherwise, the top line growth, if we look at the midpoint of the top line growth guidance, we estimate some improvement in occupancy and moderate rent increases, and we are still flexible in new rents. Then, of course, the FFO guidance echoes the range of top-line guidance. Now back to Reima.

Reima Rytsölä: Thanks, Erik. Yesterday evening, we announced that we have signed a deal with the Varma Mutual Pension Insurance Company to acquire 4,761 apartments. Here, you can see on the slide the breakdown of the geographical split and also the split by the construction year. It's 60 properties, and as you can see, that

75.5% of those properties are in the Helsinki region, and Helsinki region plus Tampere and Turku are 97.6%. This is a super good fit for our strategic scope, and only 2.4% in Lahti and Jyväskylä, where we do have real estate or apartments of our own as well. We signed this deal yesterday, and as Erik said, we expect it to close on 1st of April. The debt-free transaction price was approximately EUR 900 million, and the transaction will be paid partly through direct share issue to the seller and with the subscription price of EUR 11.86, so close to 24% premium to the market price.

Reima Rytsölä: We have also arranged a EUR 600 million bridge facility with Goldman Sachs, Nordea, and Skandinaviska Enskilda Banken. We are grateful to those counterparties and those banks for their support in a very important acquisition like this. We are planning to take the acquisition facility out with the debt capital markets financing. Then the transaction rationale, this is a unique opportunity, a very sizable portfolio and also very good portfolio. As noted - I forgot to mention, the split between the construction years, so it's worth noting that the 2000s and later constructed buildings are the vast majority of the portfolio. We think that this is a high-quality portfolio, and this will position Kojamo on a growth path again.

Reima Rytsölä: It's very positive that Varma, as an already existing shareholder of Kojamo, is a kind of demonstrating confidence to invest even more in Kojamo, and even with the kind of premium price to the market price. This transaction as such demonstrates very well the operational leverage that we have in Kojamo as a platform, and there will be marginal incremental costs to absorb this sizable portfolio. This will definitely improve our EPRA Cost Ratio. We have systematically developed our sales and pricing process. I think those improvements were verified already last year when we were able to raise our occupancy significantly during the year. That's why we are actually confident that even though the portfolio has a relatively low occupancy at the moment, with our organisation and with our capabilities, we are in a very good position to improve that and to stabilise the occupancy at a similar level to Kojamo overall.

Reima Rytsölä: We also expect that this will be an FFO per share accretive deal, and the stabilized yield of this transaction is approximately 4.9%, and not standalone as a 4.9%, not including the premium price to be paid for the shares. Also, LTV is expected to remain lower than 45%, which is our new strategic target for LTV. All in all, I would say that very comprehensive and well-structured package.

Reima Rytsölä: Then, a couple of words on our strategy, I will be relatively brief with the strategy. We have announced already, and we have already sent the invitations. We have, on the 17th of March, the Capital Markets Day. We want to leave something there as well and be much more concrete on our strategy on that side. However, on the high-level side, as I have many times communicated during the last year, this strategy will be more of a review of the current strategy or existing strategy and make some tuning for that. Our mission is still to create better urban living, but the focus points where we want to further improve are to build a seamless customer journey enabled by data, technology and AI. We have plenty of initiatives going on there. A truly customer-centric portfolio renewal and growth. The transaction I just described is a concrete example of growth. We want to have the most capable and dynamic professionals in the housing market, and we want to build the industry-leading operational excellence and strong contribution to sustainable urban living. With all these initiatives or focus areas, we aim to deliver the best customer experience in the housing market. This will crystallize in our brand promise, which is "Simply the right home". "Helposti paras koti" in Finnish.

Reima Rytsölä: This whole strategy is backed very well with the megatrends, especially the urbanization. We think that, as I already described, the kind of trend effect on the housing market and the urbanization is continuing all the time here in Finland, and even at an accelerated pace, or the pace is faster than in our peer countries. For example, we have been lagging that trend a little bit in recent years, but we are at the moment catching up. The Finnish growth will require mobility of the workforce, and that's why the operating and dynamic housing market is one key parameter for that. A new technology and a new set of solutions to help improve the customer experience and operational excellence. You need to have enough scale to appear as a market leader in those solutions to provide to your customers. We think that we have that scale, and we are very well equipped in a sense to answer those needs or opportunities. All in all, I would say that one of the key themes is that this strategy will further focus on customer experience and put the customer at the centre of our strategy. I would say that it's not the revolutionary, but in a real estate business overall, it's often very, very kind of an asset-driven. We see that by serving the customer in the best possible manner, you will be able to charge a premium rent, bring down the churn, and create value for our shareholders.

Reima Rytsölä: All of these focus areas are leading to the financial targets that we have renewed. Our new growth target, this is the average annual growth of total revenue of five to seven percent. Net Promoter Score above 65. As you probably noted in the previous presentation, it's 57 at the moment. On profitability, the

average annual growth of FFO per share is three to five percent. From a risk management perspective or a balance sheet perspective, we target the LTV to be lower than 45%. Also, we have renewed our dividend policy, and our objective is to be a stable dividend payer whose annual dividend payment and/or share buybacks will be at least 20% of FFO, provided that the group's equity ratio is 40% or more, and taking into account the company's financial position. We also see that to grow the cash flow and to grow the FFO per share, it requires a little bit more capital, and with these market circumstances, I think it's best for shareholders to cut down a little bit on the dividend policy and be more creative on the cash flow side in the future.

Reima Rytsölä: Then last but definitely not least. As you probably noticed already from our invitation to the AGM, our board of directors proposes the name change to the Annual General Meeting. We will accelerate our strategy execution with one brand strategy. The name will be Lumo Kodit Oyj, Lumo Homes plc. Brand will be Lumo, one brand strategy. This is not just the name change or even brand rehearsal as such, but to create a very customer-centric culture here in the future Lumo hopefully if the AGM will decide, so that our focus is on customers, and we are very united as an organization as well. Also, to further strengthen the brand power with the one brand strategy.

Reima Rytsölä: I think that was pretty much in a nutshell of both the acquisitions that we announced yesterday and also the brief wrap-up of our strategy. As I said, we definitely would like to give more colour on the 17th of March for CMD. It's now time for Q&A.

Niina Saarto: Thank you. Now, we can start with the questions coming over the phone line. Do we have any?

Moderator: If you wish to ask a question, please dial pound key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial pound key six on your telephone keypad. The next question comes from John Vuong from Van Lanschot Kempen. Please go ahead.

John Vuong: Hi. Good morning. Thanks for taking my questions. On the portfolio, why has the occupancy been so low compared to market occupancy as well as your own portfolio? How do you expect it to be different, and what time frame do you expect to reach the more normalized occupancy?

Reima Rytsölä: I think it's a good idea to ask the seller why it's actually so low. We haven't identified any specific reasons. Probably, sometimes the pricing hasn't been as dynamic as it needs to be. I would say that we are optimistic that we will be able to lift up the occupancy to a similar level as our own. How fast that will happen? We haven't released or given information on a specific timeline, but we of course will be mindful of how to balance the pricing and so on. We are confident that we will be doing it, probably not this year totally, but when we are able to start on the 1st of April, but I would say at the latest by the end of 2027.

Erik Hjelt: One additional note, if I may. During our due diligence process, we wanted to have a clear view of the portfolio and the reason or are there any specific reasons why the occupancy is so low. However, we didn't find anything there because we think that the portfolio is high quality, great locations, and then there's nothing wrong. It's a very high-quality portfolio. One thing may be behind that, we don't know it, but they have outsourced. I mean the seller has outsourced or rented activities, and that might play a role in the fact that the occupancy is where it is.

John Vuong: Okay, that's clear. When you're referring to dynamic pricing or that pricing hasn't been what it should be, looking at the stabilized annual rental income of 63 million, I assume that's probably already at market rents already. Adjusted for the dynamic pricing.

Reima Rytsölä: Yes, that's our view of market rents.

John Vuong: Great. Thank you. When you're referring to refinancing the acquisition facility via capital market debt financing, is it fair to assume that you're using building plain vanilla bonds, or could you also be looking at more exotic instruments?

Erik Hjelt: We haven't decided yet. In the capital market, there are several products, and of course, we will be looking at them. We will come back to that later.

John Vuong: Okay, thank you.

Moderator: The next question comes from Andres Toome from Green Street. Please go ahead.

Andres Toome: Hi, Good morning. A few questions from my side. Firstly, on your thinking around how you look at these acquisition opportunities, and maybe you can explain what metrics you focus on and what made this specific portfolio attractive for you. I guess link to that, how do you think about your cost of capital when you look at where your share price is trading at around 5.3% net initial yield roughly. How does that feed into your thinking about external growth?

Reima Rytsölä: I don't know if your question was concerned with the general portfolio market, but if I comment on this portfolio especially, obviously, the kind of a quality of the assets is one key part of that portfolio acquisition which made it from our perspective very interesting. As I said, the geographical split is optimal for our strategic scope. Assets appear to be in good condition and relatively young assets. Then, a question of the cost of capital, and Erik, you might correct me if you disagree, but we have tried to build this as a comprehensive package. If you calculate all the aspects of both the yield of the asset portfolio as such on a stabilised basis, and then the financing with the premium subscription to market price, and then again, of course, the future potential for rent hikes. We think that this is a compelling package as such.

Andres Toome: Thank you. Is it fair to say that, presented as a premium subscription, but ultimately, Varma will just acquire more shares? Yesterday the share price was 9.5, and I see it opening at 9.9. Isn't that the right price to look at the equity component, which would also mean that the yield on the acquisition is actually better as you presented it?

Reima Rytsölä: I don't know if there's a correct or wrong answer on how to look at it, but I think in a sense you're correct that you can view it in many ways, and it depends on how you want to calculate. I don't know if Erik, you had a...

Erik Hjelt: I would say there's no right or wrong approach here. However, if you issue shares with a strong premium of almost 24%, and if you look at the spot figures, of course, you may want to pencil in your calculation that as part of the positive things as a whole transaction. That was a very important part of the total package. I'm not saying that you should do it, but there's good ground to do so, to price the premium against the purchase price.

Andres Toome: Okay, understood. On your medium term guidance now on revenue growth of five to seven percent, which translates into FFO growth of three to five percent FFO per share. Maybe you can just explain how that works? Is it the case that the financing headwind is quite meaningful there, that there's sort of a negative spread between revenue growth and FFO per share growth, or how are you pencilling that?

Erik Hjelt: That's exactly the reason. We pencilled in the cost of refinancing. We don't need additional financing on top of this transaction. However, refinancing plays a role there, and definitely, the cost of refinancing the new facilities is higher compared to what we are replacing, and that plays a role there. It's today's figures, but indications from the banks just for reference, the five-year bond market is a coupon of 3.6% and something. Whether it's that figure or slightly higher or lower, it's clearly higher than those loans or those bonds that we are refinancing. That's exactly the reason why the FFO is not growing that much, as the top line growth. It's still positive, and our aim is to grow FFO per share.

Andres Toome: Thank you. My last question is on the announced long-term incentive plan. The targets there, they are still very much earnings-focused. Especially when I look at the total revenue target, it is perhaps a bit questionable and makes the management team be incentivised to pursue external growth. My question is, was there even consideration of tying the compensation package on LTI to total shareholder returns, such that the incentive plan is also commensurate with what your shareholders are getting in terms of returns?

Reima Rytsölä: Yes. Just to elaborate on that, there was a discussion of many kinds of angles and how to define the parameters. The conclusion of our board of directors is that, to achieve these parameters, they would definitely drive the shareholder value as well. They are aligned with the shareholders, and I think one key change was that the FFO is now FFO per share growth.

Erik Hjelt: One additional note. It's good to keep in mind that in our schemes, the earnings potential is decided as the number of shares, and it's the number of shares set today. In three years, if the share price goes up, the earning potential euro-wise is more. In that sense, the management is incentivised to drive the share price up. In that sense, it's already included in the system.

Andres Toome: Right. The FFO per share, then I suppose that the starting point is the 2025 share count. Is that correct? Then the new shares that will come into issue with the acquisition would almost be a drag on the earnings potential here, making it more aligned, perhaps with shareholders.

Erik Hjelt: This FFO per share target is, including last year's actual figures and Jupiter [the acquisition], and it's built on top of that. Yes, you are right that if the growth is driven or supported by share issues, then the management needs to look at what the impact is for FFO per share, and that's a very important part of the LTI KPI package. I think FFO per share is important because it's a cash flow item, and because it's a per share, it takes into account if the number of shares is changed.

Andres Toome: Right. Just to confirm, the starting point for that FFO per share calculation is the 2025 share count.

Erik Hjelt: It is the beginning of 2026.

Andres Toome: Before the portfolio acquisition share addition, right?

Erik Hjelt: The acquisition is included in the targets.

Andres Toome: All right. Thank you.

Moderator: The next question comes from Svante Krokfors from Nordea. Please go ahead.

Svante Krokfors: Yes, Good morning Reima, Erik, and Niina. Thank you for the presentation. A couple of questions left. The first one, regarding your LTV, I guess it goes quite close to the 45%, which, in your new strategy, you want to keep it below? Do you target some disposals to improve the LTV? I guess there could be some valuation headwinds on residential markets in 2026. For example, the open funds that will sell assets. Do you have some plans to keep LTV below 45%?

Reima Rytsölä: Yes, we aim to keep it below 45. That's for sure. That's why we took it as a final balance-sheet target. When it comes to the disposals, we do have plans to further focus our portfolio. What it means? It is that we are looking for opportunities to sell non-core assets. However, as I have said earlier, you need to take into account the market circumstances as well and be mindful that you are not pushing illiquid assets in the smaller cities as a forced seller. That's why we need to be patient, but that's definitely our aim to focus the portfolio further.

Svante Krokfors: Thank you. Regarding the FFO guidance, what assumptions do you have for the EUR 600 million facility that you will take from the 1st of April, roughly? What should we assume regarding the interest rate on that? You talked about the bond assumption of 3.6%, is it similar?

Erik Hjelt: When we decided this guidance, we pencilled in the price for take-outs based on today's indications, or actually last week's indications, but today's indications.

Svante Krokfors: Okay, thank you, that's clear. Correct me if I am wrong, but I think you paid around EUR 3,800 per square metre for the Varma portfolio, and your average own valuation is roughly EUR 3,550. Does that reflect the age structure? What's the biggest difference there?

Reima Rytsölä: The age split is one thing, and then I would say that even bigger significance is the geographical split.

Svante Krokfors: Okay. Thank you. That is clear. That's all from me. Thank you.

Moderator: The next question comes from Céline Soo-Huynh from Barclays. Please go ahead.

Céline Soo-Huynh: Hi, Reima. I've got three questions, please. The first one is on your new target. To get to your new total revenue growth target, I'm assuming you won't start new construction, given the weakness of the market. Am I right in assuming further portfolio acquisition? In that case, Varma has agreed in this instance to take some shares, but for the next acquisition, do you think you will have to come to the market for equity to keep your LTV below 45%? That would be my first question. My second question is simple. Can you just

confirm if you see the transaction as accretive on day one, even if you do not increase the occupancy rate? My third question is, how did you agree on the price for the new shares issued to Varma? How did you get to EUR 11? Thank you.

Reima Rytsölä: Okay if I take the first one. Further revenue target, of course, the portfolio acquisitions are one tool to achieve that revenue target. New start-ups are also one, but as you very well pointed out, at the moment, it looks like that market doesn't encourage that much to make new start-ups, and you get a better yield with the acquisitions. With the possible raising of equity, I think it depends on the terms, and that's why the financial targets are combined with the revenue growth and the FFO per share growth. That has to be FFO per share, accretive transactions as well, if equity funding is planned to be used, which we're not planning at the moment. Second question was about the FFO. Can you repeat question number two?

Céline Soo-Huynh: Yes, can you confirm if the transaction is accretive on FFO day one, even if you do not increase your occupancy rate?

Reima Rytsölä: What we have said is that we expect it to be FFO accretive. We haven't said that it's FFO accretive in day one. We haven't either said that it wouldn't be. We have said that we expect that to be FFO accretive.

Céline Soo-Huynh: As a whole, but I guess the question is, as you rightfully pointed out as well, the market is not in a great shape at the moment, so I guess we're in the right to ask, what if you can't increase the occupancy, what happens? Is it still a good transaction?

Reima Rytsölä: We actually think that it will be a good transaction, but of course, our aim is to raise the occupancy as fast as it's wise and doable. Then again, I would say that given the fact that even though the occupancy would be higher, and if the market is really bad, the occupancy might drop and so on. That's why we actually think that transaction is good at the moment, according to our view.

Céline Soo-Huynh: Okay. Thank you. Sorry. Can you get to my third question, which was on the share price that you agreed with Varma?

Erik Hjelt: We agreed with the seller on what the premium is, and then we agreed that the price is going to be based on the last ten trading days before the signing. Then we just did the math, and we got the figures.

Céline Soo-Huynh: Sorry. I guess my question was, how did you agree on that 24%?

Erik Hjelt: We agreed with the seller, and it was normal business negotiations.

Céline Soo-Huynh: Okay. Thank you.

Moderator: As a reminder, if you wish to ask a question, please dial pound key five on your telephone keypad. The next question comes from Neeraj Kumar from Barclays. Please go ahead.

Neeraj Kumar: Morning, everyone. Thanks for taking my question. Just a quick one on my side: Can you please help us understand what your current margin is on the bank loans, what the all-in cost is on those financings, and how that compares with the current bond market financing for you? You have a lot of debt maturities coming up over the next couple of years, including this EUR 600 million acquisition facility. Just wanted to understand if you plan to increase the share of bond market debt in your debt stack.

Erik Hjelt: The average cost of financing at the end of Q4 was 3.2%, and that includes the cost of derivatives, and our hedging is quite high. The indications from the bond market that were already said for a five-year maturity last week were 3.6 something. Those are the key figures.

Neeraj Kumar: My question is about the marginal financing from the banks today. If you were to access the bank market, what would be the five-year all-in cost from banks?

Erik Hjelt: Indications from banks for bank financing are pretty much in line with the indications from the bond market.

Neeraj Kumar: Do you have any preference, like in terms of what's the ideal split between those two financing

sources, just to understand how you're looking at this over the long period of time, because your average maturity is like around 3.1 years now. Would you like to extend this, or do you think that's the comfortable level for you guys?

Erik Hjelt: For us, it's important to have access to our different sources of financing. We want to have bond financing, and we want to have bank financing as well. Today, our preference is on the bond market, given the fact that you can get longer maturities there, and it's unsecured, as this bridge facility is available. These are the reasons why today's preference is towards the bond market.

Neeraj Kumar: Thank you very much.

Moderator: There are no more questions at this time, so I hand the conference back to the speakers.

Niina Saarto: Thank you. I think we have gone through most of these questions coming via chat, but a couple of questions about the acquisition. What key initiatives do you plan to do with the vacant apartments? Do you have anything concrete you can mention?

Reima Rytsölä: As I already mentioned in my presentation, we are confident that our sales and pricing process is a proper tool to solve this vacancy issue in this portfolio. I think that's pretty much what we have done in our portfolio as well over the last year or so. It's active sales and marketing. Then the dynamic pricing, and we need to assess apartment by apartment how that price reflects the market. That's pretty much about it.

Niina Saarto: Do you think there's a lot of CapEx needed for those properties, or do you need to repair those vacant apartments?

Reima Rytsölä: I would say that the CapEx needs are very much in a calculated path and at a similar or, in some cases, might be even less than in our current portfolio. The apartments are in relatively good shape. There will be apartments as well that you need to repair, but we don't expect anything extraordinary on that side compared to our current portfolio.

Niina Saarto: About the outlook for 2026. What is the contribution from the acquisition to the revenue and FFO?

Erik Hjelt: We haven't actually disclosed the split. We pencilled in the transaction assuming that the closing will be on the 1st of April. That's why we released the total figures.

Niina Saarto: Okay. Final question: Did you have any discussions with Moody's before the acquisition, and if so, what were the key topics you discussed?

Erik Hjelt: We discussed this transaction with Moody's, and they know the key parameters and what the structure looks like. They said that they don't see any specific topics related to this transaction.

Niina Saarto: Good. Thank you. That was it. The Q1 report will be published in May. As we mentioned, we will have this Capital Markets Day coming on the 17th of March. We are really excited to have that. We have already opened the registration for this event. It will be in Helsinki, Finlandia Hall, and you're more than welcome to join in person, or of course, there's this webcast you can follow. The whole management team will be there presenting all these topics in more detail, and also, there's a possibility to see some of our properties following the event. We wish to see you all in March. Thank you very much. Bye bye.

Reima Rytsölä: Thanks a lot.

Erik Hjelt: Thank you.