

The logo for Kojamo, featuring a stylized 'K' icon followed by the word 'kojamo' in a bold, lowercase sans-serif font.

kojamo

A decorative light blue scalloped shape located above the title text.

Half-Year Financial Report

1 January–30 June 2023



Kojamo plc's Half-Year Financial Report 1 January–30 June 2023

Total revenue and net rental income grew, occupancy rate improved from previous year

Unless otherwise stated, the comparison figures in brackets refer to the corresponding period of the previous year. The figures in this Half-Year Financial Report have not been audited.

All statements made in this report regarding the company or its business are based on the views of the management, and the

sections addressing the general macro-economic or industry situation are based on third-party information.

If there are differences between different language versions of the Half-Year Financial Report, the Finnish version is the official one.

Summary of April–June 2023

- Total revenue increased by 8.4 per cent to EUR 108.9 (100.5) million
- Net rental income increased by 9.1 per cent totalling EUR 79.0 (72.4) million. Net rental income represented 72.6 (72.1) per cent of total revenue
- Profit before taxes was EUR 71.7 (94.8) million. The profit includes EUR 14.0 (47.1) million in net gain on the valuation of investment properties at fair value and EUR -0.1 (0.2) million in profits and losses from the sale of investment properties. Earnings per share was EUR 0.23 (0.31)
- Funds From Operations (FFO) increased by 22.0 per cent and amounted to EUR 51.7 (42.4) million
- Gross investments totalled EUR 61.3 (289.5) million, representing 56.3 (288.1) per cent of total revenue

Summary of January–June 2023

- Total revenue increased by 8.6 per cent to EUR 217.1 (200.0) million
- Net rental income increased by 7.0 per cent to EUR 138.5 (129.5) million. Net rental income was 63.8 (64.7) per cent of total revenue
- Profit before taxes was EUR 95.7 (157.8) million. The profit includes EUR 5.1 (75.1) million in net gain on the valuation of investment properties at fair value and EUR -0.1 (0.2) million in profits and losses from the sale of investment properties. Earnings per share was EUR 0.31 (0.51)
- Funds From Operations (FFO) increased by 12.8 per cent to EUR 80.5 (71.3) million
- The fair value of investment properties was EUR 8.3 (8.7) billion at the end of the review period
- The financial occupancy rate was 92.2 (91.5) per cent for the review period
- Gross investments amounted to EUR 116.3 (338.4) million, or 53.5 (169.2) per cent of total revenue
- Equity per share was EUR 15.46 (17.58), and return on equity was 4.0 (5.9) per cent. Return on investment was 3.6 (4.9) per cent
- EPRA NRV (Net Reinstatement Value) per share fell by 12.5 per cent to EUR 19.50 (22.29)
- There were 1,152 (2,230) Lumo apartments under construction at the end of the review period

Kojamo owned 39,819 (38,667) rental apartments at the end of the review period. Since June of last year, Kojamo has acquired 0 (985) apartments, completed 1,216 (1,625) apartments, sold 73 (0) and demolished or otherwise altered 9 (-108) apartments.



Outlook for Kojamo in 2023 (specified)

Kojamo estimates that in 2023, the Group's total revenue will increase by 7–9 per cent (previously 7–10 per cent) year-on-year. In addition, Kojamo estimates that the Group's FFO for 2023 will amount to between EUR 158–167 million, excluding non-recurring costs (previously EUR 153–165 million).

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. In addition, the outlook takes into account the result of the repurchase of eurobonds and the effect on FFO of the possible premature financing of the eurobond due in 2024 (previously does not take into account the impact on FFO of potential premature funding of the eurobond due in 2024).

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.

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. In particular, there is still uncertainty associated with the energy market. The development of the Finnish economy has continued to be weak this year. Energy prices, which had risen sharply due to the war,

have fallen during the year, but in general, inflation has remained high. The rise in prices has affected Kojamo's maintenance costs, especially in the beginning of the year regarding heating costs and electricity prices.



Key figures

	4–6/2023	4–6/2022	Change %	1–6/2023	1–6/2022	Change %	2022
Total revenue, M€	108.9	100.5	8.4	217.1	200.0	8.6	413.3
Net rental income, M€ *	79.0	72.4	9.1	138.5	129.5	7.0	280.1
Net rental income margin, % *	72.6	72.1		63.8	64.7		67.8
Profit/loss before taxes, M€ *	71.7	94.8	-24.4	95.7	157.8	-39.3	-499.8
EBITDA, M€ *	82.0	110.3	-25.7	122.9	185.9	-33.9	-441.3
EBITDA margin, % *	75.3	109.8		56.6	92.9		-106.8
Adjusted EBITDA, M€ *	68.0	62.9	8.2	118.0	110.6	6.7	240.4
Adjusted EBITDA margin, % *	62.5	62.6		54.3	55.3		58.2
Funds From Operations (FFO), M€ *	51.7	42.4	22.0	80.5	71.3	12.8	160.7
FFO margin, % *	47.5	42.2		37.1	35.7		38.9
FFO excluding non-recurring costs, M€ *	51.7	42.4	22.0	80.5	71.3	12.8	160.7
Investment properties, M€				8,268.1	8,743.2	-5.4	8,150.2
Financial occupancy rate, %				92.2	91.5		92.0
Interest-bearing liabilities, M€ *				3,658.8	3,626.4	0.9	3,678.2
Return on equity (ROE), % *				4.0	5.9		-9.9
Return on investment (ROI), % *				3.6	4.9		-5.7
Equity ratio, % *				45.3	47.9		45.3
Loan to Value (LTV), % *				43.8	40.5		43.7
EPRA Net Reinstatement Value (NRV), M€				4,819.9	5,507.8	-12.5	4,825.9
Gross investments, M€ *	61.3	289.5	-78.8	116.3	338.4	-65.6	501.6
Number of personnel, end of the period				344	334		304
Key figures per share, €							
FFO per share *	0.21	0.17	23.5	0.33	0.29	13.8	0.65
Earnings per share	0.23	0.31	-25.8	0.31	0.51	-39.2	-1.62
EPRA NRV per share				19.50	22.29	-12.5	19.53
Equity per share				15.46	17.58	-12.1	15.55

* 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 the Half-Year Financial Report



CEO's review



Our operations remained stable in the first half of the year, although the financial and interest rate market situation combined with the upward pressure on maintenance costs brought by inflation is challenging for the real estate operators. Total revenue, net rental income and FFO increased. We have achieved these strategic targets at the beginning of the year, and our key figures are strong.

In 2023, a large number of rental apartments from the new projects started in 2021 and 2022 will be completed in the market. Rental operations are also prone to seasonal variations, and summer is typically the strongest rental season. This year, however, we saw a change in our occupancy rate earlier than in previous years, and the occupancy rate has developed positively since early spring. The occupancy rate improved from the previous year, and we will continue measures aimed at improving the occupancy rate.

The uncertainty of the financial market has continued, and interest rates are not expected to decline in the near future. Although our interest rate risk hedging ratio is high, significantly higher interest rates will increase our interest expenses with the new financing agreements. Our balance sheet is strong, and our liquidity is good, but due to the near-term prospects of the financial markets, we must take active measures to secure our position.

We want to maintain investment grade credit rating and will therefore take proactive measures to ensure the company's financial position. We have not started any new development projects since last autumn, and for the time being, we will not make new investments. In order to secure the credit rating, we are also launching a saving programme of which measures

aim at maintaining the company's profitability and securing good access to financing at competitive prices. Our goal is to achieve total savings of EUR 43 million in costs and investments in 2024, of which the share of costs is estimated to be EUR 18 million. We will not launch new modernisation projects for the time being, and we will reduce repairs other than those supporting the renting of apartments, as long as we do not incur repair debt. As part of the saving programme, we will start change negotiations, during which the enhancement of various functions and possible reorganization will be extensively investigated. We may carry out moderate property sales within the next 12 months. In addition, to strengthen the company's financial position, the company's Board of Directors will propose to the spring 2024 Annual General Meeting that no dividend be paid for 2023.

Diverse sources of financing have always been important to us, and we have a significant amount of free property collaterals at our disposal. In the current market situation, this enables the use of secured financing, which is cheaper than other forms of financing, without negatively affecting the credit rating. We are likely to use collaterals in our next financing arrangements.

In the second quarter of the year, we entered into financing arrangements totalling EUR 500 million to refinance all loans maturing this year. In addition, we used EUR 150 million of this financing to repurchase bonds maturing in 2024 and 2025. The repurchase had a positive impact of almost EUR 9 million on our financial expenses.

This year has been challenging for the construction market especially in terms of residential construction, and as we expected, the estimates of new residential start-ups have decreased significantly as the year has progressed. Next year, fewer apartments will be completed, and the continued urbanisation and shrinking housing supply will have a positive impact on the rental market situation. The shrinking supply and increased maintenance and financing costs will likely be reflected in the market in the form of more strongly rising rents in 2024.

We still had 1,152 apartments under construction at the end of the review period. Most of these apartments will be completed in 2023.

I believe that, in a challenging financial market situation, we can ensure a strong position along with our ability to build future growth through active and proactive action once the market situation becomes more favourable again.

Jani Nieminen

CEO



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

%	2023E	2022
GDP growth	0.0	2.1
Unemployment	7.0	6.8
Inflation	5.9	7.1

Source: Ministry of Finance, Economic survey 6/2023

According to the economic survey published by the Ministry of Finance in June, the growth prospects of world economy are still weak. Although inflation has slowed down due to the decline in energy price, core inflation has remained high.

zero, as rising prices and interest rates reduce household spending and corporate investments. Next year, economic growth is expected to pick up as slowing inflation and wage increases improve the purchasing power of households. Employment remains at a good level.

In the United States, strong employment has supported consumers' purchasing power despite the strong rise in interest rates. In the euro area, growth has been weaker, and the weakness seen in manufacturing is also spreading to the services sector.

The European Central Bank and the FED both continued to raise interest rates in July. The continuation of interest rate hikes is uncertain. However, the markets do not expect interest rate cuts to start in the near future.

The growth of the Finnish economy has been almost at a standstill. This year, economic growth will remain close to

Industry operating environment

Industry key figures

	2023E	2022
Residential start-ups, units	<20,000	38,300
of which non-subsidised block-of-flats	n/a	22,600
start-ups in the capital region	n/a	10,917
Building permits granted, annual, units *	27,412	36,775
Construction costs, change %	n/a	5.3
Prices of old block-of-flats in the whole country, change, %	-2.5	-0.1
Prices of old block-of-flats in the capital region, change, %	-3.0- -1.5	-1.4- -0.8
Rents of non-subsidised apartments in the whole country, change, %	2.3	0.9
Rents of non-subsidised apartments in the capital region, change, %	2.0-2.4	0.3-0.8

* Rolling 12 months, May 2023

Sources: Confederation of Finnish Construction Industries (CFCI), business survey June 2023; CFCI, economic forecast, March 2023; Housing production information of the municipalities in the capital region; Statistics Finland, Building and dwelling production 2023, May, and 2022, December; Statistics Finland, Building cost index, 2022, December; Pellervo Economic Research PPT, Housing 2023 forecast

The amount of construction has decreased sharply for more than a year, and the number of building permits as well as start-ups has fallen to the same level as during the financial crisis. The decline in new development has accelerated in the first half of the year.

According to the Confederation of Finnish Construction Industries CFCI's housing production survey published in June 2023, the number of housing start-ups in the current year will fall to less than half compared to the survey conducted in January. CFCI forecasts that the total number of housing start-ups this year will fall below 20,000 apartments, and production is



expected to decrease next year as well. Based on the half-year financial reports published by construction companies, the number of start-ups may be significantly below 20,000 apartments. According to CFCI's survey, the start-up of housing production is currently hampered especially by insufficient demand and expectations of rising interest rates.

According to Nordea's Housing market review published in May, the abundant supply of rental housing has kept the rise in rents moderate, but next year looks better. The growth of housing supply slows down as construction decreases, which means that the rent level is also expected to rise slightly faster

Effects of urbanisation

Area	Population growth forecast, %	Share of rental household-dwelling units, %	
	2021–2040	2010	2021
Helsinki	19.9	47.1	49.9
Capital region ¹⁾	21.7	41.9	46.1
Helsinki region ²⁾	n/a	37.7	42.1
Jyväskylä	4.6	40.2	45.7
Kuopio	0.0	36.5	41.7
Lahti	n/a	37.3	41.0
Oulu	5.5	36.7	43.1
Tampere	11.1	42.2	50.6
Turku	12.4	43.0	51.0
Other areas	n/a	23.8	27.0

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 2021; MDI, Population forecast 2040

According to the population forecast published by MDI, urbanisation continues, the significance of the traditional growth triangle further strengthens, and regional differences increase. Nevertheless, regional divergence and differentiation are accelerating rather than levelling off, and the importance of micro-location and hubs is emphasised in everything.

The forecast presents four growth scenarios. The population of the capital region is predicted to grow by 11–22 per cent during the period 2021–2040 in the four scenarios. Turku and Tampere will also grow by more than 10 per cent in all four scenarios.

Population growth continues in the capital region and other growth centers. According to Statistics Finland's preliminary population statistics, Helsinki, Espoo, Vantaa, Tampere and Järvenpää were Finland's most growing municipalities in the first half of the year. Migration between municipalities played a large role in the growth of all these municipalities, with the exception of Vantaa. The most significant factor in terms of population growth in the entire country was increased net immigration, which is particularly strongly reflected in the growth statistics of the above-mentioned municipalities and is indeed the biggest factor behind the growth of these municipalities.

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 in Finnish growth centres. At the end of the review period, Kojamo's property portfolio comprised 39,819 (38,667) rental apartments. The fair value of Kojamo's investment properties at the end of the review period was EUR 8.3 (8.7) billion. Investment properties include completed apartments as well as development projects and land areas.

Measured at fair value on 30 June 2023, 97.8 per cent of Kojamo's rental apartments were located in the seven largest Finnish growth centres, 88.3 per cent in the Helsinki, Tampere and Turku regions and 76.5 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.



Financial development April–June 2023

Total revenue

Kojamo's total revenue increased to EUR 108.9 (100.5) 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 4.5 million, due to the properties acquired in the summer of 2022 by around EUR 2.3 million, and due to the development of rents and the financial occupancy rate by around EUR 1.4 million.

Result and profitability

Net rental income increased to EUR 79.0 (72.4) million, which corresponds to 72.6 (72.1) per cent of total revenue. The growth in net rental income was positively impacted by a EUR 8.4 million increase in total revenue and negatively impacted by EUR 2.0 million increase in maintenance costs.

Profit before taxes was EUR 71.7 (94.8) million. The profit includes EUR 14.0 (47.1) million in net gain on the valuation of investment properties at fair value. Profit before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 10.0 million.

Financial income and expenses totalled EUR -10.0 (-15.2) million. Financial income and expenses include EUR 0.3 (2.1) million in unrealised changes in the fair value of derivatives. A profit of EUR 9.0 million was recorded in financial income as the difference between the nominal value of the repurchased bonds and their purchase prices.

Funds From Operations (FFO) amounted to EUR 51.7 (42.4) million. The increase in FFO was attributable to the improvement in net rental income and the profit from the repurchase of bonds during the review period.

Financial development January–June 2023

Total revenue

Kojamo's total revenue increased to EUR 217.1 (200.0) 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 9.0 million, due to the properties acquired in the summer of 2022 by around EUR 4.4 million, and due to the development of rents and the financial occupancy rate by around EUR 3.0 million.

Result and profitability

Net rental income increased to EUR 138.5 (129.5) million, which corresponds to 63.8 (64.7) per cent of total revenue. The growth in net rental income was positively impacted by a EUR 17.1 million increase in total revenue and negatively impacted by a EUR 7.7 million increase in property maintenance costs, of which heating costs, credit losses and property taxes in particular were higher than in the comparison period.

Profit before taxes was EUR 95.7 (157.8) million. The profit includes EUR 5.1 (75.1) million in net gain on the valuation of investment properties at fair value and EUR -0.1 (0.2) million in profits and losses from the sale of investment properties. Profit before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 8.0 million.

Financial income and expenses totalled EUR -26.6 (-27.5) million. Gains and losses on the valuation of investments amounted to EUR 0.9 (-2.1) million and the unrealised change in the fair value of derivatives EUR 0.3 (5.0) million. A profit of EUR 9.0 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 7.1 million year-on-year due to the higher amount of interest-bearing liabilities and the increase in interest rates.

Funds From Operations (FFO) amounted to EUR 80.5 (71.3) million. The increase in FFO was attributable to the improvement in net rental income and the profit from the repurchase of bonds during the review period.



Balance sheet, cash flow and financing

	30 Jun 2023	30 Jun 2022	31 Dec 2022
Balance sheet total, M€	8,453.2	9,069.6	8,482.3
Equity, M€	3,821.8	4,344.1	3,842.7
Equity per share, €	15.46	17.58	15.55
Equity ratio, %	45.3	47.9	45.3
Return on equity (ROE), %	4.0	5.9	-9.9
Return on investment (ROI), %	3.6	4.9	-5.7
Interest-bearing liabilities, M€	3,658.8	3,626.4	3,678.2
Loan to Value (LTV), %	43.8	40.5	43.7
Coverage ratio	4.1	3.9	3.8
Average interest rate of loan portfolio, % *	2.3	1.7	1.9
Average loan maturity, years	3.2	3.9	3.5
Cash and cash equivalents, M€	38.1	88.5	119.4

* Includes interest rate derivatives

Kojamo's liquidity was good during the review period. At the end of the period, Kojamo's cash and cash equivalents stood at EUR 38.1 (88.5) million and liquid financial assets at EUR 32.7 (151.5) million.

EUR 29.8 (65.0) million of the EUR 250 million commercial paper programme was in use at the end of the review period. Kojamo has committed credit facilities of EUR 300 million and an uncommitted credit facility of EUR 5 million that were unused at the end of the period. In addition, EUR 200 million of the syndicated loan mentioned below had not been drawn at the end of the review period.

The following financing arrangements were made during the review period:

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 will be used for the refinancing of company's existing indebtedness as well as for the group's general financing needs.

In June, Kojamo plc announced that it would repurchase with a public tender offer a maximum of EUR 150 million of its bonds maturing in 2024 and 2025. The bond maturing in 2024 was repurchased for EUR 61.5 million and the bond maturing in 2025 for EUR 84.5 million.



Real estate property and fair value

M€	30 Jun 2023	30 Jun 2022	31 Dec 2022
Fair value of investment properties on 1 Jan ¹⁾	8,150.2	8,327.5	8,327.5
Acquisition of investment properties ^{1) 2)}	106.5	332.5	478.9
Modernisation investments	11.6	7.0	22.5
Disposals of investment properties	-7.5	-1.3	-1.3
Capitalised borrowing costs	2.3	2.5	4.6
Profit/loss on fair value of investment properties ¹⁾	5.1	75.1	-682.0
Fair value of investment properties at the end of the period	8,268.1	8,743.2	8,150.2

¹⁾ Includes leases for plots of land

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

Kojamo owned a total of 39,819 (38,667) rental apartments at the end of the review period.

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 30 June 2023. The criteria for determining fair value are presented in the Notes to the Financial Statements.

At the end of the review period, the plot and real estate development reserve held by the Group totalled about 198,000 floor sq.m (164,000 floor sq.m). The fair value of the plot and real estate development reserve (including the Metropolia properties) was EUR 179.1 (132.9) million at the end of the review period.

Rental housing

Apartments	30 Jun 2023	30 Jun 2022	31 Dec 2022
Number of apartments	39,819	38,667	39,231
Average rent, €/m ² /month	17.70	17.26	17.55
Average rent, €/m ² /month, yearly average	17.66	17.12	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 the Lumo webstore.

Rental housing key figures

%	1-6/2023	1-6/2022	1-12/2022
Financial occupancy rate	92.2	91.5	92.0
Tenant turnover rate, excluding internal turnover	14.6	15.9	31.1
Like-for-Like rental income growth *	1.4	-0.4	0.3
Rent receivables in proportion to revenue	1.4	1.3	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 financial occupancy rate was 92.2 (91.5) per cent for the review period. At the end of the period, 212 (159) apartments were vacant due to renovations.



Kojamo's property portfolio by region as at 30 June 2023

%	Helsinki region	Tampere region	Turku region	Oulu	Jyväskylä	Kuopio region	Lahti region	Others
Distribution by number of apartments	61.8	9.9	5.1	5.6	5.2	4.2	3.6	4.6
Distribution by fair value	76.5	7.9	3.9	2.6	2.8	2.2	2.0	2.2

Information on the property portfolio as at 30 June 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, €/m ²	Financial occupancy rate, % ³⁾
Helsinki region	24,616	459	5,970.6	238	4,425	91.1
Tampere region	3,949	111	618.1	152	2,981	95.7
Turku region	2,038	26	301.0	146	2,717	94.7
Other	9,216	148	916.2	98	1,855	93.9
Total	39,819	744	7,805.9 ¹⁾	192	3,612	92.2
Other			462.2 ²⁾			
Total portfolio	39,819	744	8,268.1			

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

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

³⁾ 1–6/2023 the financial occupancy rate does not include commercial premises and other leased premises



Investments, divestments and real estate development

Investments

M€	30 Jun 2023	30 Jun 2022	31 Dec 2022
Acquisition of investment properties *	102.3	328.9	474.5
Modernisation investments	11.6	7.0	22.5
Capitalised borrowing costs	2.3	2.5	4.6
Total	116.3	338.4	501.6
Repair expenses, M€	14.2	13.8	30.2

* Not including leases for plots of land

Number of apartments

Units	30 Jun 2023	30 Jun 2022	31 Dec 2022
Apartments at the start of the period	39,231	36,897	36,897
Divestments	-73	-	-
Acquisitions	-	985	985
Completed	652	784	1,348
Demolished or altered	9	1	1
Apartments at the end of the period	39,819	38,667	39,231
Started during the review period	-	339	477
Under construction at the end of the period	1,152	2,230	1,804
Preliminary agreements for new construction	119	563	230

Kojamo estimates that investments in development projects will amount to EUR 165–180 million in 2023.

In total 0 (985) apartments were acquired during the period under review.

Of the apartments under construction, 1,068 (2,097) are located in the Helsinki region and 84 (133) in other Finnish

Binding acquisition agreements for new development

M€	30 Jun 2023	30 Jun 2022	31 Dec 2022
Actual costs incurred from new construction in progress	236.4	331.8	293.6
Cost of completing new construction in progress	56.5	231.9	145.1
Total	292.9	563.7	438.7

growth centres. A total of 652 (784) apartments were completed during the review period.

Modernisation investments during the review period amounted to EUR 11.6 (7.0) million and repair costs totalled EUR 14.2 (13.8) million.

Plots and real estate development sites owned by the company

	30 Jun 2023		30 Jun 2022		31 Dec 2022	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Plots	36.7	58	28.6	50	35.6	59
Plots with existing residential building	70.2	74	31.5	40	44.4	57
Conversions	72.3	67	72.9	74	72.8	68
Total ¹⁾	179.1	198	132.9	164	152.7	184

¹⁾ 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

	30 Jun 2023		30 Jun 2022		31 Dec 2022	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Preliminary agreements for new construction ¹⁾	23.2		108.9		48.7	
Estimate of the share of plots of preliminary agreements for new development ²⁾	4.2	5	14.6	20	8.5	12
Preliminary agreements and reservations for plots ²⁾	34.9	45	23.4	38	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 2020–2023

	1–6/2023	2022	2021	2020	Target
Annual growth of total revenue, %	8.6	5.5	2.0	2.3	4–5
Annual investments, M€	116.3	501.6	356.9	371.2	200–400
FFO/total revenue, %	37.1	38.9	39.1	39.5	> 36
Loan to Value (LTV), %	43.8	43.7	37.7	41.4	< 50
Equity ratio, %	45.3	45.3	49.0	45.6	> 40
Net Promoter Score (NPS) *	52	45	20	36	40

*The calculation method has changed during the review period for example including digital services in calculation. Target and 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.



Shares and shareholders

Issued shares and share capital

Kojamo's share capital on 30 June 2023 was EUR 58,025,136 and the number of shares at the end of the review period totalled 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 the ISIN code is FI4000312251.

Trading in the company's share

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

Share price and trading

	1–6/2023	1–6/2022	1–12/2022
Lowest price, €	8.43	15.95	11.62
Highest price, €	15.71	22.10	22.10
Average price, €	11.52	19.48	16.98
Closing price, €	8.62	16.46	13.80
Market value of share capital, end of period, M€	2,130.4	4,068.0	3,410.6
Share trading, million units	46.3	43.1	86.5
Share trading of total share stock, %	18.7	17.4	35.0
Share trading, M€	533.4	839.5	1,471.8

In addition to the Nasdaq Helsinki stock exchange, Kojamo shares were traded on other marketplaces. During 1 January–30 June 2023, approximately 90 (approximately 100) million Kojamo shares were traded on alternative marketplaces, corresponding to approximately 70 (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 review period.

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.

Shareholders

At the end of the review period, the number of registered shareholders was 13,201, including nominee-registered shareholders. The proportion of nominee-registered and direct foreign shareholders was 53.5 per cent of the company's shares at the end of the review period. The 10 largest shareholders owned in aggregate 57.0 per cent of Kojamo's shares at the end of the review period.

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.

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.



Flagging notifications

Kojamo did not receive any notifications pursuant to the Finnish Securities Market Act regarding changes in holdings in Kojamo shares during the review period.

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 authorized 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 Leskelä, Catharina Stackelberg-Hammarén, Andreas Segal and Annica Änäs. 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 Leskelä (Chairman), Kari Kauniskangas, Mikko Mursula and Annica Änäs serve in the Audit Committee. Mikael Aro (Chairman), Andreas Segal and Catharina Stackelberg-Hammarén serve in the Remuneration Committee.

Personnel

At the end of the review period, Kojamo had a total of 344 (334) employees. The average number of personnel during the review period was 319 (320).

The salaries and fees paid during the review period totalled EUR 9.8 (9.2) million.

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/>.

Nomination Board

A stock exchange release was issued on 16 September 2022 announcing the composition of Kojamo plc's Nomination Board. Kojamo's three largest shareholders nominated the following members to the Shareholders' Nomination Board: Arve Regland, CFO, Fredenberg AS; 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.

CEO

Jani Nieminen, M.Sc. (Tech.), MBA was 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; Tiina Kuusisto, Chief Experience Officer (CXO); Katri Harra-Salonen, Chief Digital Officer; and 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 will be leaving her current position at the end of August.

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 any'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 2022.

Sustainability

Responsibility and sustainable development are among Kojamo's strategic focus areas. Sustainability is integral to Kojamo's operations and corporate culture, and it is a part of the work for everyone at Kojamo.

Our sustainability programme

Our sustainability programme documents the priorities of our sustainability efforts until 2023: sustainable cities, the best customer experience, the most competent personnel and a dynamic place to work, and a responsible corporate citizen. Read more about our sustainability programme from our [2022 Annual Report and Sustainability Report](#).

We have committed to the UN Sustainable Development Goals. We continue to develop transparency of our sustainability reporting, and we currently report according to GRI and EPRA sBPR frameworks. We also participate yearly in GRESB (Global Real Estate Sustainability Benchmark) survey. For 2022, we have also reported information on risks related to climate change according to the TCFD framework.

Sustainable cities

All of our newly constructed properties are situated in growth centres, in locations that are close to good transport connections and services. The goal is for our property portfolio to be carbon-neutral in terms of energy consumption by 2030. We have signed the Net Zero Carbon Buildings Commitment of the World Green Building Council. We will increase the efficiency of our energy consumption by 7.5% by 2025. All Kojamo offices are WWF Green Office certified.

The ban on manufacturing and importing of fluorescent tubes in the EU began in February 2023, and the ban on sales came into effect from the beginning of August. We have no longer purchased fluorescent light sources for Kojamo's properties, and we will replace broken light sources with LED products going forward.

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.

The best customer experience

We want to deliver the best customer experience in housing. We create safe and comfortable homes that provide our customers with a strong sense of community, sustainable housing and services that make life easier. The operating model Through the Customer's Eyes has become an established practice for us. Nearly 500 Lumo teams made up of active residents have already been established.

All of Kojamo's properties use carbon-neutral property electricity. In addition, carbon-neutral district heating is used at 86 of our properties. We offer all residents of Lumo homes the opportunity to use shared cars. Furthermore, our objective is to install new charging stations for electric cars based on demand from our residents. Currently we have installed charging station in more than 1,500 car parks.

During the review period, we launched an improvement to the fault report function in the residents' My Lumo service that enhances the user experience. This facilitates communication with the resident. In addition, we have extended the opening hours of the customer service chat of the My Lumo service.

The most competent personnel and a dynamic place to work

The most important areas for our personnel responsibility are equality and equity for personnel, the health and well-being of personnel, as well as good management and leadership. We ensure our future competitiveness through competence development and offer an employee experience that attracts the best talent in the industry. We also work continuously to promote our corporate culture and the well-being of our personnel. Our corporate culture is based on Kojamo's shared values: Happy to serve, Strive for success and Courage to change.

In order to strengthen our leadership culture, we have organized leadership training for new supervisors during the review



period. We have also updated the internal guidelines for both sales and building management to clarify the work in these roles and to improve the quick handling of the customer's affairs.

A responsible corporate citizen

Our Code of Conduct documents the sustainable operating practices we apply in our interactions with our stakeholders,

Near-term risks and uncertainties

Kojamo estimates that the most significant near-term risks and uncertainties are caused by Russia's war of aggression in Ukraine as well as due to the uncertain situation in the property and financial markets. Russia's war of aggression in Ukraine has caused economic uncertainty and weakened Finland's economic growth prospects. The war has pushed consumer prices up broadly which has weakened consumer purchasing power and economic growth.

The continuation of the war will cause uncertainty in the future as well, which 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 economic sanctions and their extent may have an impact on the availability and prices of building materials. If inflation remains strong, 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 rise in market interest rates may lower the credit rating,

News conference and webcast

Kojamo will hold a news conference for institutional investors, analysts and media on 17 August 2023 at 10.00 a.m. EEST at the company's head office at Mannerheimintie 168A, Helsinki. The event will be held in English. After the event, the media has a possibility to ask questions also in Finnish.

The event can also be followed as a live webcast through which it is possible to ask questions. No registration for the

society and the environment. We also require our partners to operate sustainably, and our Supplier Code of Conduct has been an integral part of all of our partnership agreements starting from the beginning of 2021.

During the review period, we have updated the whistleblowing channel instructions given to employees to reflect changes in legislation.

make it 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.

Helsinki, 17 August 2023

Kojamo plc
Board of Directors

Further information:

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webcast in advance is needed. The event will be accessible at <https://kojamo.videosync.fi/q2-2023>.

A recording of the webcast will be available later on the company website at <https://kojamo.fi/en/investors/releases-and-publications/financial-reports/>.



EPRA performance measures

EPRA (European Public Real Estate Association) is an advocacy organisation for publicly listed European property investment companies. Kojamo is a member of EPRA. As part of its activities, the organisation promotes financial reporting in the industry and the adoption of best practices to ensure the qual-

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

EPRA performance measures

	4–6/2023	4–6/2022	1–6/2023	1–6/2022	2022
EPRA Earnings, M€	44.3	40.8	73.3	68.6	158.2
EPRA Earnings per share (EPS), €	0.17	0.17	0.30	0.28	0.64
EPRA Net Reinstatement Value (NRV), M€			4,819.9	5,507.8	4,825.9
EPRA NRV per share, €			19.50	22.29	19.53
EPRA Net Initial Yield (NIY), %			3.7	3.4	3.7
EPRA 'topped-up' NIY, %			3.7	3.4	3.7
EPRA Vacancy Rate, %			7.9	8.6	8.0
EPRA Cost Ratio (including direct vacancy costs), %	12.7	11.4	13.1	12.3	12.5
EPRA Cost Ratio (excluding direct vacancy costs), %	9.7	7.8	8.5	7.5	8.6

EPRA Earnings

M€	4–6/2023	4–6/2022	1–6/2023	1–6/2022	2022
Earnings per IFRS income statement	57.3	75.9	76.5	126.3	-399.8
(i) Change in value of investment properties, development properties held for investment and other interests	-14.0	-47.1	-5.1	-75.1	682.0
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	0.1	-0.3	0.1	-0.2	-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	0.2	0.2	0.2
(vi) Changes in fair value of financial instruments	-0.3	-2.1	-0.3	-5.0	-6.8
(vi) Early close-out cost/gains of financial instruments and debt	-8.9	-	-8.9	-	-
(viii) Deferred tax in respect of EPRA adjustments	10.0	14.2	10.8	22.3	-117.2
EPRA Earnings	44.3	40.8	73.3	68.6	158.2
Average number of shares, million	247.1	247.1	247.1	247.1	247.1
EPRA Earnings per share (EPS), €	0.17	0.17	0.30	0.28	0.64



EPRA Net Reinstatement Value

M€	1-6/2023	1-6/2022	2022
IFRS Equity attributable to shareholders	3,821.8	4,344.1	3,842.7
Diluted NAV	3,821.8	4,344.1	3,842.7
Diluted NAV at Fair Value	3,821.8	4,344.1	3,842.7
Exclude:			
(v) Deferred tax in relation to fair value gains	884.7	1,008.1	872.8
(vi) Fair value of financial instruments	-52.0	-19.4	-52.6
Include:			
(xi) Real estate transfer tax	165.4	174.9	163.0
EPRA Net Reinstatement Value (NRV)	4,819.9	5,507.8	4,825.9
Number of shares, million	247.1	247.1	247.1
EPRA NRV per share, €	19.50	22.29	19.53

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

M€		1-6/2023	1-6/2022	2022
Investment property		8,268.1	8,743.2	8,150.2
Trading property		0.1	0.1	0.1
Developments		-339.4	-430.5	-395.2
Completed property portfolio		7,928.8	8,312.9	7,755.1
Allowance for estimated purchasers' costs		158.6	166.3	155.1
Gross up completed property portfolio valuation	B	8,087.4	8,479.1	7,910.2
Annualised cash passing rental income		445.2	419.6	438.9
Property outgoings		-144.8	-131.4	-148.9
Annualised net rents	A	300.4	288.2	290.0
Notional rent expiration of rent-free periods or other lease incentives		-	-	-
Topped-up net annualised rent	C	300.4	288.2	290.0
EPRA Net Initial Yield (NIY), %	A/B	3.7	3.4	3.7
EPRA 'topped-up' NIY, %	C/B	3.7	3.4	3.7

EPRA Vacancy Rate

M€		1-6/2023	1-6/2022	2022
Estimated rental value of vacant space *	A	17.3	17.5	33.7
Estimated rental value of the whole portfolio *	B	219.7	204.4	419.8
EPRA Vacancy Rate, %	A/B	7.9	8.6	8.0

* Including rental value of apartments



EPRA Cost Ratios

M€		4-6/2023	4-6/2022	1-6/2023	1-6/2022	2022
Include:						
(i) Administrative expense line per IFRS income statement		12.0	10.3	21.9	19.9	43.1
(i) Maintenance expense line per IFRS income statement		22.0	20.0	64.4	56.7	103.1
(i) Repair expense line per IFRS income statement		7.9	8.0	14.2	13.8	30.2
(ii) Net service charge costs/fees		-3.9	-3.3	-7.7	-6.5	-13.8
(iii) Management fees less actual/estimated profit element		0.0	-0.1	-0.1	-0.1	-0.2
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits		-0.1	-0.1	-0.1	-0.1	-0.3
Exclude:						
(vii) Ground rent costs		0.0	0.0	0.1	0.0	0.0
(viii) Service charge costs recovered through rents but not separately invoiced		-28.1	-27.0	-75.1	-68.4	-128.3
EPRA Costs (including direct vacancy costs)	A	9.8	8.0	17.5	15.4	33.8
(ix) Direct vacancy costs		-2.3	-2.5	-6.2	-6.0	-10.7
EPRA Costs (excluding direct vacancy costs)	B	7.4	5.5	11.3	9.3	23.1
(x) Gross Rental Income less ground rent costs - per IFRS		104.9	97.0	209.2	193.2	398.5
(xi) Service fee and service charge costs components of Gross Rental Income		-28.1	-27.0	-75.1	-68.4	-128.3
Gross Rental Income	C	76.8	70.0	134.1	124.8	270.3
EPRA Cost Ratio						
(including direct vacancy costs), %	A/C	12.7	11.4	13.1	12.3	12.5
EPRA Cost Ratio						
(excluding direct vacancy costs), %	B/C	9.7	7.8	8.5	7.5	8.6



Condensed consolidated income statement

M€	Note	4–6/2023	4–6/2022	1–6/2023	1–6/2022	1–12/2022
Total revenue		108.9	100.5	217.1	200.0	413.3
Maintenance expenses		-22.0	-20.0	-64.4	-56.7	-103.1
Repair expenses		-7.9	-8.0	-14.2	-13.8	-30.2
Net rental income		79.0	72.4	138.5	129.5	280.1
Administrative expenses		-12.0	-10.3	-21.9	-19.9	-43.1
Other operating income		0.8	0.7	1.6	1.4	3.8
Other operating expenses		0.2	0.1	-0.2	-0.4	-0.3
Profit/loss on sales of investment properties		-0.1	0.2	-0.1	0.2	0.2
Profit/loss on sales of trading properties		-	-	-	-	0.0
Profit/loss on fair value of investment properties	3	14.0	47.1	5.1	75.1	-682.0
Depreciation, amortisation and impairment losses		-0.3	-0.3	-0.6	-0.6	-1.2
Operating profit/loss		81.7	110.0	122.3	185.2	-442.5
Financial income		10.2	3.3	11.8	5.9	9.6
Financial expenses		-20.2	-18.5	-38.4	-33.4	-67.0
Total amount of financial income and expenses		-10.0	-15.2	-26.6	-27.5	-57.4
Share of result from associated companies		-	-	0.0	-	0.1
Profit/loss before taxes		71.7	94.8	95.7	157.8	-499.8
Current tax expense		-6.2	-4.7	-10.2	-9.1	-17.3
Change in deferred taxes		-8.2	-14.2	-9.0	-22.3	117.2
Profit/loss for the period		57.3	75.9	76.5	126.3	-399.8
Profit/loss for the financial period attributable to shareholders of the parent company		57.3	75.9	76.5	126.3	-399.8
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Cash flow hedges		2.7	26.6	-1.5	61.6	92.4
Deferred taxes		-0.5	-5.3	0.3	-12.3	-18.5
Items that may be reclassified subsequently to profit or loss		2.2	21.2	-1.2	49.3	74.0
Total comprehensive income for the period		59.4	97.2	75.3	175.6	-325.8
Total comprehensive income attributable to shareholders of the parent company		59.4	97.2	75.3	175.6	-325.8
Earnings per share based on profit/loss attributable to shareholders of the parent company						
Basic, €		0.23	0.31	0.31	0.51	-1.62
Diluted, €		0.23	0.31	0.31	0.51	-1.62
Average number of shares, million	8	247.1	247.1	247.1	247.1	247.1



Condensed consolidated balance sheet

M€	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
Assets				
Non-current assets				
Intangible assets		0.6	0.7	0.7
Investment properties	3	8,268.1	8,743.2	8,150.2
Property, plant and equipment	4	28.2	28.5	28.4
Investments in associated companies		1.4	1.6	1.5
Financial assets	7	0.7	0.7	0.7
Non-current receivables		6.6	6.8	6.7
Derivatives	6, 7	52.6	25.9	53.8
Deferred tax assets		4.4	4.9	1.5
Total non-current assets		8,362.7	8,812.3	8,243.4
Non-current assets held for sale	10	0.1	-	-
Current assets				
Trading property		0.1	0.1	0.1
Derivatives	6, 7	0.1	1.2	0.2
Current tax assets		3.9	4.4	4.0
Trade and other receivables		15.6	11.6	11.1
Financial assets	7	32.7	151.5	104.0
Cash and cash equivalents		38.1	88.5	119.4
Total current assets		90.4	257.4	238.9
Total assets		8,453.2	9,069.6	8,482.3
Shareholders' equity and liabilities				
Equity attributable to shareholders of the parent company				
Share capital		58.0	58.0	58.0
Share issue premium		35.8	35.8	35.8
Fair value reserve		41.8	18.3	43.0
Invested non-restricted equity reserve		164.4	164.4	164.4
Retained earnings		3,521.8	4,067.5	3,541.4
Equity attributable to shareholders of the parent company		3,821.8	4,344.1	3,842.7
Total equity		3,821.8	4,344.1	3,842.7
Liabilities				
Non-current liabilities				
Loans and borrowings	5, 7	2,902.1	3,397.4	3,330.5
Deferred tax liabilities		885.3	1,010.5	873.7
Derivatives	6, 7	0.7	7.7	1.4
Provisions		0.2	0.3	0.3
Other non-current liabilities		5.0	5.2	5.0
Total non-current liabilities		3,793.3	4,421.0	4,210.9
Current liabilities				
Loans and borrowings	5, 7	756.7	229.1	347.7
Derivatives	6, 7	0.0	0.0	0.0
Current tax liabilities		2.8	4.6	2.5
Trade and other payables		78.6	70.8	78.5
Total current liabilities		838.0	304.5	428.7
Total liabilities		4,631.4	4,725.5	4,639.6
Total equity and liabilities		8,453.2	9,069.6	8,482.3



Consolidated statement of cash flows

M€	1-6/2023	1-6/2022	1-12/2022
Cash flow from operating activities			
Profit for the period	76.5	126.3	-399.8
Adjustments	41.8	-16.7	639.4
Change in net working capital			
Change in trade and other receivables	-1.2	-2.0	-1.6
Change in trading properties	-	-	0.0
Change in trade and other payables	8.3	5.2	-2.2
Interest paid	-49.8	-43.6	-58.4
Interest received	-2.4	0.5	1.1
Other financial items	-0.8	-1.5	-0.4
Taxes paid	-9.9	-9.2	-19.0
Net cash flow from operating activities	62.6	59.0	159.0
Cash flow from investing activities			
Acquisition of investment properties	-112.9	-338.7	-504.9
Acquisition of associated companies	-0.1	0.0	-0.1
Acquisition of property, plant and equipment and intangible assets	-0.1	0.0	-0.3
Proceeds from sale of investment properties	0.3	1.1	1.1
Purchases of financial assets	-50.0	-96.0	-140.9
Proceeds from sale of financial assets	122.3	71.3	164.4
Non-current loans, granted	0.0	0.0	-0.1
Repayments of non-current loan receivables	0.1	0.1	0.2
Interest and dividends received on investments	0.7	0.1	0.4
Net cash flow from investing activities	-39.6	-362.3	-480.2
Cash flow from financing activities			
Non-current loans and borrowings, raised	300.0	300.0	450.0
Non-current loans and borrowings, repayments	-305.8	-25.6	-91.6
Current loans and borrowings, raised	59.5	135.0	205.8
Current loans and borrowings, repayments	-60.7	-120.0	-225.2
Repayments of lease liabilities	-0.9	-0.8	-1.6
Dividends paid	-96.4	-93.9	-93.9
Net cash flow from financing activities	-104.3	194.7	243.5
Change in cash and cash equivalents	-81.3	-108.5	-77.6
Cash and cash equivalents at the beginning of the period	119.4	197.0	197.0
Cash and cash equivalents at the end of the period	38.1	88.5	119.4



Condensed consolidated statement of changes in equity

M€	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			-1.2			-1.2	-1.2
Profit for the period					76.5	76.5	76.5
Total comprehensive income for the period			-1.2		76.5	75.3	75.3
Transactions with shareholders							
Share-based incentive scheme					0.3	0.3	0.3
Dividend payment					-96.4	-96.4	-96.4
Total transactions with shareholders					-96.1	-96.1	-96.1
Total change in equity			-1.2		-19.7	-20.9	-20.9
Equity at 30 Jun 2023	58.0	35.8	41.8	164.4	3,521.8	3,821.8	3,821.8

M€	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			49.3			49.3	49.3
Profit for the period					126.3	126.3	126.3
Total comprehensive income for the period			49.3		126.3	175.6	175.6
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			49.3		31.6	80.8	80.8
Equity at 30 Jun 2022	58.0	35.8	18.3	164.4	4,067.5	4,344.1	4,344.1

M€	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	58.0	35.8	43.0	164.4	3,541.4	3,842.7	3,842.7



Condensed notes to the consolidated financial statements

Basic information about the Group

Kojamo plc is Finland's largest market-based, private housing investment company that offers rental apartments and housing services in Finnish growth centres. Its range of apartments is extensive. On 30 June 2023, Kojamo owned 39,819 rental apartments across Finland.

The Group's parent company, Kojamo plc, is a Finnish public company domiciled in Helsinki. Its registered address is Mannerheimintie 168, 00300 Helsinki, Finland.

Trading in Kojamo's shares commenced on the pre-list of Nasdaq Helsinki on 15 June 2018 and on the official list of Nasdaq Helsinki on 19 June 2018. In addition, a bond issued

by Kojamo in 2016 is listed on the official list of Nasdaq Helsinki Ltd. The Group's five other bonds are listed on the official list of the Irish Stock Exchange. The Group has chosen Finland as its home state for the disclosure of periodic information pursuant to Chapter 7, Section 3 of the Finnish Securities Market Act.

Kojamo plc's Board of Directors approved this Half-Year Financial Report for publication at its meeting on 17 August 2023.

1. Accounting policies

Basis for preparation

This Half-Year Financial Report was prepared in accordance with IAS 34 Interim Financial Reporting as well as by applying the same accounting policies as in the previous annual financial statements, excluding the exceptions described below. The figures of the Half-Year Financial Report have not been audited.

The figures for 2022 are based on Kojamo plc's audited Financial Statements for 2022. The figures in brackets refer to the corresponding period in 2022, and the comparison period is the corresponding period the year before, unless otherwise stated.

The preparation of the Half-Year Financial Report in accordance with IFRS requires application of judgement by Kojamo's

management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the balance sheet date and the reported amounts of income and expenses for the period. Management must also make judgements when applying the Group's accounting policies. Actual results may differ from the estimates and assumptions used. The most significant items of this Half-Year Financial Report where judgement has been applied by management, as well as the assumptions about the future and other key uncertainty factors in estimates at the end of the reporting period that create a significant risk of change in the carrying amounts of Kojamo's assets and liabilities within the next review period, are the same as those presented in the consolidated financial statements for the 2022 financial year. Of these, the most important are the determination of the fair values of investment properties and financial instruments.

2. Revenue

Specification of revenue from contracts with customers

M€	1-6/2023	1-6/2022	1-12/2022
Rental income	209.1	193.1	398.5
Water fees	7.3	6.2	13.2
Sauna fees	0.4	0.3	0.6
Other income from service sales	0.1	0.1	0.2
Total	216.9	199.7	412.5

Revenue consists primarily of rental income based on tenancy agreements. In the Group's business, the scope of IFRS 15 includes maintenance and service revenue, which include use-based charges collected from tenants.



3. Investment properties

M€	30 Jun 2023	30 Jun 2022	31 Dec 2022
Fair value of investment properties on 1 Jan ¹⁾	8,150.2	8,327.5	8,327.5
Acquisition of investment properties ^{1) 2)}	106.5	332.5	478.9
Modernisation investments	11.6	7.0	22.5
Disposals of investment properties	-7.5	-1.3	-1.3
Capitalised borrowing costs	2.3	2.5	4.6
Profit/loss on fair value of investment properties ¹⁾	5.1	75.1	-682.0
Fair value of investment properties at the end of the period	8,268.1	8,743.2	8,150.2

¹⁾ Includes leases for plots of land

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

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

M€	30 Jun 2023	30 Jun 2022	31 Dec 2022
Fair value on 1 Jan	73.8	70.6	70.6
Increases/decreases	4.2	3.6	4.3
Profit/loss on fair value of investment properties	-0.7	-0.6	-1.1
Fair value at the end of the period	77.3	73.6	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 2.3 (2.5) million. The interest rate applied to capitalised borrowing costs was 2.0 (1.8) per cent at the end of the review period.

Fair value of investment properties by valuation method

M€	30 Jun 2023	30 Jun 2022	31 Dec 2022
Yield value *	7,721.2	8,090.0	7,535.3
Acquisition cost	469.6	579.5	541.0
Right-of-use assets (plots of land)	77.3	73.6	73.8
Total	8,268.1	8,743.2	8,150.2

* 30 June 2023 including properties valued at the cash flow based valuation method (DCF) EUR 7,689.2 million and other yield-based valued items EUR 32.0 million

Number of apartments	30 Jun 2023	30 Jun 2022	31 Dec 2022
Yield value	38,449	36,833	37,551
Acquisition cost ^{1) 2)}	1,370	1,834	1,680
Total	39,819	38,667	39,231

¹⁾ Includes 4 apartments as part of development projects

²⁾ There will be an uplift in the fair value of EUR 85-95 million from 960 apartments coming out of restriction by the end of 2024



Average valuation parameters for yield-based valued items

	30 Jun 2023		
	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement, weighted, %	3.56	4.92	3.96
Inflation assumption, %	1.8	1.8	1.8
Market rents, weighted by square meters, €/m ² /month	20.10	15.51	17.98
Property maintenance expenses, repairs and modernisation investments €/m ² /month	6.76	6.54	6.66
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

	30 Jun 2022		
	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement, weighted, %	3.24	4.61	3.64
Inflation assumption, %	1.8	1.8	1.8
Market rents, weighted by square meters, €/m ² /month	19.58	15.02	17.43
Property maintenance expenses, repairs and modernisation investments €/m ² /month	6.21	6.12	6.17
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

	31 Dec 2022		
	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement, weighted, % *	3.56	4.92	3.97
Inflation assumption, %	1.8	1.8	1.8
Market rents, weighted by square meters, €/m ² /month	20.08	15.53	17.97
Property maintenance expenses, repairs and modernisation investments €/m ² /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

* The yield requirements were increased on average by 0.34 percentage points



Sensitivity analysis for measuring the fair value of investment properties

Properties measured at yield value	30 Jun 2023				
	-10%	-5%	0%	5%	10%
Change % (relative)					
Change, M€					
Yield requirement	861.1	407.7		-368.6	-703.5
Market rents	-983.7	-491.8		491.8	983.7
Maintenance costs	337.3	168.7		-168.7	-337.3
Change % (absolute)	-2%	-1%	0%	1%	2%
Change, M€					
Financial occupancy rate	-202.3	-101.1		101.1	202.3

Properties measured at yield value	30 Jun 2022				
	-10%	-5%	0%	5%	10%
Change % (relative)					
Change, M€					
Yield requirement	884.0	418.6		-378.5	-722.3
Market rents	-991.6	-495.8		495.8	991.6
Maintenance costs	313.0	156.5		-156.5	-313.0
Change % (absolute)	-2%	-1%	0%	1%	2%
Change, M€					
Financial occupancy rate	-204.0	-102.0		102.0	204.0

Properties measured at yield value	31 Dec 2022				
	-10%	-5%	0%	5%	10%
Change % (relative)					
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

Fair value measurement of investment property

In Kojamo's consolidated financial statements, the determination of the fair value of investment property is the area that involves the most significant uncertainty factors arising from the estimates and assumptions that have been used. The determination of the fair value of investment property requires significant management discretion and assumptions, particularly with respect to market prices and amounts of future rental income. Estimates and assumptions are particularly related to the future development of yield requirements, vacancy rates and rent levels.

Kojamo uses valuation techniques that are appropriate under those circumstances, and for which sufficient data is available to measure fair value. Kojamo aims to maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Investment property

Investment property refers to an asset (land, building or part of a building) that Kojamo retains to earn rental income or capital

appreciation, or both. An investment property can be owned directly or through an entity. Properties used for administrative purposes are owner-occupied property and included in the balance sheet line item "Property, plant and equipment". An investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from owner-occupied property.

Kojamo's investment property portfolio consists of the completed properties, properties under construction and renovation, leased plots (right-of-use assets) and the plot reserve. Properties classified as trading properties as well as properties classified as held for sale are included in the Group's property portfolio but excluded from the balance sheet item "Investment properties". A property is reclassified from "Investment properties" under "Trading properties" in the event of a change in the use of the property, and under "Investment property held for sale", when the sale of an investment property is deemed highly probable.

An investment property is derecognised from the balance sheet on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are



expected from its disposal. Capital gains and losses on disposals are presented netted as a separate line item in the income statement.

Restrictions on investment properties

Some of the investment properties are subject to legislative divestment and usage restrictions. The so-called non-profit restrictions apply to the owning company, and the so-called property-specific restrictions apply to the investment owned. The non-profit restrictions include, among other things, permanent restrictions on the company's operations, distribution of profit, lending and provision of collateral, and the divestment of investments. The property-specific restrictions include fixed-term restrictions on the use of apartments, the selection of residents, the determination of rent and the divestment of apartments.

Measurement of investment property

Investment property is measured initially at acquisition cost, including related transaction costs, such as transfer taxes and professional fees, as well as capitalised expenditure arising from eligible modernisation. The acquisition cost also includes related borrowing costs, such as interest costs and arrangement fees, directly attributable to the acquisition or construction of an investment property. The capitalisation of borrowing costs is based on the fact that an investment property is a qualifying asset, i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The capitalisation commences when the construction of a new building or extension begins, and continues until such time as the asset is substantially ready for its intended use or sale. Capitalisable borrowing costs are directly attributable costs accrued on the funds borrowed for a construction project or costs attributable to a construction project.

After initial recognition, investment property is measured at fair value and the changes in fair value are recognised through profit or loss in the period in which they are observed. Fair value gains and losses are presented netted as a separate line item in the income statement. Fair value refers to the price that would be received from selling an asset, or paid for transferring a liability, in an ordinary transaction between market participants on the measurement date. The valuation techniques used by Kojamo are described below.

The value of investment properties is assessed internally at Kojamo on a quarterly basis. The results of the assessment are reported to the Management Group, Audit Committee and Board of Directors. The measurement process, market conditions and other factors affecting the assessment of the fair value of properties are reviewed quarterly with the CEO and CFO in accordance with Kojamo's reporting schedule. Each quarter, an external independent expert issues a statement on the valuation methods applied in the valuation of rental apartments and business premises owned by Kojamo as well as on the quality and reliability of the valuation.

Fair value of investment properties by valuation method

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.

Fair value of investment properties by valuation method

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), in which the terminal value of the property is calculated based on direct capitalisation and net yield in year 11. The discount rate is the 10-year cash flow yield requirement plus inflation.

On completion, newly developed properties are moved from balance sheet value measurement to yield value measurement in the quarter they are completed in. The development margin, if any, is recognised as income in connection with this transition.

Completed properties acquired by the Group are measured in their first quarter using the acquisition cost and subsequently using the yield value method.

The yield value method is used to measure the value of properties that are not subject to restrictions.

The yield value method is also used to measure the value of properties that can be sold as entire properties but not apartment by apartment due to restrictions stipulated by the legislation concerning state-subsidised rental housing. The disposal of such properties is only possible when the entire property is sold, and it must be sold to a party that will continue to use the property for the provision of rental housing until the restrictions expire. The rents for such properties can be set freely. The yield value method is used to measure the value of properties that belong to the following restriction groups: free of restrictions, subject to extension restrictions, 20-year interest subsidy, 10-year interest subsidy.



The yield requirements are analysed on a quarterly basis in connection with valuation. The determination of the yield requirement is based on the size of the municipality. In larger cities, several area-specific yield requirements are determined while, in smaller cities, the yield requirement is set at the municipal level. The yield requirement for terraced houses is increased by 20 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 deducted by 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.



4. Property, plant and equipment

M€	30 Jun 2023	30 Jun 2022	31 Dec 2022
Carrying value, beginning of period	28.4	28.8	28.8
Increases	0.3	0.2	0.6
Depreciation for the period	-0.5	-0.5	-1.0
Carrying value, end of period	28.2	28.5	28.4

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 asset item includes car leasing agreements in accordance with IFRS 16 Leases.

Right-of-use assets included in property, plant and equipment

M€	30 Jun 2023	30 Jun 2022	31 Dec 2022
Carrying value, beginning of period	0.8	0.9	0.9
Increases/decreases	0.3	0.2	0.3
Depreciation for the period	-0.2	-0.2	-0.4
Carrying value, end of period	0.8	0.9	0.8

5. Interest-bearing liabilities

M€	30 Jun 2023	30 Jun 2022	31 Dec 2022
Non-current liabilities			
Bonds	1,557.0	2,336.6	2,139.2
Loans from financial institutions	1,250.2	961.9	1,092.7
Interest subsidy loans	19.0	26.4	26.2
Lease liability	76.0	72.5	72.4
Non-current liabilities total	2,902.1	3,397.4	3,330.5
Current liabilities			
Bonds	634.4	-	199.8
Loans from financial institutions	84.0	155.4	108.4
Interest subsidy loans	0.2	0.3	0.3
Commercial papers	29.8	65.0	30.9
Other loans	6.1	6.4	6.2
Lease liability	2.2	1.9	2.1
Current liabilities total	756.7	229.1	347.7
Total interest-bearing liabilities	3,658.8	3,626.4	3,678.2



6. Derivative instruments

Fair values of derivative instruments

M€	30 Jun 2023			30 Jun 2022	31 Dec 2022
	Positive	Negative	Net	Net	Net
Interest rate derivatives					
Interest rate swaps, cash flow hedging	52.1	-0.5	51.6	20.9	52.4
Interest rate swaps, not in hedge accounting	0.6	-0.2	0.4	-2.5	0.2
Electricity derivatives	-	-	-	0.9	-
Total	52.7	-0.7	52.0	19.4	52.5

Nominal values of derivative instruments

M€	30 Jun 2023	30 Jun 2022	31 Dec 2022
Interest rate derivatives			
Interest rate swaps, cash flow hedging	950.1	756.6	746.9
Interest rate swaps, not in hedge accounting	40.2	40.9	40.6
Total	990.3	797.5	787.5
Electricity derivatives, MWh	-	6,626	-

During the review period, EUR -1.5 (61.6) million was recognised in the fair value reserve from interest rate derivatives classified as cash flow hedges. The interest rate derivatives mature between 2023 and 2035. At the end of the review period, the average maturity of interest rate swaps was 4.1 (4.4) years.

Electricity derivatives hedge against increases in electricity prices and matured in 2022. Electricity derivatives are not included in hedge accounting. The unrealised gains and losses from their measurement are presented in the balance sheet under current and non-current assets or liabilities in the item Derivative instruments.



7. Financial assets and liabilities by valuation category

M€	30 Jun 2023				Fair value total
	Carrying value total	Level 1	Level 2	Level 3	
Financial assets					
Measured at fair value					
Interest rate derivatives	52.7		52.7		52.7
Financial assets recognised at fair value through profit or loss					
	43.5	32.7	10.1	0.7	43.5
Measured at amortised cost					
Cash and cash equivalents	38.1		38.1		38.1
Trade receivables	6.5				6.5
Financial liabilities					
Measured at fair value					
Interest rate derivatives	0.7		0.7		0.7
Measured at amortised cost					
Other interest-bearing liabilities	1,467.5		1,460.6		1,460.6
Bonds	2,191.4	1,922.8			1,922.8
Trade payables	17.0				17.0

M€	31 Dec 2022				Fair value total
	Carrying value total	Level 1	Level 2	Level 3	
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

There were no transfers between the hierarchy levels during the review period. 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 value of other fixed-rate liabilities is based on discounted cash flows, in which market interest rates are used as input data.

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.

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.

Level 3 reconciliation

Financial assets recognised at fair value through profit or loss

M€	30 Jun 2023	30 Jun 2022	31 Dec 2022
Beginning of period	0.7	0.7	0.7
Change	0.0	-	0.0
End of period	0.7	0.7	0.7

Investments measured at fair value through profit or 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. For these items, the acquisition cost is evaluated to be an appropriate estimate of fair value.

8. Earnings per share

	1–6/2023	1–6/2022	1–12/2022
Profit for the period attributable to shareholders of the parent company, M€	76.5	126.3	-399.8
Weighted average number of shares during the period (million)	247.1	247.1	247.1
Earnings per share			
Basic, €	0.31	0.51	-1.62
Diluted, €	0.31	0.51	-1.62

The company has no diluting instruments.

9. Guarantees, commitments and contingent liabilities

M€	30 Jun 2023	30 Jun 2022	31 Dec 2022
Loans covered by pledges on property and shares as collateral	910.0	796.5	780.7
Pledges given	1,405.2	890.1	922.2
Shares ¹⁾	224.5	109.2	102.1
Pledged collateral, total	1,629.7	999.3	1,024.3
Other collaterals given			
Mortgages and shares	8.1	8.1	8.1
Guarantees ²⁾	725.8	658.3	756.4
Pledged deposits	0.0	0.0	0.0
Other collateral, total	733.9	666.4	764.5

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

²⁾ Guarantees given mainly relate to parent company guarantees given on behalf of Group companies' loans and some of these loans have also mortgages as collaterals



10. Non-current assets held for sale

On 30 June 2023 the net asset value of the non-current assets held for sale totalled EUR 0.1 million. The asset item in question consisted of an associated company. On 30 June 2022

and 31 December 2022 Kojamo had no non-current assets held for sale.

11. Events after the review period

After the review period, on 17 August 2023, Kojamo announced that it will launch a saving programme to secure the credit rating.



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

	Formula	4–6/2023	4–6/2022	1–6/2023	1–6/2022	2022
Total revenue, M€		108.9	100.5	217.1	200.0	413.3
Net rental income, M€	1	79.0	72.4	138.5	129.5	280.1
Net rental income margin, %	2	72.6	72.1	63.8	64.7	67.8
Profit/loss before taxes, M€	3	71.7	94.8	95.7	157.8	-499.8
EBITDA, M€	4	82.0	110.3	122.9	185.9	-441.3
EBITDA margin, %	5	75.3	109.8	56.6	92.9	-106.8
Adjusted EBITDA, M€	6	68.0	62.9	118.0	110.6	240.4
Adjusted EBITDA margin, %	7	62.5	62.6	54.3	55.3	58.2
Funds From Operations (FFO), M€	8	51.7	42.4	80.5	71.3	160.7
FFO margin, %	9	47.5	42.2	37.1	35.7	38.9
Funds From Operations (FFO) per share, €	10	0.21	0.17	0.33	0.29	0.65
FFO excluding non-recurring costs, M€	11	51.7	42.4	80.5	71.3	160.7
Adjusted Funds From Operations (AFFO), M€	12	44.7	37.0	68.8	64.3	138.2
Investment properties, M€				8,268.1	8,743.2	8,150.2
Financial occupancy rate, %	23			92.2	91.5	92.0
Interest-bearing liabilities, M€	13			3,658.8	3,626.4	3,678.2
Return on equity, % (ROE)	14			4.0	5.9	-9.9
Return on investment, % (ROI)	15			3.6	4.9	-5.7
Equity ratio, %	16			45.3	47.9	45.3
Loan to Value (LTV), %	17			43.8	40.5	43.7
Unencumbered asset ratio, %	18			80.1	87.3	87.1
Coverage ratio	19			4.1	3.9	3.8
Solvency ratio	20			0.43	0.39	0.42
Secured solvency ratio	21			0.11	0.09	0.09
Earnings per share, €		0.23	0.31	0.31	0.51	-1.62
Equity per share, €				15.46	17.58	15.55
Gross investments, M€	22	61.3	289.5	116.3	338.4	501.6
Number of personnel, end of the period				344	334	304

Alternative Performance Measures

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

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



Formulas used in the calculation of the key figures

Alternative Performance Measures specified in accordance with ESMA Guidelines

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

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

This figure reflects the ratio between net rental income and total revenue.
- 3) Profit/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, % = $\frac{\text{EBITDA}}{\text{Total revenue}} \times 100$

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 -/+ Financial income and expenses -/+ Share of result from associated companies + Current tax expense + Change in deferred taxes

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

Adjusted EBITDA margin discloses adjusted EBITDA in relation to total revenue.
- 8) Funds From Operations (FFO) = Adjusted EBITDA - Adjusted net interest charges - Current tax expense +/- Current taxes from disposals

FFO measures cash flow before change in net working capital. The calculation of this APM takes into account financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes.



- 9) FFO margin, % = $\frac{\text{FFO}}{\text{Total revenue}} \times 100$
FFO margin discloses FFO in relation to total revenue.
- 10) FFO per share = $\frac{\text{FFO}}{\text{Weighted average number of shares outstanding during the financial period}}$
FFO per share illustrates FFO for an individual share.
- 11) FFO excluding non-recurring costs = FFO + non-recurring costs
FFO measures cash flow before change in net working capital. The calculation of this APM takes into account financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes and non-recurring costs.
- 12) Adjusted FFO (AFFO) = FFO - Modernisation investments
AFFO measures cash flow before change in net working capital, adjusted for modernisation investments. The calculation of this APM takes into account modernisation investments, financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes.
- 13) Interest-bearing liabilities = Non-current loans and borrowings + Current loans and borrowings
Interest-bearing liabilities measures the Group's total debt.
- 14) Return on equity, % (ROE) = $\frac{\text{Profit/loss for the period (annualised)}}{\text{Total equity, average during the period}} \times 100$
ROE measures the financial result in relation to equity. This APM illustrates Kojamo's ability to generate a return for the shareholders.
- 15) Return on investment, % (ROI) = $\frac{(\text{Profit/loss before taxes} + \text{Interests and other financial expenses}) (\text{annualised})}{(\text{Total assets} - \text{Non-interest-bearing liabilities}), \text{average during the period}} \times 100$
ROI measures the financial result in relation to invested capital.
This APM illustrates Kojamo's ability to generate a return on the invested funds.
- 16) Equity ratio, % = $\frac{\text{Total equity}}{\text{Balance sheet total} - \text{Advances received}} \times 100$
Equity to assets is an APM for balance sheet structure that discloses the ratio of equity to total capital.
This APM illustrates the Group's financing structure.
- 17) Loan to Value (LTV), % = $\frac{\text{Interest-bearing liabilities} - \text{Cash and cash equivalents}}{\text{Investment properties}} \times 100$
Loan to value discloses the ratio of net debt to investment properties. This APM illustrates the Group's indebtedness.
- 18) Unencumbered asset ratio, % = $\frac{\text{Unencumbered assets}}{\text{Assets total}} \times 100$
This APM illustrates the amount of unencumbered assets relative to total assets.



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

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

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

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) Gross investments =
$$\text{Acquisition and development of investment properties} + \text{Modernisation investments} + \text{Capitalised borrowing costs}$$

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

Other performance measures

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



Reconciliation of key indicators

M€	4-6/2023	4-6/2022	1-6/2023	1-6/2022	2022
Profit/loss for the period	57.3	75.9	76.5	126.3	-399.8
Depreciation, amortisation and impairment losses	0.3	0.3	0.6	0.6	1.2
Profit/loss on sales of investment properties	0.1	-0.2	0.1	-0.2	-0.2
Profit/loss on sales of trading properties	-	-	-	-	0.0
Profit/loss on sales of other non-current assets	-	0.0	-	0.0	0.0
Profit/loss on fair value of investment properties	-14.0	-47.1	-5.1	-75.1	682.0
Financial income	-10.2	-3.3	-11.8	-5.9	-9.6
Financial expenses	20.2	18.5	38.4	33.4	67.0
Share of result from associated companies	-	-	0.0	-	-0.1
Current tax expense	6.2	4.7	10.2	9.1	17.3
Change in deferred taxes	8.2	14.2	9.0	22.3	-117.2
Adjusted EBITDA	68.0	62.9	118.0	110.6	240.4
Financial income and expenses	-10.0	-15.2	-26.6	-27.5	-57.4
Profit/loss on fair value measurement of financial assets	-0.6	-0.8	-1.2	-2.9	-5.3
Adjusted net interest charges	-10.6	-16.0	-27.8	-30.4	-62.7
Current tax expense	-6.2	-4.7	-10.2	-9.1	-17.3
Current taxes from disposals	0.5	0.2	0.5	0.2	0.2
FFO	51.7	42.4	80.5	71.3	160.7
FFO excluding non-recurring costs	51.7	42.4	80.5	71.3	160.7
Equity			3,821.8	4,344.1	3,842.7
Assets total			8,453.2	9,069.6	8,482.3
Advances received			-7.0	-6.7	-6.2
Equity ratio, %			45.3	47.9	45.3
Unencumbered investment properties			6,532.3	7,541.1	7,008.2
Non-current assets, other than investment properties			147.2	117.7	142.3
Current assets			90.4	257.4	238.9
Unencumbered assets total			6,769.9	7,916.1	7,389.3
Total assets			8,453.2	9,069.6	8,482.3
Unencumbered asset ratio, %			80.1	87.3	87.1
Adjusted EBITDA, rolling 12 months			247.9	232.8	240.4
Adjusted net interest charges, rolling 12 months			-60.1	-60.3	-62.7
Coverage ratio			4.1	3.9	3.8
Interest-bearing liabilities			3,658.8	3,626.4	3,678.2
Cash and cash equivalents			38.1	88.5	119.4
Total indebtedness - Cash and cash equivalents			3,620.8	3,537.9	3,558.8
Total assets			8,453.2	9,069.6	8,482.3
Solvency ratio			0.43	0.39	0.42
Secured loans			910.0	796.5	780.7
Total assets			8,453.2	9,069.6	8,482.3
Secured solvency ratio			0.11	0.09	0.09