

## BASE PROSPECTUS



**Kojamo plc**

*(incorporated with limited liability in Finland)*

**EUR 2,500,000,000**

### **Euro Medium Term Note Programme**

Under this EUR 2,500,000,000 Euro Medium Term Note Programme (the **Programme**), Kojamo plc (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 2,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement (as defined under “*Subscription and Sale*”)), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “*Risk Factors*”.**

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval by the Central Bank of Ireland should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to Notes that are to be admitted to trading on the regulated market (the **Euronext Dublin Regulated Market**) of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) or on another regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**) and/or that are to be offered to the public in any member state of the European Economic Area in circumstances that require the publication of a prospectus.

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to its official list (the **Official List**) and trading on the Euronext Dublin Regulated Market. References in this Base Prospectus to the Notes being **listed** (and all related references) shall mean that, unless otherwise specified in the applicable Final Terms (as defined under “*Terms and Conditions of the Notes*”), the Notes have been admitted to the Official List and trading on the Euronext Dublin Regulated Market.

**This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.**

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a final terms document (the **Final Terms**) which will be delivered to the Central Bank of Ireland and, where listed, Euronext Dublin.

Copies of Final Terms in relation to Notes to be listed on Euronext Dublin will also be published on the website of Euronext Dublin.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act (**Regulation S**) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Issuer has been rated Baa2 by Moody's Investors Service (Nordics) AB (**Moody's**). The Programme has been rated Baa2 by Moody's. Moody's is established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Moody's is not established in the United Kingdom but the Programme rating issued by Moody's has been endorsed by Moody's Investors Service Limited in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**) and has not been withdrawn. As such, the ratings issued by Moody's may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

Notes issued under the Programme may be rated or unrated by either of the rating agencies referred to above. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by Moody's.

Amounts payable on Floating Rate Notes may be calculated by reference to one of LIBOR, EURIBOR, CIBOR, STIBOR and NIBOR (each as defined below) as specified in the applicable Final Terms. As at the date of this Base Prospectus, the administrator of EURIBOR, the administrator of CIBOR and the administrator of NIBOR are included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**). As at the date of this Base Prospectus, the administrators of LIBOR and STIBOR are not included in European Securities and Markets Authority's (**ESMA**) register of administrators under the EU Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that ICE Benchmark Administration Limited and Swedish Financial Benchmark Facility AB are not currently required to obtain authorisation/registration (or, if located outside the European Union recognition, endorsement or equivalence).

#### **Arranger**

**NORDEA**

#### **Dealers**

**DANSKE BANK  
HANDELSBANKEN CAPITAL MARKETS  
OP CORPORATE BANK**

**DEUTSCHE BANK  
NORDEA  
SWEDBANK**

The date of this Base Prospectus is 23 March 2021.

## IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see “*Documents Incorporated by Reference*”). This Base Prospectus shall be read and construed on the basis that those documents are incorporated and form part of this Base Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*”), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

Neither the Dealers nor the Trustee (as defined below) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, any of the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Trustee.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers or the Trustee that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

## IMPORTANT – EEA RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## IMPORTANT – UK RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MiFID II product governance / target market** – The Final Terms in respect of any Notes may include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR product governance / target market** – The Final Terms in respect of any Notes will include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

#### **Notes issued as Green Bonds**

None of the Dealers accepts any responsibility for any environmental or sustainability assessment of any Notes issued as Green Bonds or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such “green” or similar labels. None of the Dealers is responsible for the use of proceeds for any Notes issued as Green Bonds, nor the impact or monitoring of such use of proceeds. No representation or assurance is given by the Issuer or any of the Dealers as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds, nor is any such opinion or certification a recommendation by the Issuer or any Dealer to buy, sell or hold any such Notes. In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated “green” or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer or any of the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

### **IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY**

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including, for these purposes, Belgium and Finland), the UK and Japan, see “*Subscription and Sale*”.

### **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

#### **Presentation of Financial Information**

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2019 and 31 December 2020 (together, the **Financial Statements**).

The Issuer’s financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union (**EU**).

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

## Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in “*Terms and Conditions of the Notes*” or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

References to **EUR, euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

References to a **billion** are to a thousand million.

References to the **Issuer** are to Kojamo plc. References to **Kojamo, Kojamo Group** or **Group** are to Kojamo plc and its Subsidiaries, except where it is clear from the context that the term means Kojamo plc, and except that references and matters relating to the shares and share capital of Kojamo plc or matters of corporate governance shall refer to shares, share capital and corporate governance of Kojamo plc.

In this Base Prospectus, unless a contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

## SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## STABILISATION

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

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## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, and if appropriate, a new Base Prospectus or a supplement to the Base Prospectus, will be published.*

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980.

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this Overview.

Issuer:	Kojamo plc
Issuer Legal Entity Identifier (LEI):	7437007YPUOQZ8OV1R42
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under “ <i>Risk Factors</i> ”.
Description:	Euro Medium Term Note Programme
Arranger:	Nordea Bank Abp
Dealers:	Danske Bank A/S Deutsche Bank Aktiengesellschaft Nordea Bank Abp OP Corporate Bank plc Svenska Handelsbanken AB (publ) Swedbank AB (publ) and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”), including the following restrictions applicable at the date of this Base Prospectus:

### **Notes having a maturity of less than one year**

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the

purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

Trustee:	Deutsche Trustee Company Limited
Principal Paying Agent:	Deutsche Bank AG, London Branch
Programme Size:	Up to EUR 2,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes	The Notes will be issued in either bearer or registered form as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: <ul style="list-style-type: none"><li>(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or</li><li>(b) on the basis of the reference rate set out in the applicable Final Terms.</li></ul>

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated

on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

**Benchmark Event:**

If a Benchmark Event (as defined in the Conditions) occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark specified in the applicable Final Terms, then such rate of interest may be substituted (subject to certain conditions) with a successor or alternative rate (with consequent amendment to the terms of such Series of Notes and the application of an adjustment spread (which could be positive, negative or zero)) as described in the Terms and Conditions.

**Zero Coupon Notes:**

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

**Redemption:**

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders and/or the Noteholders on a Change of Control, in each case upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

**Denomination of Notes:**

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be EUR100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

**Taxation:**

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8 (*Taxation*). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.1 ( <i>Negative Pledge</i> ).
Financial Covenants:	The terms of the Notes will contain certain financial covenants as further described in Condition 4.2 ( <i>Financial Covenants</i> ).
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 10 ( <i>Events of Default and Enforcement</i> ).
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 ( <i>Negative Pledge</i> )) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for any obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Rating:	The Programme has been rated Baa2 by Moody's. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing:	<p>Application has been made for Notes issued under the Programme to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including, for these purposes Belgium and Finland), the UK and Japan, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see " <i>Subscription and Sale</i> ".
United States Selling Restrictions:	<p>Regulation S, Category 2. TEFRA C/TEFRA D/TEFRA not applicable, as specified in the applicable Final Terms.</p> <p>Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the</p>

U.S. Internal Revenue Code of 1986 (as amended the **Code**)) (**TEFRA D**) unless (i) the applicable Final Terms states that the Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (**TEFRA C**) or (ii) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (**TEFRA**), which circumstances will be referred to in the applicable Final Terms as a transaction to which TEFRA is not applicable.

## RISK FACTORS

*Before making an investment decision, prospective investors should assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes and should carefully review the specific risk factors described below, in addition to the other information contained in this Base Prospectus. The Issuer believes that the following factors may affect the Issuer's business and ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur. The Issuer's business, financial condition and results of operations could be materially affected by each of these risks presented. Also, other risks and uncertainties not described herein could affect the Issuer's ability to fulfil its obligations under the Notes.*

*In addition, factors which are material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties not presently known to the Issuer, or that the Issuer currently believes are immaterial, could impair the ability of the Issuer to fulfil its obligations under the Notes. Certain other matters regarding the operations of the Issuer that should be considered before making an investment in the Notes are set out, in the section "Information about the Issuer", amongst other places.*

*The capitalised words and expressions in this section shall have the meanings defined in the "Terms and Conditions of the Notes".*

### **Risks Relating to Macroeconomic Conditions**

***Kojamo's business, results of operations and profitability are subject to risks related to general economic conditions in Finland and indirectly in Europe more generally.***

Changes in general economic conditions in Finland, which are usually reflected in changes in Finnish GDP, impact the overall demand for rental apartments in Finland, ability of tenants to pay rent, the value of residential properties, rent levels and the broader housing market. As all of Kojamo's properties are located in Finland these factors, in turn, affect vacancy rates, rental income and the valuation of its properties, and adverse changes in these factors may have an adverse effect on Kojamo's business, results of operations and financial condition. In addition, Finland's economy may be impacted by developments in Finland's neighbouring countries and the broader European and global economies. Therefore, the economic developments in neighbouring countries and in Europe and the world more generally could also result in deterioration of the economic conditions in Finland.

As Kojamo's current residential properties are located mostly in the Helsinki region<sup>1</sup>, the Tampere, Turku, Kuopio and Lahti regions as well as the cities of Oulu and Jyväskylä (together the **Finnish Growth Centres**), the general economic development in these particular regions has an impact on Kojamo's business. Kojamo's business could further be adversely influenced by social and demographic developments, which differ from one Finnish region to another. If, for example, the unemployment rate in any of Kojamo's target regions increases significantly due to local economic conditions or otherwise, demand for rental apartments and rent levels in that region could decrease. Kojamo aims to further focus its property ownership and rental business in its selected target regions in Finland, which will increase the geographical focus of Kojamo's property portfolio. Kojamo may not be able to react in a timely manner to adverse developments in one or more of these target regions. This could result in a situation where Kojamo has a large property portfolio in and significant investments tied to a region where the economic conditions are developing unfavourably, which in turn could have an adverse effect on Kojamo's profitability and financial condition.

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<sup>1</sup> Helsinki region includes cities of Helsinki, Espoo, Vantaa, Kauniainen, Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Mäntsälä, Nurmijärvi, Pornainen, Porvoo, Riihimäki, Sipoo, Tuusula and Vihti.

Any decrease in demand for rental apartments or a reduction in the value of Kojamo's residential properties resulting from a decline of the economic conditions in Finland generally or locally in a region that is strategically important to Kojamo could have a material adverse effect on Kojamo's business operations, financial condition, results of operations and future prospects. Further, uncertainty and possible decline in the macroeconomic conditions in Finland may expose Kojamo to risks related to costs and availability of financing. See "*Risks Relating to Financing*" below.

***Risks relating to the coronavirus and other similar health epidemics.***

The occurrence of extraordinary events, such as the outbreak of disease epidemics, may have an adverse impact on the global economy as a whole and may lead to a global recession or even depression. The coronavirus outbreak (**COVID-19**), which was declared a pandemic by the World Health Organisation in March 2020, has led to a major slowdown in economic growth across the globe during 2020, partly due to the spread of the virus itself, but even more so due to the political decisions enacted across different nations in order to contain the virus, such as quarantines, shut downs and restrictions on mobility. Whilst the full impact of the COVID-19 outbreak, direct and indirect, remains uncertain, a number of central banks and governments have announced and implemented financial stimulus packages to counter the very significant negative impact on GDP during 2020. Concerns remain as to the extent to which these policy tools will be able to offset anticipated macroeconomic risks. The prolongation of the outbreak has significantly adversely affected economic growth and impacted business operations across the economy generally and, by extension, residential real estate markets, both as a result of weakened overall economic activity and in terms of the health and wellbeing of households and employees being affected. Such weakening of the economy and/or operations could have a material adverse impact on the financial performance, operations of, cost of funding for or the value of residential properties owned by Kojamo. Although several vaccine variants for COVID-19 have been created and vaccination schemes have been, and are in the process of, being rolled out in Finland and across the globe, the extent to and the timeline under which the COVID-19 pandemic can be contained and the related restrictions and containment measures terminated remains unclear. While the COVID-19 crisis has had a limited impact on Kojamo's profit, balance sheet or cashflow during the financial period ended 31 December 2020 and its financial occupancy rate has remained relatively stable during such period, the full effect of the crisis on Kojamo's operations cannot reliably be predicted. The outbreak of COVID-19 may lead to investments being postponed or mean that planned acquisitions, development projects and/or divestments could not be carried out as planned, which could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects. The longer the COVID-19 crisis continues, it may become more difficult for Kojamo to raise capital, obtain loans or other financing or service existing debt.

The global downturn caused by COVID-19 has increased, and may continue to increase, the unemployment rate and thus affect the ability of Kojamo's existing tenants to pay rent, which in turn may require such tenants to postpone rental payments or cause defaults under lease agreements. Due to COVID-19 and in spite of Kojamo offering tenants flexibility in rent payments, there is a risk that Kojamo's current tenants may choose not to renew existing leases or resign their ongoing lease terms. Moreover, the political decisions enacted in order to contain COVID-19 may decrease the demand for rental apartments. Accordingly, the impact of the COVID-19 crisis on Kojamo's current and prospective tenants could lead to a decrease in Kojamo's financial occupancy rate and rental income, which could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***If interest rates increase, this may lead to a decrease in the valuation of Kojamo's property portfolio, which could have an adverse effect on the fair value of Kojamo's investment properties, financial condition and results of operations.***

The current low interest rate environment in Finland and the European Union has had a significant impact on the residential property market leading to higher valuations for residential properties in Finland and the European Union. However, it is possible and likely that interest rates will increase in the future, for example due to improving economic conditions and rising inflation. Any increase in interest rates may have a negative effect on the valuation of Kojamo's residential properties and may require Kojamo to record fair value adjustment losses. Such losses would result in a corresponding decrease in the value of Kojamo's residential properties as reported on its balance sheet and in Kojamo's fair values and increases in Kojamo's Loan to Value ratio, solvency ratio and secured solvency ratio.

Further, increases in interest rates generally may cause demand for residential properties to decrease and could have an adverse effect on ability of potential buyers to finance purchase of properties. This in turn might negatively impact Kojamo's strategic disposal program due to lack of demand for apartments.

The materialisation of any of these risks could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Unfavourable changes in demographic trends in Finland, such as a decline in urbanisation or an increase in average household size, could have an adverse impact on Kojamo's business.***

Kojamo has based its strategy on certain demographic trends in recent years, in particular urbanisation and decreasing average household size. Due to these continuing macro trends, the demand for rental housing has been strong in recent years, especially for small rental apartments in the major cities. However, general economic developments, the personal preferences and social circumstances of persons living in Finland may change in time, and such changes may be unpredictable. If such changes were to lead the trends in Finnish housing to a direction that is not favourable for Kojamo's strategy and property portfolio and if Kojamo is not able to adjust its business operations accordingly and in a timely manner, this could have a material adverse effect on Kojamo's business operations, financial condition, results of operations and growth prospects.

### **Risks Relating to Kojamo's Business Operations**

***Decreases in Kojamo's rental income and financial occupancy rate and increases in tenant turnover may have an adverse effect on Kojamo's results of operations.***

Kojamo's commercial success depends significantly on its ability to maintain and increase its rental income. Therefore, in addition to rental rates, the most notable risks in Kojamo's operations are related to financial occupancy rate<sup>2</sup> and tenant turnover and, by extension, the amount of rental income that Kojamo is able to generate. These depend on, among other things, general economic conditions, demographic trends (as described above in "*Risks Relating to Macroeconomic Conditions—Unfavourable changes in demographic trends in Finland, such as a decline in urbanisation or an increase in average household size, could have an adverse impact on Kojamo's business.*") and the level of new apartment construction, which could increase the supply of rental apartments relative to demand. Further, if the condition, location or other characteristics of the rental apartments in Kojamo's property portfolio are not responsive to the demand, this may negatively affect Kojamo's ability to maintain and increase rent levels and total rental income.

The financial occupancy rate of Kojamo's residential properties has a significant impact on Kojamo's rental income and, therefore, on the profitability of Kojamo's operations. The financial occupancy rate of Kojamo's residential properties was 96.4 per cent. as at 31 December 2020 and 97.2 per cent. as at 31 December 2019. There can be no assurances that Kojamo will be able to maintain its financial occupancy rate at similar levels in the future. If Kojamo's financial occupancy rate were to decrease, Kojamo's total revenue would decrease while its maintenance and financing costs would remain relatively constant. For more information on this, see "*Kojamo's revenue and expenses are not directly correlated, and since a large percentage of Kojamo's expenses is fixed, Kojamo may not be able to adapt its cost structure or increase rents to offset any declines in its financial occupancy rate.*" Similarly, in addition to the lack of rental income between tenancies, increases in tenant turnover result in costs for Kojamo, for example due to the expenses associated with arranging and signing new lease agreements and minor renovations and repairs typically made following a tenant's departure from an apartment.

The majority of Kojamo's lease agreements with its tenants are for a non-fixed term and valid subject to notice, and only a small number of Kojamo's lease agreements are for a fixed term. Tenants may generally terminate lease agreements with one month's notice. Therefore, a significant number of Kojamo's lease agreements may be terminated within a short time period. In such cases, Kojamo may encounter difficulties in finding a sufficient

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<sup>2</sup> Financial occupancy rate = (Rental income) / (Potential rental income at full occupancy) x 100. Financial occupancy rate does not include apartments under renovation.

number of incoming tenants to replace outgoing tenants, which may result in decreased financial occupancy rate and increased turnover costs.

Kojamo aims to maintain and increase its rental income, secure a high financial occupancy rate and reduce tenant turnover and related costs by (i) enhancing the desirability of its housing through planned maintenance and renovations, (ii) improving the efficiency of the renting process through focusing on its digital service offering, (iii) actively developing its property portfolio to meet the demands of existing and prospective tenants and (iv) maintaining tenant satisfaction through well-functioning services that are easy to access during the tenancy. However, there can be no assurances that any measures that Kojamo takes will achieve the intended goals and provide a service level that meets the needs of existing and prospective tenants.

If Kojamo, despite the aforementioned measures, fails to maintain and, where possible, increase its rental income as anticipated, or fails to maintain a high financial occupancy rate, this could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Poor tenant selection and defaults by tenants may result in overdue or unpaid rents and affect Kojamo's results of operations and reputation.***

Kojamo aims to choose its tenants with care but despite this intention, it may end up renting apartments to tenants that default on the lease agreements or otherwise fail to comply with the terms of their lease agreement, which may negatively impact Kojamo's financial performance as well as the quality of Kojamo's residential properties. Adverse changes to the macro-economic conditions may have a significant adverse effect on the financial position of Kojamo's tenants and their ability to pay rents if, for example, the unemployment rate increases (see also "*Risks relating to the coronavirus and other similar health epidemics.*"). Increasing number of tenants who do not pay their rents in a timely manner may result in increases of overdue or unpaid rents. In addition, tenants may make unreasonable and repeated demands for service or improvements, make unsupported or unjustified complaints, use Kojamo's rental apartments for illegal purposes, damage or make unauthorised structural changes to Kojamo's rental apartments, refuse to leave the rental apartment when the lease agreement is terminated, cause threatening situations and other disturbances, sublet the apartment in violation of their lease agreement or permit unauthorised persons to live with them resulting in an increased costs and reputational damage for Kojamo.

The process of evicting a defaulting tenant from a residence can be adversarial, protracted and costly. Furthermore, some tenants facing eviction may damage the apartment. Damage to Kojamo's rental apartment may significantly delay re-letting after eviction, require expensive repairs or reduce the rental income or value of the apartment, resulting in a lower than expected rate of return. While Kojamo collects security deposits for certain of its rental apartments, such deposits may be small or the security deposit may have been returned to the tenant after the tenant has paid the rent on time for three years. In respect of the rental apartments rented through the Lumo webstore, no separate security deposit is required (online banking codes are required for the purpose of renting on the Lumo webstore and Kojamo automatically checks the Finnish credit data register for any registered payment defaults as well as the payment history from Kojamo's internal customer data), however, the first month's rent is paid in advance. Therefore, it is possible that the security deposits, if any, would not be sufficient to cover the repair costs from incidents caused by tenants. However, Kojamo considers the lack or small amount of security deposits to be a competitive advantage and the risks to be minor since Kojamo's property portfolio is very large and incidents caused by tenants requiring major repairs to rental apartments are rare in Kojamo's experience, but if such incidents were to increase significantly, it could have a negative impact on Kojamo's results of operations.

Materialisation of any of the above risks could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Kojamo may not necessarily be able to identify or acquire properties suitable for its property portfolio or otherwise implement its business strategy as planned.***

Kojamo actively seeks opportunities to expand its property portfolio and, according to its strategy for 2020-2023, it aims to invest between EUR 200-400 million a year in its property portfolio.

According to its strategy, Kojamo aims to concentrate its investments in its target markets, being the Finnish Growth Centres and the Helsinki region in particular. Kojamo's ability to find suitable properties with attractive locations may be limited, especially in the Finnish Growth Centres where the competition for land is increasing.

The number of plots and building rights depend on the development of urban planning and zoning. In Helsinki, the City of Helsinki is a significant landowner. Therefore, the availability of plots is subject to the willingness of the city to sell plots, and sales procedures are typically subject to public tender processes, which may result in intensifying price competition and thereby affect Kojamo's ability to find and acquire plots and properties in Helsinki at a commercially attractive price. The number of opportunities to acquire residential properties that meet Kojamo's objectives may be materially restricted due to, among other things, availability of suitable properties, adverse zoning decisions and competition from other operators engaging in real estate investment activities. Such competition could also require Kojamo to pay higher prices in order to secure residential properties, which could result in lower than targeted returns. Furthermore, there can be no assurances that residential properties can be acquired within the expected timelines, in the planned regions, at commercially reasonable prices or at all. This may lead to higher costs for Kojamo to acquire residential properties and advance development projects, and future investments could have lower yield characteristics than Kojamo's current property portfolio.

***Kojamo's revenue and expenses are not directly correlated, and since a large percentage of Kojamo's expenses is fixed, Kojamo may not be able to adapt its cost structure or increase rents to offset any declines in its financial occupancy rate.***

Most of the expenses associated with Kojamo's business, such as maintenance and repair costs, employee wages and benefits and other general corporate expenses do not in general decrease proportionately with any decrease in rental income (whether as a result of lower financial occupancy rate, higher tenant turnover, increased rent delinquencies or otherwise) or at all. Kojamo's rental apartments are also prone to depreciation and may therefore require significant modernisation and repairs. Such modernisation and repairs cannot necessarily be deferred until the end of a tenancy, and as a result the completion of the required works may negatively affect the living comfort of the tenants, which could increase tenant turnover and reduce the financial occupancy rate. While Kojamo aspires to improve the efficiency of its operations and thereby decrease expenses arising from its operations, there can be no assurances that Kojamo will be able to sufficiently or at all improve the efficiency of its operations to decrease operating expenses if there is a decrease in the financial occupancy rate and, by extension, a decrease in rental income. Kojamo may also not be able to fully offset a decrease in financial occupancy rate or rising costs through higher rents, which could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Increased repair costs and modernisation investments may lead to adverse development of Kojamo's financial condition and results of operations.***

Kojamo's rental apartments have infrastructure and fittings of varying ages and conditions and nearly all of Kojamo's residential properties and rental apartments will require some level of repair and maintenance in the future, following expiration of current lease agreements or otherwise. Such regular property maintenance is necessary in order to maintain the fair value of the residential properties and in order to maintain the rent levels of the rental apartments. However, the amount of required maintenance and repair work may increase, for example, as a result of changes to energy-efficiency or other requirements set to residential properties or as a result of damage caused by tenants or other parties. In addition, Kojamo's repair costs and modernisation investments may increase more than Kojamo currently anticipates as a result of its growth strategy and the related residential property acquisitions and real estate development projects. Further, if some maintenance needs are not recognised in time and as a result the level of maintenance is left insufficient in one or more residential properties, this may lead to decreases in the value of such properties, and Kojamo may also need to set lower rent levels in such residential properties.

In addition to the regular repair costs arising from maintenance and repair work, Kojamo seeks to increase the value of its residential properties and increase rent levels in its rental apartments with modernisation investments. However, Kojamo may not correctly estimate in its modernisation plan the need and benefits of repairs and modernisation in one or more residential properties, which could result in Kojamo making modernisation investments that do not lead to the expected value and rent increases. This would have a negative effect on Kojamo's results of operations and financial condition.

Modernisation investments are often significant and relate mainly to plumbing, facade, roof, window and balcony repair and renovations. The expected average technical operating life of the plumbing, facades, roofs and balconies in residential properties affects the planning of modernisation investments. In the financial year ended 31 December 2020, Kojamo spent EUR 62.9 million on the modernisation and repair of its residential properties,

representing 0.9 per cent. of the fair value of its property portfolio. Of the total modernisation investments and repair costs in the financial year ended 31 December 2020, modernisation investments accounted for EUR 27.1 million. There can be no assurances that Kojamo will not be required to make modernisation or repair work at more frequent intervals than the expected average technical operating life information would suggest, and a need for repair and renovation may arise unexpectedly. Any damage to a property or an apartment could require repairs of building structures or components or necessitate modernisation investments or the commencement of a real estate development project. For more information on typical risks relating to real estate development projects, see “—*Kojamo’s acquisitions and development projects involve risks such as delays, unexpected costs or hidden defects.*”

Kojamo routinely retains independent contractors and trade professionals to carry out routine repair and modernisation work and therefore, Kojamo is exposed to all of the risks relating to using partners and contractors, (for information, see “—*Counterparty risk, if it materialises, could have a material adverse effects on Kojamo’s business*”). Although renovation costs or delays on any individual property would not be expected to have a material impact on Kojamo’s overall results, there can be no assurances that Kojamo’s aggregate capital expenditures relating to renovations will not significantly increase or that Kojamo’s estimates regarding such capital expenditures or the underlying assumptions regarding the costs or timing of renovation will always be correct.

If any of the above risks materialise, this could have a material adverse effect on Kojamo’s business, financial condition, results of operations and future prospects.

***Potential lack of liquidity in the housing market may limit Kojamo’s ability to dispose of investment properties and any defects in divested properties may cause liabilities to Kojamo.***

Kojamo’s business model contemplates making selective divestments of investment properties that no longer meet Kojamo’s investment criteria for example due to the property being outside Kojamo’s strategical focus regions, due to otherwise undesirable micro-location from a business perspective or due to the technical condition. Such divestments may be affected by many factors beyond Kojamo’s control, such as interest rates, the supply of and demand for properties and the availability of bank financing to potential buyers. A possible lack of liquidity in the housing market may limit Kojamo’s ability to sell properties and modify its property portfolio in a timely manner in response to changes in economic or other conditions. Should Kojamo choose to divest its properties either for strategic repositioning or to increase liquidity, there can be no assurances that Kojamo will be able to carry out such divestments in a profitable manner or that such divestments will be possible at all, if the market functions inadequately or is illiquid. Moreover, some of Kojamo’s residential properties are subject to restrictions resulting from arava<sup>3</sup> and/or interest subsidy legislation, regarding sales prices or to whom properties can be sold, which may restrict the profitability of any divestments of such properties. Further, hidden or other defects that are detected later on may cause liabilities to Kojamo.

While divestments do not represent a major part of Kojamo’s results of operations, any unsuccessful divestments of properties or liabilities caused to Kojamo from defects in disposed properties could have an adverse effect on Kojamo’s business, financial condition, results of operations and future prospects.

***Many factors, such as variations in supply and demand, can lead to unfavourable development of the housing market, which could decrease Kojamo’s rental income and have a negative impact on the value of Kojamo’s property portfolio.***

The success of Kojamo’s business model depends, in part, on favourable conditions in its target rental markets, being the Finnish Growth Centres. Kojamo’s rents have recently developed positively for Kojamo and its financial occupancy rate has remained good at 97.2 and 96.4 per cent. during the financial periods ended 31 December 2019 and 2020, which is partly due to positive macroeconomic trends affecting the Finnish economy and the Finnish

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<sup>3</sup> The Arava Restrictions Act (1190/1993, as amended) includes provisions on the use and assignment of arava rental apartments and buildings and the redemption of arava rental apartments. Arava rental apartments and buildings are financed with loans pursuant to the Arava Act (1189/1193, as amended) (the **Arava Act**) and certain preceding acts. Pursuant to the Arava Act, state-subsidized housing loans are granted out of the funds of the Housing Fund of Finland to build, purchase and renovate owner-occupied, rental and right-of-occupancy apartments. New arava loans have not been granted after 2007, however, the legislation regarding the arava loans granted prior to this is still in force.

residential real estate market in particular. These include the tightening of credit decision policies of banks, which has made it more difficult to finance home purchases, therefore increasing the demand for rental housing. This trend may reverse in the future, and the strengthening of the economy and employment rates and conditions, as well as other factors such as an increase in the disposable income of existing or current tenants, may contribute to rental housing becoming less popular. A softening of the rental market in Kojamo's target regions could reduce Kojamo's rental income and profitability.

The housing market is sensitive to fluctuations in supply and demand. The relative demand for owner-occupied housing, on the one hand, and rental apartments, on the other, is affected by a number of factors including events related to governmental and municipal policies, interest rates, economic growth, the rate of inflation, the availability of credit and taxation policies. Furthermore, the balance of the supply and demand of the apartments may develop differently in different regions, since new construction, supply and demand of the apartments and other factors may materially affect the values of owner-occupied housing and rental housing in different regions regardless of the overall development of the Finnish housing market. Regional development can even be contrary to the overall development in Finland.

Driven by the expected continued urbanisation, the demand for rental housing is expected to increase in the Finnish Growth Centres. However, according to Kojamo's estimate, there is also a short-term local excess supply within the Finnish Growth Centres. If supply were to increase more widely in the future due to increased construction activity, this would have a downward pressure on rents, which could decrease Kojamo's net rental income. Additionally, if the supply is not meeting the excess demand of apartments in a region, this could lead to higher property prices and adversely affect Kojamo's ability to find suitable properties to acquire in accordance with its growth strategy with attractive terms.

In addition, any decrease in the prices of properties due to excess supply and insufficient demand of apartments or other factors is likely to have a negative impact on the fair value of Kojamo's property portfolio and adversely affect the growth of Kojamo's business. Moreover, such development could turn the housing trends more from rental housing towards owner-occupied housing.

The materialisation of any of the above risks could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Kojamo's acquisitions and development projects involve risks such as delays, unexpected costs or hidden defects.***

Kojamo's completed and future residential property acquisitions as well as investments in real estate development projects involve considerable risks relating to potential incorrect profitability assessments, delays, unexpected costs, hidden defects and unfavourable development of the locations of acquired or constructed properties.

Kojamo makes acquisitions and development project plans using business plans that are based on assumptions regarding various factors such as rental income, growth potential, maintenance and repair costs, integration costs, modernisation investments, value development, economies of scale and cost savings as well as transaction costs. However, these and other assumptions underlying Kojamo's strategy and related acquisitions and development projects may not be met, or they may be met only in part or later than expected. If Kojamo's assumptions prove to be too optimistic, Kojamo's acquisitions and development projects could become more expensive than planned and not be as profitable as Kojamo has expected, which could have a material adverse effect on Kojamo's cash flows and profitability.

In development projects, Kojamo also faces the risk of delays, additional costs and structural defects and other risks that may cause adverse consequences. Kojamo's land use and plot transfer agreements are subject to timing provisions for development project related construction, sanctioned with delay penalties. In the event that Kojamo's current or future development project related construction work is delayed for any reason from the timing provisions set in the land use and plot transfer agreements, it is possible that Kojamo will be liable to pay delay penalties in accordance with the land use and plot transfer agreements. In addition, if delays become apparent only at the end of the development project at a time when lease agreements have already been concluded with future tenants, Kojamo may be liable to arrange or compensate the costs of temporary housing for affected tenants. In addition, actual or alleged hidden defects may result in complaints and repair costs after tenants have moved in, and such defects may cause reputational harm to Kojamo.

While considering property transactions, Kojamo seeks to conduct thorough due diligence with respect to the structural condition and, to the extent necessary, the existence of harmful environmental impacts of any residential properties before concluding transactions. However, damage or quality defects may remain undiscovered or the scope of such problems may not be fully apparent in the course of the due diligence investigation. Defects may also become apparent only at a later point in time. Further, Kojamo may in some cases only have the opportunity to conduct limited due diligence. While sellers typically give various warranties in acquisition agreements, it is possible that these warranties will not cover all risks sufficiently, for example relating to liability for hidden defects. Warranties given by sellers may also be unenforceable due to the sellers' insolvency or otherwise. Accordingly, Kojamo may not be able to recover costs arising from hidden and undetected defects from the sellers. Additionally, Kojamo may be exposed to unexpected problems or unrecognised risks that may not be covered in acquisition contracts, such as delays in the implementation of maintenance, repair or modernisation measures in connection with acquired residential properties, which may result in any problems getting bigger or the condition of rental apartments deteriorating more or faster than expected. As a result, the repair costs may increase and the repairs may take more time during which Kojamo may not be able to collect rents in full or at all.

Acquisitions and development projects may lead to higher leverage and interest costs for Kojamo. Anticipated economies of scale and cost savings may not be realised in whole or in part or may occur later than anticipated. This may result in higher administrative costs than planned. There can also be no assurances that the systems, operations or controls required to support the expansion of Kojamo's business are sufficient and they may require continued development.

Factors that may negatively impact the value of newly acquired residential properties include deterioration of the macroeconomic conditions in Kojamo's strategic growth regions or in the wider economy, an unfavourable market trend for the sale of residential units, higher than anticipated maintenance requirements and difficulties in increasing rents and maintaining a high financial occupancy rate. These or other factors may adversely impact the valuation of newly acquired residential properties and/or lead to a decrease in rental income or proceeds from disposals, which may adversely affect Kojamo's results of operations following the acquisition of newly acquired residential properties.

There can be no assurances that Kojamo's past or future residential property acquisitions and real estate development projects are successful. A failure of Kojamo's acquisitions or development projects to achieve the desired results could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Counterparty risk, if it materialises, could have a material adverse effect on Kojamo's business.***

Kojamo relies on long-term contracts with its key partners and suppliers to carry out certain services and tasks relating to, among other things, real estate development and construction, maintenance and cleaning as well as repair and modernisation work of residential properties. By relying on partners and suppliers, Kojamo is exposed to counterparty risks relating primarily to ability of its key partners and suppliers to meet their contractual obligations. For example, Kojamo may not be able to enter into agreements with its partners and suppliers on acceptable terms or the quality of the work carried out by the partners and suppliers may be inadequate and may result in defects despite Kojamo's efforts to ensure quality. Kojamo strives to mitigate risks related to external partners and suppliers by continuously monitoring the performance of its key partners and suppliers and by seeking to avoid dependence on individual service providers to secure the continuity of services provided by partners and suppliers by regularly identifying more than one eligible service provider for each outsourced task. These risks may affect Kojamo's ability to provide services to its tenants, conclude its projects on time and within budget and result in additional costs for Kojamo and thereby, have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

Further, macroeconomic conditions and many other factors could have an adverse effect, directly or indirectly, on the business, economic condition and prospects of Kojamo's counterparties and in particular prospective purchasers of its residential properties held for sale. Kojamo aims to mitigate the counterparty risk by continually monitoring the risks related to creditworthiness and non-performance. The insolvency of business partners, such as construction partners could result in disruptions to construction or renovation work to be performed on Kojamo's property or to services that are essential for Kojamo's operations. The insolvency or business failure of a construction partner, financial institution or other significant contractual party could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Property valuation is to a certain extent subjective and inaccurate.***

Kojamo's residential properties are internally valued at the end of each financial quarter, based on methods which Kojamo's management believes to be generally accepted and generally used in the residential sector internationally. The value of Kojamo's residential properties in Kojamo's historical financial information presented in this Base Prospectus for the financial years ended 31 December 2020 and 31 December 2019 are determined based on internal valuation.

Kojamo uses the yield value method (income method) and the balance sheet value method (acquisition cost method) in the valuation of its residential properties. The balance sheet values have been frozen at the levels used in the confirmed financial statements of 31 December 2014. However, the fair values of most of Kojamo's residential properties are based on yield value which requires significant management discretion and use of assumptions. Valuation assumptions used by Kojamo may prove to be inaccurate, and adverse market changes since the date when such assumptions were made may result in significant reductions in the value of Kojamo's residential properties. It is also possible that Kojamo will not be able to generate rental income from residential properties in amounts that correspond to any assumption underlying the valuation. Jones Lang LaSalle Finland Oy (JLL), as Kojamo's external valuer reviews Kojamo's yield method valuation and issues a statement on the applicability of Kojamo's valuation method and model for each financial quarter. Regardless of this, the valuation of Kojamo's residential properties is subjective and, thus, subject to uncertainty.

There can be no assurances that any historical or future valuations accurately reflect the market value of Kojamo's residential properties as at valuation date. Further, the valuations as at any specific valuation date are not meant to represent any future value of Kojamo's residential properties but instead only the value on the respective valuation date. Any property valuations may exceed the transaction prices that Kojamo will be able to generate from the sale of the residential properties. Incorrect assumptions or flawed assessments underlying the valuations, or materialisation of any of the above risks could result in incorrect or overestimated value of Kojamo's property portfolio, and as a result Kojamo would be required to recognise the negative change in value as a loss resulting from the fair value adjustment of investment properties for the relevant accounting period. If such losses are significant, this could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects. Further, a negative change in value could lead to a situation where Kojamo's Loan to Value exceeds its target level of below 50 per cent., which could reflect negatively on Kojamo's financial condition and reputation among investors. The materialisation of any of these risks could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

For more information on Kojamo's property portfolio valuation, see section "*Information about the Issuer—Kojamo's Property Portfolio—Property Portfolio Valuation*".

***Failure of the Lumo housing concept and related complimentary services to gain strategic advantages and stay ahead of competition could weaken Kojamo's competitive position.***

The Lumo brand and its housing services strive to differentiate themselves from other rental apartment offerings in the market, among other things, through the accessibility of its services, the quality of its online services and most importantly, the Lumo webstore. To achieve such recognition, Kojamo has piloted and adopted a wide range of service concepts, such as car sharing, SmartPost, Leanheat and the My Lumo application, which are related to the rental business, but not necessarily an instrumental part of it. Kojamo believes that these supplementary services and the Lumo webstore are important strategic assets. However, some of these service concepts are novel and therefore Kojamo has not yet been able to monitor their functionality and ability to add value in the long term. Accordingly, there can be no assurances that such supplementary services and the Lumo concept or potential new innovations will at all times and in all Lumo apartments help increase rental income and brand recognition at all or enough to cover the costs of initiating, maintaining and developing such services. For more information on Kojamo's Lumo concept and related services, see section "*Information about the Issuer—Business Overview—Kojamo's Service Concepts*".

In addition, unexpected or gradual changes in technology, operating models and service concepts could enable rental apartment services to be provided in novel ways that Kojamo has not identified. If competitors react more quickly and efficiently than Kojamo to new or altered opportunities, technologies, standards and consumer preferences by, for example, adopting new, more efficient and positively received operating models and service concepts, this could adversely affect Kojamo's competitive position. In such circumstances there can be no

assurances that Kojamo and its Lumo brand will be able to successfully compete with such new operating models and service concepts either in the short or long term. Difficulties in refining supplementary services and making them profitable as well as difficulties in adapting to changes in the industry may have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Kojamo's business can be adversely affected by a weakening of the value, reputation and recognition of its Lumo brand.***

The value of the Lumo brand may affect Kojamo's business as the Lumo brand holds a great significance in respect of Kojamo's business operations and the implementation of its strategies. The Lumo brand is also important in attracting new tenants.

The maintenance and positioning of the Lumo brand are highly dependent on the success of marketing and promotional activities and on Kojamo's ability to provide uniformly high-quality rental apartments. Failure to achieve success in this regard, and failure to implement measures and policies related to corporate social responsibility or the impairment of Kojamo's corporate image or reputation due to negative publicity or bad customer experience relating to for example health and safety problems caused by errors in Kojamo's property management or repair and construction work conducted by third-party construction companies, delays and other problems with Kojamo's properties or services could have an adverse effect on the Lumo brand and its development. Should the Lumo brand lose value, regaining any lost brand value might prove impossible or give rise to significant costs. This, in turn, could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***The rental housing business is highly competitive and its competitive field fragmented.***

Rental housing is a highly competitive business in Finland, and in addition its competitive field is fragmented. Kojamo's main competitors in this sector are private individuals, municipalities, parishes, foundations and real estate investors.

The competition for attractive plots is intense, particularly in the Finnish Growth Centres. According to Kojamo's experience, the competition for attractive plots has led to a steep increase in plot prices during the recent years. Furthermore, an uptrend in construction usually increases construction prices which may in turn decrease the profitability of real estate development projects and can result in delays in the commencement and execution of projects, due to reduced availability of contractors and service providers.

The competition for tenants of good financial standing is also intense, particularly in regions where the supply is wider and potential tenants have more options to choose from. The rate of construction of rental apartments could also increase substantially, which could lead to intensifying competition for tenants and, therefore, put more pressure on attracting suitable tenants at lower rent levels than would otherwise be necessary.

Intensifying competition could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Kojamo is dependent upon its key personnel.***

Kojamo's success depends significantly on the professional skills and contribution of Kojamo's management and personnel. Further, Kojamo's success is, to a large extent, dependent on its ability to retain, motivate and recruit highly skilled staff at every level of its organisation. Kojamo may fail to retain key personnel and recruit skilled staff. Kojamo's Management Team is instrumental to Kojamo's business. Any loss of any Management Team members may cause challenges for Kojamo and finding a suitable replacement could be costly and take time. Any loss of senior management or other employees with special expertise in the business and industry of Kojamo could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Contamination and other environmental damage in Kojamo's properties can lead to costly environmental liabilities, reduce the value of such properties and delay development projects on such properties.***

In respect of its properties, Kojamo must comply with regulations related to, for example, the environment, health and safety. For example, soil contamination can cause substantial delays and clean-up can result in significant costs. Kojamo aims to always have in place contractual protection regarding acquired or developed properties. The main principle of the allocation of environmental liability in Finland is that the entity having caused environmental damage, deterioration or other hazardous cause (and not the owner) is liable for such damage. However, if Kojamo's contractual protections in its acquisition or property development contracts prove to be inadequate in some situations, such inadequacy may expose Kojamo to direct or indirect environmental liability or increased acquisition or development costs. Any such event or material decrease in the value of the properties not known or not recognisable at the time of the purchase or occurring at a later date could have a material adverse effect on Kojamo.

In addition, the time for the removal or clean-up of any contamination may delay Kojamo's development projects and business operations. Further, there can be no assurances that the costs of clean-up can always be recovered from the entity that caused the contamination. Moreover, failure to comply with environmental regulations, or the need to comply with new, stricter environmental regulations that may be introduced, could lead to higher costs or hinder the development of Kojamo's operations. While Kojamo has not faced any significant environmental liabilities in the past, there can be no assurances that Kojamo could not become liable for material environmental damage or other environmental liabilities in the future. The materialisation of any of the above risks could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Security breaches and other disruptions could compromise Kojamo's information and functions and expose it to liability, which would adversely affect its business and reputation.***

In the ordinary course of business, Kojamo acquires and stores sensitive data, including Kojamo's proprietary business information and personally identifiable information of Kojamo's prospective, previous and current tenants, employees and third-party service providers. This information is acquired and stored in Kojamo's offices and information systems and on the third-party service provider's networks that Kojamo uses.

The secure processing and maintenance of the sensitive information and important information technology systems is critical to Kojamo's operations and business strategy. To mitigate risks relating to security breaches, Kojamo conducts regular privacy impact assessments for key applications and Kojamo has also implemented information security practices as well as technical, physical and administrative controls. Despite these security measures, Kojamo's as well as any third-party service providers' information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise Kojamo's networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruption to Kojamo's operations and the services Kojamo provides to customers or damage Kojamo's reputation, which could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Kojamo may be subject to losses that are either uninsurable, not economically insurable or that are in excess of its insurance coverage.***

Kojamo's properties may be damaged by adverse weather conditions and natural disasters such as wind, floods, snow and fires. Damage caused to Kojamo's properties by such adverse weather conditions and natural disasters may require extensive unpredicted repair work that may be costly and time-consuming. In addition, Kojamo may be exposed to personal liability for accidents that occur on Kojamo's properties. All the properties owned by Kojamo are covered by full value insurance (including among other things coverage of lost rent for a maximum of one year). However, such insurance does not cover indirect damage and may not be adequate to cover all damages or losses from adverse events, or it may not be cost-effective to purchase insurance for certain types of losses. As a result, Kojamo may be required to incur significant costs in the event of adverse weather conditions and natural disasters or events which result in environmental or personal liability. Kojamo may not carry or may discontinue certain types of insurance coverage on some or all of Kojamo's properties in the future if the cost of premiums for any of these policies in Kojamo's judgment exceeds the value of the coverage discounted for the risk

of loss. If Kojamo experiences losses that are uninsured or exceed policy limits, Kojamo could incur significant uninsured costs or liabilities, lose the capital invested in the properties and/or lose the anticipated future cash flows from those properties. In addition, Kojamo's environmental, personal or other liability may result in losses substantially in excess of the value of the related property. The materialisation of any of the above risks could have a material adverse effect on Kojamo's financial condition, results of operations and future prospects.

***System malfunctions in Kojamo's operations may decrease the efficiency and/or profitability of its operations.***

A large proportion of Kojamo's operations is dependent on information technology systems, ability to operate such information technology systems efficiently and to operate and introduce new technologies, systems as well as safety and back-up systems. Such information systems include the Lumo webstore, telecommunication systems as well as software applications which Kojamo uses to manage lease agreements, control business operations, manage its property portfolio, prepare operating and financial reports and execute treasury operations. Further, the increasing use of home and property automation (where certain functions, such as heating systems, can be automated or remote-controlled) relies on the proper and continuous operation of the information systems enabling the functionality, the failure of which could result in tenant complaints or dissatisfaction. To mitigate the risks in relation to system malfunctions, Kojamo maintains guidelines and practices concerning, among other things, planning and management of key systems, information management, data centre operations and contingency planning measures. However, the operation of Kojamo's information systems may be interrupted because of, among other things, power cuts, computer or telecommunication malfunctions, computer viruses, defaults by IT suppliers, crime targeted at information systems or major disasters, such as fires, as well as user errors committed by Kojamo's own staff. Material interruptions or serious malfunctions in the operation of the information systems, including the Lumo webstore, may hinder the conclusion of new lease agreements and otherwise impair and weaken Kojamo's business, financial condition and results of operations.

Kojamo may also face difficulties when developing new systems and maintaining or updating current systems in order to maintain its competitiveness. In particular, severe malfunctions in its IT systems could delay Kojamo in issuing rental invoices to its customers and prevent Kojamo from renting available apartments.

The materialisation of any of the above risks could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

**Legal, Regulatory and Compliance risks**

***Changes in legislation and underlying political environment could adversely affect the value of Kojamo's residential property or revenue, increase costs and/or slow or halt real estate development.***

Kojamo's operations are subject to various laws and regulations covering areas such as urban planning, construction and operating permits, residential leases, health, safety, environmental, competition and labour as well as corporate, accounting and tax laws.

In particular, urban planning and zoning matters may affect Kojamo's ability to acquire and use plots, and zoning decisions may affect the attractiveness of areas where Kojamo has residential properties. Zoning procedures relating to a location where Kojamo already has or may acquire or develop residential properties are largely outside of Kojamo's control, and may create delays and uncertainty with respect to development projects. Further, Kojamo is subject to legislation on residential leases, and if such legislation were amended to introduce rent controls, change the landlord's ability to end tenancies or introduce other adverse amendments, this could make it more difficult for Kojamo to increase rents or end unprofitable or undesirable tenancies. Moreover, changes to the housing allowance and income support systems and related legislation may negatively affect the income levels of some of Kojamo's tenants, who may as a result seek rental apartments with lower rent levels.

Further, tax laws and regulations (including, for example, regulations impacting property values and tax deductibility of interest in connection with property acquisitions and developments) or their interpretation and application practices may be subject to change. Even though Kojamo believes that it complies with the applicable tax legislation and requirements in the payment, collection, settling and reporting of taxes, there can be no assurances that all tax risks can be recognised and avoided. As Kojamo's tax burden is dependent on tax laws and regulation and their interpretation and application, any changes in Kojamo's taxation treatment could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

Changes in the laws and regulations applicable to or affecting Kojamo or their interpretations could require Kojamo to adapt its business operations or strategy, which could potentially have a negative impact on the value of its investment properties or revenue, increase its expenses, and/or slow or halt the development of certain of its properties. In particular, requirements for energy-efficiency have become more stringent in recent years, which has resulted in, among other things, increased costs relating to maintenance and repair costs and construction prices generally. Changes in laws and regulations are often ultimately related to the political environment, and therefore changes in the political environment may initiate or accelerate changes in laws and regulations. The materialisation of any of these risks could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Residential properties subject to arava and/or interest subsidy legislation are subject to extensive regulation and supervision, and new or stricter restrictions may be imposed.***

Kojamo's has two brands: Lumo and VVO. The Lumo brand accounts for the commercial housing services and the VVO brand for the non-commercial housing services of Kojamo. As at 31 December 2020 Kojamo had 35,802 rental apartments of which 326 were VVO apartments. VVO apartments are subject to restrictions on rent levels under arava and/or interest subsidy legislation. Kojamo's management expects the restrictions on rent levels to end by 2021.<sup>4</sup> The Kojamo Group companies offering VVO apartments are subject to restrictions on selection of tenants, conveyance of real estates and shares as well as distribution of profit. Kojamo's management expects such restrictions to expire by way of application by the end of 2025. While Kojamo aims to convert all VVO apartments into Lumo apartments by the end of 2025, there can be no assurances that all of Kojamo's apartments subject to arava and/or interest subsidy legislation will be converted as currently expected. If conversion to Lumo apartments free from property-specific restrictions would not be completed in all respects by the end of 2025, restrictions could be in force in individual properties until the end of 2049.

Due to numerous amendments, arava and interest subsidy legislation has become very complex and consequently difficult to manage, often leading to differing interpretations in respect of the application of the legislation. Kojamo is subject to the risk that new or additional laws or regulations will be adopted with regard to apartments subject to arava and/or interest subsidy legislation and such new laws and regulations could, for example, increase or tighten the restrictions on the permitted levels of return and/or ownership or extend the restriction time periods applicable to such apartments. This could prevent or delay the conversion of VVO apartments into Lumo apartments, which could adversely affect Kojamo's ability to realise its strategy and commence charging market rents for such apartments. The materialisation of this risk could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Kojamo may fail to comply with data protection and privacy laws.***

Kojamo handles a large amount of personal data of its current and prospective tenants including, inter alia, detailed information on individuals' finances. Therefore, Kojamo's operations are subject to a number of laws relating to data protection and privacy, including the EU General Data Protection Regulation ((EU) 679/2016, the **GDPR**), as well as other Finnish data protection laws (for example, related to processing of credit information). The requirements of these laws affect Kojamo's ability to collect and process personal data in a way that is of commercial use to Kojamo in its tenant selection.

While Kojamo strives to comply with all applicable laws and regulations relating to privacy and data protection, it is possible that such requirements may be interpreted and applied by Kojamo in a manner that is inconsistent or may conflict with the interpretations of the EU or the Finnish authorities. In addition, non-compliance or data breaches may result in fines, damages, orders to stop processing information as well as damage to Kojamo's reputation, and otherwise have a negative impact on Kojamo's business. Any failure to comply with the data protection laws could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

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<sup>4</sup> The management's expectations on the expiration of restrictions are based on the current arava and interest subsidy legislation and its interpretation.

***Legal or regulatory proceedings or claims could have a material adverse effect on Kojamo.***

In the normal course of its business operations, Kojamo could be involved in legal proceedings relating, for example, to alleged breaches of contracts by Kojamo and employer's liabilities and be subject to tax and administrative audits. Real estate transactions involve a customary risk that one of the parties to the transaction is dissatisfied with the final outcome of the deal, for example, as regards the transaction price or the condition of the premises, and initiates a legal proceeding against the other party.

During the 12 months preceding the date of this Base Prospectus, Kojamo has not been involved in any administrative proceedings, lawsuits or arbitration proceedings (including any such proceedings which are pending or threatened of which Kojamo is aware), which may have, or which in the recent past have had, a significant impact on the Group's financial position or profitability. However, there can be no assurances that Kojamo will not become involved in the future in a legal, administrative or arbitration proceeding that could have a significant effect on the Group's financial position or profitability.

Such proceedings may become expensive and time-consuming and create negative publicity for Kojamo. Any legal or regulatory proceedings or claims against Kojamo could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

**Risks Relating to Financing**

***Kojamo may not be able to obtain new financing or refinance its existing debt at competitive terms or at all and its costs of financing may increase.***

There can be no assurances that Kojamo will be able to secure sufficient financing in a timely manner and with favourable terms (or at all) in order to maintain its liquidity and finance its operations and investments. Any uncertainty in the financial markets, increases in interest rates or tightening bank regulation could mean that the price of financing needed to carry out Kojamo's business will increase and that such financing may be less readily available. Kojamo's management continuously assesses and monitors Kojamo's funding position and has taken various measures, such as diversifying Kojamo's funding base and actively managing its interest rate risk, to minimise the uncertainty which changes in financial markets cause to its financial performance. However, adverse pricing or any failure to arrange sufficient financing either on the basis of cash flow from operations or debt or equity financing may result in poor liquidity and prevent the implementation of Kojamo's growth strategy. For more information on Kojamo's strategy, see the risk factor "*—Risks Related to Kojamo's Business Operations—Kojamo may not necessarily be able to identify or acquire properties suitable for its property portfolio or otherwise implement its business strategy as planned.*"

Further, Kojamo has issued five bonds between 2013 and 2020, of which the three latest unsecured bonds include certain customary covenants that may in some cases limit Kojamo's ability to incur additional debt. For more information on the issued bonds, see section "*Information about the Issuer—Financing and Capital Structure—Bonds*".

The level of Kojamo's leverage may also affect its ability to refinance its existing debt, which in turn could also affect the competitiveness of Kojamo and limit its ability to obtain new financing and to react to market conditions and to take advantage of opportunities to acquire properties at favourable terms. Kojamo's target equity ratio is over 40 per cent. calculated on the basis of the fair value of its properties. As at 31 December 2020, Kojamo's equity ratio was 45.6 per cent. Kojamo's management considers Kojamo's financial situation to be good and that Kojamo currently satisfies its target equity ratio referred to above. Despite this, Kojamo may yet have difficulties in securing new debt financing, refinancing existing debt and fulfilling its target for equity ratio in the future. The inability to refinance the existing debt or raise new debt at corresponding, or more favourable, terms could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Kojamo's substantial debt could limit its flexibility and adversely affect its business.***

Kojamo has a substantial amount of debt and significant debt service obligations. As at 31 December 2020, the total amount of Kojamo's interest-bearing liabilities was EUR 3,053.3 million. In addition to potentially limiting

Kojamo's ability to access new financing or increasing the costs of such financing, Kojamo's substantial debt could have other adverse consequences on its business and operations, including:

- making it difficult for Kojamo to satisfy its obligations with respect to debt and liabilities;
- requiring Kojamo to dedicate a substantial portion of its cash flow from operations to making payments on debt, thereby limiting the availability of funds for investment capital expenditures, business opportunities and other general corporate purposes;
- increasing Kojamo's vulnerability to a downturn in its business or adverse general economic or industry conditions;
- limiting Kojamo's flexibility to react to changes in its business or industry; and
- placing Kojamo at a competitive disadvantage compared to those of its competitors that have less debt.

Furthermore, if Kojamo's future cash flows from operations as well as new debt or new equity financing are insufficient to pay its debt obligations as they mature or to fund its liquidity needs, Kojamo may be forced to reduce or delay its capital expenditure plans, sell assets, obtain additional debt or equity capital, or restructure or refinance all or a portion of its debt on or before maturity. There can be no assurances that Kojamo would be able to accomplish any of these alternatives on a timely manner or on satisfactory terms, if at all. In such an event, Kojamo may not have sufficient assets to repay all of its debt, which could result in acceleration of outstanding indebtedness and insolvency and in turn have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Fluctuations in interest rates may decrease the value of Kojamo's properties and increase the cost of financing and thereby adversely affect Kojamo's business.***

As at 31 December 2020, Kojamo's interest-bearing debt<sup>5</sup> was EUR 2,985.0 million, of which EUR 1,211.1 million was floating-rate loans. Interest rate fluctuations affect Kojamo's profit through changes in interest expenses and through the market values of interest rate hedging. Kojamo hedges its interest rate risk with interest rate derivatives and fixed-rate loans in accordance with Kojamo's treasury policy. According to the treasury policy, the targeted hedging ratio is 50 to 100 per cent. and, as at 31 December 2020, the hedging ratio was 91 per cent. Despite the high hedging level, Kojamo's positions may not be completely hedged at all times. Further, fluctuations in interest rates may affect the rental apartment business and the valuation of properties (see "*Risks Relating to Macroeconomic Conditions—If interest rates increase, this may lead to a decrease in the valuation of Kojamo's property portfolio, which could have an adverse effect on the fair value of Kojamo's investment properties, financial condition and results of operations.*") as well as Kojamo's profitability if it is unable to increase its rents to balance out the effects of increases in interest rates. In addition, an increase in the interest rates could have a material adverse effect on the cost of financing and Kojamo's current financing expenses. Although Kojamo seeks to carefully monitor the development of interest rates and seeks to actively manage its interest rate risk, there can be no assurances that Kojamo will manage its interest rate risk properly. Materialisation of any of the above risks could have a material adverse effect on Kojamo's business, financial condition, results of operations and future prospects.

***Kojamo's historical financial data is not necessarily predictive of Kojamo's future financial performance.***

The financial information provided for and discussed in this Base Prospectus and the financial statements of Kojamo incorporated by reference into this Base Prospectus relate to the past performance of Kojamo. In 2019, Kojamo shifted from a transaction-based valuation technique to a yield-based valuation technique in the valuation of its investment properties in the financial statements for the financial year ended 31 December 2019. The net effect of the new valuation method on the valuation of Kojamo's investment properties at fair value was

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<sup>5</sup> Interest-bearing debt = Interest-bearing liabilities - Lease liabilities.

approximately EUR 800 million. The effects of the change were recognised in the consolidated income statement and balance sheet starting from the period in which the change took place and the change was not applied retrospectively. For more information on the change in the valuation method, see section “*Information about the Issuer—Kojamo’s Property Portfolio—Property Portfolio Valuation*”. In addition, Kojamo’s revenues and earnings may fluctuate in the future owing to, among other things, changes in general economic conditions in Finland, changes in interest rates, changes in demographic trends, tenant selection, the success of property acquisitions and the level of repair and modernization investments at Kojamo. As a result, the historical earnings, historical dividends and other historical financial data of Kojamo are not necessarily predictive of Kojamo’s future earnings or other key financial figures.

***The Issuer is a holding company and thereby dependent on the profitability and cash flows of its subsidiaries as well as distribution of dividends and other payments from them.***

The Issuer is a holding company. Its material assets are its shareholdings in its subsidiaries and material amounts of Kojamo’s debt are the obligations of the Issuer’s subsidiaries. Other than the receivables under intercompany loans and any other proceeds from loans made in connection with other financing transactions, the Issuer largely depends on distribution of dividends and other payments from its subsidiaries and is dependent on the profitability and cash flows of its subsidiaries. As such, a weakening of the subsidiaries’ results of operations and financial position may have a material adverse effect on the Issuer’s business, financial condition, results of operations and future prospects.

***Kojamo is dependent on its current long-term credit rating to pursue its financing strategy.***

Kojamo intends to raise additional debt from the capital markets in the future. Currently, Kojamo has a long-term issuer credit rating of “Baa2” with a stable outlook from Moody’s.

If Kojamo’s long-term credit rating were to be downgraded, future issuances of unsecured bonds and notes may become significantly more expensive or may not be possible in the targeted amounts and it could also increase the cost of current financing. Moody’s could downgrade Kojamo’s long-term issuer credit rating if, for example, Kojamo’s effective leverage (adjusted total debt divided by total assets) or fixed charge cover ratios were to exceed certain levels, both on a sustainable basis. If any of the risks described above were to materialise, it would be more difficult for Kojamo to pursue its current financing strategy, which could have a material adverse effect on Kojamo’s business, financial condition, results of operations and future prospects.

### **Risks Relating to the Structure of a Particular Issue of Notes**

*A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features which may occur in relation to any Notes:*

***If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.***

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.***

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

***Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.***

The market value of any specific Series of Notes issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Usually, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. Any such price volatility may have an adverse effect on the market value of any specific Series of Notes issued at a substantial discount or premium to their nominal amount.

***The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”.***

Interest rates and indices which are deemed to be “benchmarks” (including the London Interbank Offered Rate (**LIBOR**), the Euro Interbank Offered Rate (**EURIBOR**), the Copenhagen Interbank Offered Rate (**CIBOR**), the Stockholm Interbank Offered Rate (**STIBOR**) and the Norwegian Interbank Offered Rate (**NIBOR**)) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a “benchmark”.

It is not possible to predict with certainty whether, and to what extent, LIBOR, EURIBOR, CIBOR, STIBOR and NIBOR will continue to be supported going forwards. This may cause LIBOR, EURIBOR, CIBOR, STIBOR and NIBOR to perform differently than they have done in the past and may have other consequences which cannot be predicted.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark. See also “*Benchmark discontinuation fallbacks*” below.

#### ***Benchmark discontinuation fallbacks***

Condition 5.2(f) provides for certain fallback arrangements in the event that an Original Reference Rate and/or any page on which an Original Reference Rate may be published, (or any successor service) becomes unavailable or the Issuer (in consultation with the party responsible for determining the Rate of Interest) determines that a Benchmark Event (as defined in the Terms and Conditions of the Notes) otherwise occurs. Such fallback arrangements will result in any Notes linked to or referencing an Original Reference Rate (as defined in the Terms and Conditions of the Notes) performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form. No consent or approval of

the Noteholders or Couponholders shall be required in connection with effecting any relevant adjustments and/or amendments to the Terms and Conditions of the Notes, the Agency Agreement and the Trust Deed.

Any such adjustment or amendment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder or Couponholder, any such adjustment will be favourable to each Noteholder or Couponholder.

If, following the occurrence of a Benchmark Event, the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser is unable to or does not determine a Successor Rate or Alternative Rate or (in either case) an applicable Adjustment Spread (each as defined in the Terms and Conditions of the Notes), prior to the cut-off date for the relevant Interest Determination Date, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation (Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018), as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes linked to or referencing a benchmark.

### **Risks Relating to Notes Generally**

Set out below is a description of material risks relating to the Notes generally:

***In respect of any Notes issued with a specific use of proceeds, such as a Green Bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor***

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for Green Projects (as more specifically defined under "Use of Proceeds"). Prospective investors should have regard to the information in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or any of the Dealers that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental or sustainability impact of any projects or uses, the subject of or related to, any green, social or sustainability framework prepared by the Issuer.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "Green" or other equivalently labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects. Each prospective investor should have regard to the factors described in any green, social or sustainability framework prepared by the Issuer as more specifically described under "Use of Proceeds".

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor

shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that such opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any of the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any of the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Green Projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant intended project(s) or use(s) the subject of, or related to, any Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally disbursed for the specified Green Projects. Nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes. Any such green finance framework and/or second party opinion and/or public reporting will not be incorporated by reference in this Base Prospectus and neither the Arrangers nor any of the Dealers makes any representation as to the suitability or contents thereof. Neither the Arranger nor any of the Dealers will verify or monitor the proposed use of proceeds of Notes issued under the Programme.

Any such event or failure to apply the proceeds of any issue of Notes for any Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

***The claims of holders of the Notes are structurally subordinated***

As is usual for property companies, the Issuer’s operations are principally conducted through subsidiaries. Accordingly, the Issuer is, and will be, dependent on its subsidiaries’ operations to service its payment obligations in respect of the Notes. The Notes are structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of the Issuer’s subsidiaries, and structurally and/or effectively subordinated to the extent of the value of collateral to all the Issuer’s and its subsidiaries’ secured creditors. The Notes will not be guaranteed by any of the Issuer’s subsidiaries or any other company or person. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any of the Issuer’s subsidiaries, unsecured creditors of such subsidiaries, secured creditors and obligations that may be preferred by provisions of law that are mandatory and of general application will generally have the right to be paid in full before any distribution is made to the Issuer. Should the Issuer fail to receive dividends or other payments from other members of the Group, it may affect the ability of the Issuer to fulfil its obligations under Notes issued under the Programme. As at 31 December 2020, the book value of interest-bearing liabilities of the Group was EUR 3,053.3 million of which EUR 1,048.9 million represents interest-bearing liabilities of the Issuer’s subsidiaries which corresponds to 34.4 per cent. of the Group’s total interest-bearing liabilities.

***The Notes will be effectively subordinated to any of the Issuer's existing secured and future secured indebtedness***

The Notes are unsecured obligations of the Issuer. The Trust Deed governing the Notes permits the Issuer and its subsidiaries to secure certain indebtedness and other obligations without rateably securing the Notes. The Notes are, therefore, effectively subordinated to the Issuer's existing secured indebtedness and future secured indebtedness. Accordingly, holders of the Issuer's secured indebtedness will have claims that are superior to the claims of Noteholders to the extent of the value of the assets securing such other indebtedness.

As at 31 December 2020, the outstanding secured interest-bearing indebtedness of the Issuer was EUR 228.3 million, which includes EUR 200 million secured notes due 17 October 2023 issued on 17 October 2016 (the **Secured Notes**), and the balance represents other secured external interest-bearing indebtedness. The Secured Notes are secured by a security pool comprising of freehold and leasehold properties owned by the Issuer's wholly-owned subsidiary Lumo Kodit Oy (the **Security Provider**) and shares in mutual real estate companies and housing companies owned by the Security Provider as well as all amounts standing to the credit of the Issuer's and the Security Provider's specified bank accounts and lease receivables of the Security Provider. For more information about the collateral granted by the Issuer and the Security Provider in respect of the Issuer's indebtedness, see section "*Information about the Issuer – Financing and Capital Structure*".

In the event of a bankruptcy, liquidation or dissolution of the Issuer, the assets that serve as collateral for any secured indebtedness of the Issuer would be available to satisfy the obligations under the secured indebtedness before any payments are made on the Notes. Other than as set out in Condition 4.1 (*Negative Pledge*) and Condition 4.2 (*Financial Covenants*), the Terms and Conditions of the Notes do not prohibit the Issuer from incurring and securing future indebtedness. To the extent that the Issuer were to secure any of its future indebtedness, to the extent not required to secure the Notes, the Issuer's obligations, in respect of the Notes, would be effectively subordinated to such secured indebtedness to the extent of the value of the security securing such indebtedness.

***Interests of the Issuer's shareholders may be inconsistent with those of the Noteholders***

The interests of the Issuer's shareholders, in certain circumstances, may conflict with the interests of the Noteholders, particularly if the Issuer encounters financial difficulties or is unable to pay its debts when due. In addition, the Issuer's shareholders' interests may differ from the interests of the Noteholders, i.e., in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such transactions might involve risks to the Noteholders.

***The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.***

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 15 (*Substitution*).

***The value of the Notes could be adversely affected by a change in English law or administrative practice.***

The Terms and Conditions of the Notes and any non-contractual obligations arising out of or in connection with such Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as

to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***A Judgment entered against the Issuer in English court may not be recognised or enforceable in Finland due to the United Kingdom leaving the European Union.***

The UK left the EU on 31 January 2020 (**Brexit**) and the transitional period agreed in the withdrawal agreement during which EU law continued to apply in the UK, expired on 31 January 2021.

There is uncertainty concerning the enforcement of English court judgments in Finland following Brexit. The Brussels I Regulation Recast (Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters), i.e. the main EU legal instrument governing jurisdiction and the enforcement of judgments within the European Union, is no longer applicable to legal proceedings commenced in the United Kingdom after 31 December 2020 or to judgments issued in such proceedings. As no new reciprocal agreement on jurisdiction and enforcement of judgments has been agreed between the United Kingdom and the European Union, a judgment entered against the Issuer in an English court would not be recognised or enforceable in Finland without a re-trial on its merits.

Additionally, in connection with Brexit, the United Kingdom has applied to accede to the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the **Lugano Convention**) in its own right as an independent party. Accession requires unanimous approval from all contracting parties, including the European Union. Should the United Kingdom's accession to the Lugano Convention be unanimously approved by the contracting parties, the applicable rules on jurisdiction and the enforcement of judgments in cross-border disputes with an UK–EU dimension will be relatively similar to those that were followed prior to Brexit. In other words, and as a point of departure, a judgment entered against the Issuer in an English court would be recognised and enforceable in Finland without a re-trial on its merits on the basis of the Lugano Convention.

### **Risks Relating to the Market Generally**

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.***

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

***If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.***

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes, as an equivalent investment issued at the current market interest rate may be more attractive to investors.

***Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.***

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered or third country registered credit rating agency or the relevant third-country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre- 2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Central Bank of Ireland shall be incorporated in, and form part of, this Base Prospectus:

- (a) The auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2020.
- (b) The auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2019.
- (c) The Terms and Conditions of the Notes contained in the Base Prospectus dated 20 March 2020 pages 47 – 83 prepared by the Issuer in connection with the Programme available for viewing at: <https://kojamo.fi/wp-content/uploads/2020/03/Kojamo-EMTN-Base-Prospectus-20-March-2020.pdf>

These documents are available for viewing on the following websites:

Financial Statements 2020:

<https://kojamo.fi/wp-content/uploads/2021/02/1374811.pdf>

Financial Statements 2019:

<https://kojamo.fi/wp-content/uploads/2020/02/Kojamo-Financial-Statements-2019.pdf>

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in any document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

## FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Notes will be issued outside the United States in reliance on Regulation S.

### **Bearer Notes**

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will:

- (a) if the Bearer Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (b) if the Bearer Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream, Luxembourg.

Where the Bearer Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Bearer Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons

attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10 (*Events of Default and Enforcement*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes) and interest coupons and talons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons or talons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or interest coupons or talons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

### **Registered Notes**

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a **Registered Global Note**).

Registered Global Notes will be deposited with a common depository or, if the Registered Global Notes are to be held under the new safe-keeping structure (the **NSS**), a common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the Common Depository of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form. Where the Registered Global Notes issued in respect of any Tranche is intended to be held under the NSS, the applicable Final Terms will indicate whether or not such Registered Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Registered Global Note held under the NSS will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4 (*Payments - Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4 (*Payments - Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for a Common Depositary or a Common Safekeeper for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form and a certificate to that effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

## **General**

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails so to do within a reasonable period, or (ii) is unable for any reason so to do, and the failure or inability shall be continuing.

The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

## APPLICABLE FINAL TERMS

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive (EU) 2017/1129 (the **Prospectus Regulation**). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[Date]

**Kojamo plc**

**Legal Entity Identifier (LEI): 7437007YPUOQZ8OV1R42**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] [Green Bonds]  
under the EUR 2,500,000,000  
Euro Medium Term Note Programme**

## **PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the **Conditions**) set forth in the Base Prospectus dated 23 March 2021 [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) at www.ise.ie.]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date]*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 20 March 2020 [and the supplement[s] to it dated [date]] [and [date]]] which are incorporated by reference in the Base Prospectus dated 23 March 2021. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 23 March 2021 [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**) including the Terms and Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. The Base Prospectus has been published on the website of the Irish Stock Exchange plc trading as Euronext Dublin at www.ise.ie.]

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]*

- |  |   |
|--|---|
| 1. Issuer:   | Kojamo plc  |
| 2. (a) Series Number:  | [ ]   |
| (b) Tranche Number:  | [ ]   |
| (c) Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with [ <i>identify earlier Tranches</i> ] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [date]][Not Applicable] |
| 3. Specified Currency or Currencies:                                       | [ ]   |

4. Aggregate Nominal Amount:
- (a) Series: [ ]
- (b) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (a) Specified Denominations: [ ]
- (N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent))*
- (Note – where Bearer multiple denominations above EUR 100,000 or equivalent are being used the following sample wording should be followed:*
- “[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]. No Notes in definitive form will be issued with a denomination above [EUR 199,000].”*)
- (b) Calculation Amount (in relation to calculation of interest on Notes in global form see Conditions): [ ]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: [ ]
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [Specify date or for Floating Rate Notes – Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: [[ ] per cent. Fixed Rate]
- [[[ ] month [LIBOR/EURIBOR/CIBOR/STIBOR/NIBOR]] +/- [ ] per cent. Floating Rate]
- [Zero coupon]
- (see paragraph [14]/[15]/[16] below)
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ]/100 per cent. of their nominal amount
11. Change of Interest Basis: [Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 15 below and identify there][Not Applicable]
12. Put/Call Options: [Issuer Call]
- [Issuer Par Call]
- [Investor Put]

- [Change of Control Put]  
 [Clean-up Call]  
 [(see paragraph [18]/[19]/[20]/[21]/[22] below)]
13. (a) Status of the Notes: Senior
- (b) Date Board approval for issuance of Notes obtained: [ ]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[ ] per Calculation Amount]
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[ ] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
15. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]  
 [Not Applicable]
- (c) Additional Business Centre(s): [ ]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ] (the **Calculation Agent**)

(f) Screen Rate Determination:

• Reference Rate: [ ] month  
[LIBOR/EURIBOR/CIBOR/STIBOR/NIBOR]

• Interest Determination Date(s): [ ]

*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, second Copenhagen business day prior to the start of each Interest Period if CIBOR, second Stockholm business day prior to the start of each Interest Period if STIBOR and second Oslo business day prior to the start of each Interest Period if NIBOR)*

• Relevant Screen Page: [ ]

*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

(g) ISDA Determination:

• Floating Rate Option: [ ]

• Designated Maturity: [ ]

• Reset Date: [ ]

(h) Linear Interpolation:

[Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

(i) Margin(s): [+/-] [ ] per cent. per annum

(j) Minimum Rate of Interest: [ ] per cent. per annum

(k) Maximum Rate of Interest: [ ] per cent. per annum

(l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]

Actual/365 (Fixed)

Actual/365 (Sterling)

Actual/360

[30/360][360/360][Bond Basis]

[30E/360][Eurobond Basis]

[30E/360 (ISDA)]

16. Zero Coupon Note Provisions

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraph of this paragraph)*

(a) Accrual Yield: [ ] per cent. per annum

(b) Reference Price: [ ]

(c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]

#### PROVISIONS RELATING TO REDEMPTION

17. Notice periods for Condition 7.2: Minimum period: [30] days  
Maximum period: [60] days
18. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount: [[ ] per Calculation Amount][Spens Amount][Make-whole Amount]
- (A) Reference Bond [ ]/[Not Applicable]
- (B) Redemption Margin [ ]
- (C) Quotation Time [ ]
- (c) If redeemable in part: [Not Applicable]
- i. Minimum Redemption Amount: [ ]
- ii. Maximum Redemption Amount: [ ]
- (d) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.)*
19. Issuer Par Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Par Call Period: From (and including [ ]) (the **Par Call Period Commencement Date**) to (but excluding) the Maturity Date
- (b) Notice Periods: Minimum period: [ ] days  
Maximum period: [ ] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.)*

20. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount: [ ] per Calculation Amount
- (c) Notice Periods: Minimum period: [ ] days  
Maximum period: [ ] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.)*
21. Change of Control Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Change of Control Redemption Amount: [ ] per Calculation Amount
22. Clean-up Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Notice Periods: Minimum period: [ ] days  
Maximum period: [ ] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.)*
23. Final Redemption Amount: [ ] per Calculation Amount
24. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [ ] per Calculation Amount

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

25. Form of Notes:
- (a) Form: [Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]  
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]  
[Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]

[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005<sup>6</sup>]

*(N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: “[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000].” .)*

[Registered Notes:

[Global Note registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg] [a common safekeeper for Euroclear and Clearstream, Luxembourg]]

(b) New Global Note:

[Yes][No]

(c) New Safekeeping Structure:

[Yes][No]

26. Additional Financial Centre(s):

[Not Applicable/give details]

*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 15(c) relates)*

27. Talons for future Coupons to be attached to Definitive Notes:

[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

### [THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **Kojamo plc**:

By:

*Duly authorised*

By:

*Duly authorised*

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<sup>6</sup> Include for Notes that are to be offered in Belgium.

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of Euronext Dublin and listing on the Official List with effect from [ ].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of Euronext Dublin and listing on the Official List with effect from [ ].]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- [Not Applicable]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[have not been]/[are expected to be]] rated:
- [insert details] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].*
- Each of *[defined terms]* is established in the [European Union/United Kingdom] [and is registered under Regulation (EC) No. 1060/2009 [(as amended)/ as it forms part of domestic law by virtue of the EUWA] (the [UK] CRA Regulation)] *(Amend/ include further information as appropriate)*
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of *[insert relevant fee disclosure]* payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]*

### 4. REASONS FOR THE OFFER and ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: [See “Use of Proceeds” in the Base Prospectus] [The Notes are intended to be applied by the Issuer for its General Corporate Purposes] [The Notes are

intended to be issued as Green Bonds, [further particulars to be provided].]

(ii) Estimated net proceeds [ ]

**5. YIELD (Fixed Rate Notes Only)**

Indication of yield: [ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**6. OPERATIONAL INFORMATION**

(i) ISIN: [ ]

(ii) Common Code: [ ]

(iii) CFI: [[See/[include code ]<sup>7</sup>, as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) FISN: [[See/[include code ]<sup>8</sup>, as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Paying Agent(s) (if any): [ ]

(viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [include this text for Registered Notes which are to be held under the NSS] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee

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<sup>7</sup> The actual code should only be included where the issuer is comfortable that it is correct.

<sup>8</sup> The actual code should only be included where the issuer is comfortable that it is correct.

of one of the ICSDs acting as common safekeeper][include this text for Registered Notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/give names]
- (iii) Date of Subscription Agreement: [ ]
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/give name]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (vi) U.S. Selling Restrictions: Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]
- (vii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]  
*(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
- (viii) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]  
*(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
- (ix) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

## 8. PROVISIONS RELATING TO GREEN BONDS

- (i) Green Bonds: [Yes/No]
- (ii) [Reviewer(s):] [Name of sustainability rating agency(ies) [and name of third party assurance agent] and [give details of compliance opinion(s) and availability]
- (iii) [Date of third party opinion(s):] [Not Applicable/give details]

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Applicable Final Terms” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by Kojamo plc (the **Issuer**) constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 20 March 2020 made between the Issuer and Deutsche Trustee Company Limited (the **Trustee**, which expression shall include any successor as Trustee).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and
- (d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 20 March 2020 and made between the Issuer, the Trustee, Deutsche Bank AG, London Branch as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), Deutsche Bank Luxembourg S.A. as registrar (the **Registrar**, which expression shall include any successor registrar) and transfer agent (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents). The Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Final Terms), the Registrar, the Paying Agents and the Transfer Agents are together referred to as the **Agents**.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these terms and conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

The Trustee acts for the benefit of the Noteholders (which expression shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i)

are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the specified office for the time being of the Principal Paying Agent being at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom. If the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) the applicable Final Terms will be published on the website of Euronext Dublin. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between (i) the Trust Deed and the Agency Agreement, the Trust Deed will prevail and (ii) the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## 1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes and vice versa.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee and each of the Agents may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

## **2. TRANSFERS OF REGISTERED NOTES**

### **2.1 Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

### **2.2 Transfers of Registered Notes in definitive form**

Subject as provided in Condition 2.3 (Registration of transfer upon partial redemption) below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 2 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### **2.3 Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 7 (Redemption and Purchase), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

## 2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

## 3. STATUS OF THE NOTES

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (Negative Pledge)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

## 4. COVENANTS

### 4.1 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed) the Issuer will not, and will procure that none of its Subsidiaries (as defined below) will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) (in each case other than a Permitted Security Interest), upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer and/or any of its Subsidiaries to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (a) all amounts payable by it under the Notes, the Coupons and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or
- (b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (i) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (ii) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders;

### 4.2 Financial Covenants

#### (a) Limitations on the Incurrence of Indebtedness

So long as any Note remains outstanding the Issuer will not, and will not permit any Subsidiary to, incur directly or indirectly any Indebtedness (excluding for the purposes of this Condition 4.2 (a) any Permitted Refinancing Indebtedness) if, on the date of such incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds), the Solvency Ratio would exceed 0.65;

#### (b) Maintenance of Coverage Ratio

So long as any Note remains outstanding the Issuer undertakes that on each Measurement Date the Coverage Ratio is not less than 1.8:1; and

#### (c) Limitations on the Incurrence of Secured Indebtedness

So long as any Note remains outstanding the Issuer will not, and will not permit any Subsidiary to incur directly or indirectly, any Secured Indebtedness (excluding for the purposes of this Condition 4.2 (c) any Permitted Refinancing Indebtedness) if, on the date of such incurrence and after giving

pro forma effect thereto (including pro forma application of the proceeds) the Secured Solvency Ratio would exceed 0.45.

The Issuer will promptly notify the Trustee in accordance with the Trust Deed in the event that any of the undertakings in this Condition 4.2 is breached at any time.

For so long as the Notes remain outstanding, the Issuer will deliver a certificate to the Trustee on each Reporting Date signed by any two Authorised Signatories (as defined in the Trust Deed) of the Issuer, certifying that the Issuer is in compliance with, and there has been no breach of, the undertakings set out in this Condition 4.2.

A certificate by any two Authorised Signatories of the Issuer as to any of the amounts referred to in this Condition 4.2, or any of the terms defined for the purposes of this Condition 4.2, shall be conclusive and binding on all parties and the Trustee may rely absolutely upon and shall be entitled to accept such certificate without any liability to any person for so doing and without any inquiry thereof.

### 4.3 Interpretation

For the purposes of these Conditions:

**Additional Collateral** means any additional collateral provided by the Issuer in order to meet its obligation to maintain the minimum collateralisation level under the Secured Notes and includes any replacement of such Additional Collateral in accordance with the terms and conditions of the Secured Notes.

**Consolidated Adjusted EBITDA** means, in respect of any Measurement Date, the number set out under the heading “Operating Profit” (or any equivalent line item) in the consolidated financial statements of the Issuer, deducted by items (i), (ii), (iii) and (iv) below:

- (i) the number set out under the heading “Profit/loss on fair value of investment properties” (or any equivalent line item) in the consolidated financial statements of the Issuer;
- (ii) the number set out under the heading “Depreciation, amortisation and impairment losses” (or any equivalent line item) in the consolidated financial statements of the Issuer;
- (iii) the number set out under the heading “Profit/loss on sales of investment properties” (or any equivalent line item) in the consolidated financial statements of the Issuer; and
- (iv) the number set out under the heading “Profit/loss on sales of trading properties” (or any equivalent line item) in the consolidated financial statements of the Issuer.

**Consolidated Total Assets** means the value of the consolidated total assets of the Group as shown in the most recent audited annual or unaudited quarterly, as the case may be, consolidated financial statements of the Issuer;

**Consolidated Total Indebtedness** means the total Indebtedness (on a consolidated basis) of the Group as determined by reference to the most recent audited annual or unaudited quarterly, as the case may be, consolidated financial statements of the Issuer;

**Coverage Ratio** means, in respect of any Measurement Date, the ratio of (a) the aggregate amount of Consolidated Adjusted EBITDA for the period of the most recent four consecutive financial quarters ending on such Testing Date, to (b) the aggregate amount of Net Interest Charges, for the period of the most recent four consecutive financial quarters ending on such Testing Date;

**Group** means the Issuer and its consolidated Subsidiaries;

**IFRS** means International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued by the International Accounting Standards Board (as amended, supplemented or re-issued from time to time) as adopted by the European Union;

**Indebtedness** means, with respect to any Person at any date of determination (without duplication) any debt of such Person, including:

- (a) all indebtedness of such Person for borrowed money in whatever form;
- (b) any amounts raised by such Person evidenced by bonds, debentures, notes, loan stock or other similar instruments;
- (c) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto, except to the extent any such reimbursement obligations relate to trade payables or other liabilities to trade creditors);
- (d) all obligations of such Person to pay the deferred and unpaid purchase price of property, assets or services which purchase price is due more than 90 days after the earlier of the date of placing such property in service or taking delivery and title thereof or the completion of such services excluding:
  - (A) any trade payables or other liability to trade creditors; and
  - (B) any post-closing payment adjustments in connection with the purchase by the Issuer or any Subsidiary of any business to which the seller may become entitled, to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing and provided that (x) the amount of any such payment is not determinable at the time of closing and, (y) to the extent such payment thereafter becomes fixed and determined, the amount is paid within 90 days thereafter;
- (e) all capitalised lease obligations of such Person, to the extent treated as indebtedness in the financial statements of such Person under IFRS;
- (f) any guarantee and/or indemnity (up to the maximum amount of such guarantee or indemnity) in respect of indebtedness of the type referred to in the above items (a) to (e); and
- (g) all obligations of the type referred to in paragraphs (a) to (f) of other Persons secured by any Security Interest over any asset of such Person (the amount of such obligation being deemed to be the lesser of (A) the book value of such asset as shown in the most recent audited annual or unaudited quarterly financial statements of such Person and (B) the amount of the obligation so secured), whether or not such indebtedness is assumed by such Person.

For the purpose of determining the euro-equivalent of Indebtedness denominated in a foreign currency, the euro-equivalent principal amount of such Indebtedness pursuant thereto shall be calculated based on the relevant official central bank currency exchange rate in effect on the date of determination thereof.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above provided that (i) with respect to contingent obligations as described above, will be the value of the contingency, if any, giving rise to the obligation as reported in that Person's financial statements and (ii) in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time will be the accreted value thereof at such time.

For the avoidance of doubt, neither (A) completion guarantees, performance bonds or similar commitments provided to cities, municipalities or financial institutions in connection with the Issuer's or its Subsidiaries' ordinary course property construction, development or maintenance activities, nor (B) any indebtedness in

respect of any non-speculative derivative transactions entered into in connection with protection against fluctuations in any rate or price shall be deemed to be Indebtedness for the purpose of these Conditions;

**Measurement Date** means each day which is (i) the last day of the Issuer's financial year in any year in respect of which audited annual consolidated financial statements of the Issuer have been produced (the **Annual Measurement Date**) or (ii) the last day of each of the first three quarters of the Issuer's financial year in any year in respect of which unaudited quarterly consolidated financial statements of the Issuer have been produced (the **Quarterly Measurement Date**);

**Net Interest Charges** means the number set out under the heading "Total amount of financial income and expenses" (or any equivalent line item or net amount of the separate line items "Financial income" and "Financial expenses" or any equivalent line items) in the consolidated financial statements of the Issuer deducted by the sum of (i) the number set out under the heading "Valuation changes on financial assets recognised at fair value through profit or loss (financial income)" (or any equivalent line item) and (ii) the number set out under the heading "Valuation changes on financial assets recognised at fair value through profit or loss (financial expenses)" (or any equivalent line item), (i) and (ii) each in Note 4.2 (*Financial income and expenses*) (or any equivalent Note) to the consolidated financial statements of the Issuer;

**Permitted Refinancing Indebtedness** means any Indebtedness of the Issuer or any of its Subsidiaries raised or issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange or discharge other Indebtedness of the Issuer or any of its Subsidiaries (other than intra-group Indebtedness); *provided that*:

- (a) the aggregate principal amount (or accretable value) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, exchanged or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);
- (b) such Permitted Refinancing Indebtedness has a final maturity date, or may only be redeemed or repaid at the option of the Issuer or the relevant Subsidiary, as applicable, either (i) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged or (ii) after the final maturity date of the Notes;
- (c) if the Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged is expressly, contractually subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes; and
- (d) if the Issuer was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged, such Indebtedness is incurred by the Issuer;

**Permitted Security Interest** means:

- (i) any Security Interest securing any Relevant Indebtedness of any Subsidiary of the Issuer acquired, so long as such Security Interest was outstanding on the date on which the relevant entity became a Subsidiary of the Issuer, was not created in contemplation of such entity becoming a Subsidiary of the Issuer and the principal amount of Relevant Indebtedness so secured was not increased in contemplation of such entity becoming a Subsidiary of the Issuer or since such entity became a Subsidiary of the Issuer; and
- (ii) the Security Interest existing as at the date of the applicable Final Terms in respect of (i) the EUR 200,000,000 1.625 per cent. senior secured notes due 2023 (the **2023 Secured Notes**) issued by the Issuer (ISIN FI4000223532) and (ii) the EUR 100,000,000 3.25 per cent. senior secured notes due 2020 (the **2020 Secured Notes**, together with the 2023 Secured Notes, the **Secured Notes**) issued by the Issuer (ISIN FI400006288) *provided that* (A) the principal amount of the Secured Notes outstanding as at the date of the applicable Final Terms is not increased; and (B) neither of the Secured Notes are secured by any additional property or assets on or after the date of the applicable Final Terms other than any Additional Collateral;

**Person** means any individual, company, corporation, firm, unincorporated association or body, partnership, trust, fund, joint venture or consortium, association, organisation, government, state or agency of a state or other entity, whether or not having separate legal personality;

**Rate of Interest** means the rate of interest payable from time to time in respect of Floating Rate Notes as determined in the manner specified in the applicable Final Terms;

**Relevant Indebtedness** means (a) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (b) any guarantee or indemnity in respect of any such indebtedness;

**Reporting Date** means a date falling no later than 30 days after (a) the publication of the Issuer's annual consolidated financial statements, with respect to an Annual Measurement Date, or (b) the publication of the Issuer's unaudited quarterly consolidated financial statements, with respect to a Quarterly Measurement Date;

**Secured Consolidated Total Indebtedness** means any such amount of Consolidated Total Indebtedness that is secured in whole or in part by a Security Interest granted by the Issuer or a Subsidiary of the Issuer;

**Secured Indebtedness** means any Indebtedness that is secured in whole or in part by a Security Interest granted by the Issuer or a Subsidiary of the Issuer;

**Secured Solvency Ratio** means (i) the Secured Consolidated Total Indebtedness divided by (ii) Consolidated Total Assets;

**Solvency Ratio** means (i) the Consolidated Total Indebtedness (less cash and cash equivalents (as set out in the most recent audited annual or unaudited quarterly, as the case may be, consolidated financial statements of the Issuer)) divided by (ii) Consolidated Total Assets;

**Subsidiary** means in relation to the Issuer, any company (i) in which the Issuer holds a majority of the voting rights or (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer; and

**Testing Date** means each day which is: (i) the last day of the Issuer's financial year in any year; or (ii) the last day of each of the first three quarters of the Issuer's financial year in any year.

## 5. INTEREST

### 5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes; or
- (b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rate Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Conditions:

**Day Count Fraction** means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1:

- (a) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if **30/360** is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

**Determination Period** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest

Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

## 5.2 Interest on Floating Rate Notes

### (a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an Interest Payment Date) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2.(a)(B), the Floating Rate Convention, such Interest Payment Date (I) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis or (II) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (a) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (b) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

- I. a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London

and each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;

- II. if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- III. either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will (subject to Condition 5.2(e) below) be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), ISDA Rate for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Principal Paying Agent or the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the ISDA Definitions) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) **Screen Rate Determination for Floating Rate Notes**

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR, EURIBOR, CIBOR, STIBOR or NIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11am (London time, in the case of LIBOR, Brussels time, in the case of EURIBOR, Copenhagen time, in the case of CIBOR or Stockholm time, in the case of STIBOR) or 12 noon (Oslo time, in the case of NIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

**(c) Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and calculation of Interest Amounts**

The Principal Paying Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes; or
- (B) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

- (1) if **Actual/Actual (ISDA)** or **Actual/Actual** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (2) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (3) if **Actual/365 (Sterling)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (4) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (5) if **30/360, 360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (6) if **30E/360** or **Eurobond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30;

- (7) if 30E/360 (ISDA) is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless (a) that day is the last day of February or (b) such number would be 31, in which case **D<sub>1</sub>** will be 30; and

**D<sub>2</sub>** is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (a) that day is the last day of February but not the Maturity Date or (b) such number would be 31, in which case **D<sub>2</sub>** will be 30.

(e) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where **Screen Rate Determination** is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period **provided however that** if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as it determines appropriate.

**Designated Maturity** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) **Benchmark Event**

Notwithstanding the provisions above in this Condition 5.2, if the Issuer, in consultation with the party responsible for determining the Rate of Interest (being the Principal Paying Agent, the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), determines that a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Conditions provide for any Rate of

Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply:

- (A) the Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (acting in good faith and in a commercially reasonable manner) a Successor Rate, failing which an Alternative Rate and in either case, an Adjustment Spread (if any) and any Benchmark Amendments (each as defined and as further described below) no later than five Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**) for purposes of determining the Rate of Interest applicable to the Notes for such next succeeding Interest Period and for all future Interest Periods (subject to the subsequent operation of this Condition 5.2(f) during any other future Interest Period(s));
- (B) if the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines that:
  - (1) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 5.2(f)(D)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent further operation of this Condition 5.2(f)); or
  - (2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 5.2(f)(D)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the further operation of this Condition 5.2(f));
- (C) if, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, the Issuer is unable to appoint an Independent Adviser or no Successor Rate or Alternative Rate (as applicable) or, in either case, applicable Adjustment Spread is determined pursuant to this provision prior to the IA Determination Cut-off Date, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided elsewhere in these Conditions will continue to apply to such determination, subject to the subsequent further operation and adjustment as provided in this Condition 5.2(f).
- (D) if a Successor Rate or Alternative Rate is determined in accordance with Condition 5.2(f)(B), the Independent Adviser acting in good faith and in a commercially reasonable manner shall determine an Adjustment Spread (which may be expressed as a specified quantum or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable), subject to the subsequent further operation and adjustment as provided in this Condition 5.2(f);
- (E) if any Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 5.2(f) and the Independent Adviser acting in good faith determines (i) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.2(f), without any requirement for the consent or approval of Noteholders or Couponholders, vary these

Conditions, the Trust Deed and/or the Agency Agreement (as applicable) to give effect to such Benchmark Amendments with effect from the date specified in such notice.

For the avoidance of doubt, the Trustee and Principal Paying Agent shall, at the request and expense of the Issuer, agree to use their reasonable endeavours to effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions, including, *inter alia*, by execution of a deed or agreement supplemental to the Trust Deed or the Agency Agreement (as applicable), as the Issuer determines and certifies to the Trustee and the Principal Paying Agent may be required in order to give effect to this Condition 5.2(f) and neither the Trustee nor the Principal Paying Agent shall be liable to any party for any consequence thereof; notwithstanding any other provision of this Condition 5.2(f), neither the Trustee nor the Principal Paying Agent (as applicable) shall be obliged to agree to any such consequential amendments if the same would, in the sole opinion of the Trustee or the Principal Paying Agent (as applicable), expose it to any additional liabilities (in the case of the Trustee only against which it has not been indemnified, secured and/or pre-funded to its satisfaction) or increase the obligations, responsibilities or duties or reduce or amend its rights and/or the protective provisions afforded to it in the Trust Deed and/or these Conditions and/or the Agency Agreement (as applicable).

In connection with any such variation in accordance with this Condition 5.2(f), the Issuer shall comply with the rules of any stock exchange or other relevant authority on or by which the Notes are for the time being listed or admitted to trading; and

- (F) the Issuer shall no later than the IA Determination Cut-Off Date notify the party responsible for determining the Rate of Interest (being the Principal Paying Agent, the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), the Trustee, the Principal Paying Agent, the Paying Agents and, in accordance with Condition 14 (Notices), the Noteholders of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5.2(f). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. No later than notifying the Trustee and the Principal Paying Agent of the same, the Issuer shall deliver to the Trustee and the Principal Paying Agent a certificate signed by any two Authorised Signatories of the Issuer confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or Alternative Rate (as applicable), (iii) any Adjustment Spread and (iv) where applicable, the terms of any changes pursuant to sub-paragraph (E) above and certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread. The Trustee and the Principal Paying Agent shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and the Principal Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Principal Paying Agent, the Calculation Agent, the Paying Agents and the Noteholders.

Without prejudice to the obligations of the Issuer under this Condition 5.2(f), the Original Reference Rate and the fallback provisions provided for in Condition 5.2(f) will continue to apply unless and until the party responsible for determining the Rate of Interest (being the Principal Paying Agent, the Calculation Agent or such other party specified in the applicable Final Terms, as applicable) has been notified of the Successor Rate or the Alternative Rate (as the case may be), or, in either case, the applicable Adjustment Spread and Benchmark Amendments (if applicable), in accordance with Condition 5.2(f)(E).

If, in the case of any Benchmark Event, any Successor Rate, Alternative Rate and/or Adjustment Spread which is notified to the Calculation Agent and the Principal Paying Agent pursuant to Condition 5.2(f), the Calculation Agent or the Principal Paying Agent, as applicable, is in any way uncertain as to the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of the Rate of Interest for future interest periods, it shall promptly notify the Issuer thereof and the Issuer shall direct

the Calculation Agent or the Principal Paying Agent, as applicable, in writing (which direction may be by way of a written determination of an Independent Adviser) as to which course of action to adopt in the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of such Rate of Interest. If the Calculation Agent or the Principal Paying Agent, as applicable, is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent or Principal Paying Agent, as applicable shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

For the purposes of this Condition 5.2(f):

**Adjustment Spread** means either a spread (which may be positive, negative or zero), or the quantum or formula or methodology for calculating a spread, in either case, which the Independent Adviser acting in good faith and a commercially reasonable manner determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, quantum, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation or option has been made (or made available), or in the case of an Alternative Rate) the Independent Adviser acting in good faith determines is recognised or acknowledged as being in customary usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (C) (if no such customary market usage is recognised or acknowledged) the Independent Adviser acting in good faith determines to be appropriate;

**Alternative Rate** means an alternative to the Original Reference Rate which the Independent Adviser acting in good faith determines in accordance with Condition 5.2(f)(B) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser acting in good faith determines is most comparable to the Original Reference Rate;

**Benchmark Amendments** has the meaning given to it in Condition 5.2(f)(E);

**Benchmark Event** means:

- (A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (B) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (B)(i); or
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date,

be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (D)(i);

- (E) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (E)(i) above;
- (F) it has or will prior to the next Interest Determination Date become unlawful for any Paying Agent, the Principal Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable); or
- (G) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

**Independent Adviser** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense and notified in writing to the Trustee. For the avoidance of doubt, an Independent Adviser appointed pursuant to this Condition 5.2(f) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 5.2(f);

**Original Reference Rate** means the originally-specified Reference Rate used to determine the relevant Rate of Interest (or any component part thereof) in respect of any Interest Period(s) (provided that if, following one or more Benchmark Events, such originally-specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term “Original Reference Rate” shall include any such Successor Rate or Alternative Rate);

**Relevant Nominating Body** means, in respect of an Original Reference Rate:

- (A) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

**Successor Rate** means a successor to or replacement of the Original Reference Rate or, where a Successor Rate or an Alternative Rate has been determined pursuant to Condition 5.2(f)(B), such Successor Rate or Alternative Rate, as applicable, which is formally recommended by any Relevant Nominating Body.

(g) **Notification of Rate of Interest and Interest Amounts**

The Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 (Notices) as soon as possible after their **determination** but in no event later than the fourth London Business Day thereafter. Each Interest Amount

and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14 (Notices). For the purposes of this Condition 5.2(g), the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

**(h) Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or gross negligence) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

**5.3 Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) as provided in the Trust Deed.

**5.4 Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in respect of any Notes and for so long as such Note is outstanding. Where more than one Calculation Agent is appointed in respect of any Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest payable from time to time or to calculate any Interest Amount, Final Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer, shall (with prior notification to the Trustee) appoint a leading bank or investment banking firm engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

**6. PAYMENTS**

**6.1 Method of payment**

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (Taxation) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (Taxation)) any law implementing an intergovernmental approach thereto.

## **6.2 Presentation of definitive Bearer Notes and Coupons**

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 (Method of payment) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8 (Taxation)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (Prescription)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon **provided that** such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

## **6.3 Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

#### 6.4 Payments in respect of Registered Notes

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (a) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (b) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (a) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (b) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the nominal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### 6.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition 6.5, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

## **6.6 Payment Day**

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9 (Prescription)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
  - (i) in the case of Notes in definitive form only, in the relevant place of presentation; and
  - (ii) in each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (b) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- (c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

## **6.7 Interpretation of principal and interest**

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8 (Taxation) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) the Change of Control Redemption Amount (if any) of the Notes; and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (Taxation) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

## **7. REDEMPTION AND PURCHASE**

### **7.1 Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

### **7.2 Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice each as specified in the applicable Final Terms to the Trustee and the Principal Paying Agent and, in accordance with Condition 14 (Notices), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (Taxation) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8 (Taxation)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 7.2, the Issuer shall deliver to the Trustee to make available at their specified office to the Noteholders (i) a certificate signed by any two Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. The Trustee shall be entitled to accept the certificate (without liability or inquiry to any person) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.8 (Early Redemption Amounts) below together with any interest accrued to (but excluding) the date of redemption.

### **7.3 Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice each as specified in applicable Final Terms to the Noteholders in accordance with Condition 14 (Notices) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) each as specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Where the Optional Redemption Amount is Spens Amount or Make-whole Amount, any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that

any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or, if either Spens Amount or Make-whole Amount is specified in the applicable Final Terms, will be:

- (a) if Spens Amount is specified as being applicable in the applicable Final Terms, the higher of (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed and (ii) the nominal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer, the Trustee and the Principal Paying Agent by the Determination Agent, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin; or
- (b) if Make-whole Amount is specified as applicable in the applicable Final Terms, the higher of (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed and (ii) the sum of the present values of the nominal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (based on the Day Count Fraction specified in the applicable Final Terms) at the Reference Bond Rate, plus the Redemption Margin, all as determined by the Determination Agent.

In this Condition 7.3:

**DA Selected Bond** means a government security or securities (which if the Specified Currency is euro, will be a German *Bundesobligationen*) selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term of the Notes;

**Determination Agent** means a leading investment bank or financial institution of international standing selected by the Issuer and notified in writing to the Trustee;

**Gross Redemption Yield** means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields”, page 4, Section One: Price/Yield Formulae “Conventional Gilts”; “Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Determination Agent;

**Quotation Time** shall be as set out in the applicable Final Terms;

**Redemption Margin** shall be as set out in the applicable Final Terms;

**Reference Bond** shall be as set out in the applicable Final Terms or the DA Selected Bond;

**Reference Bond Price** means, with respect to any date of redemption, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

**Reference Bond Rate** means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

**Reference Date** will be set out in the relevant notice of redemption;

**Reference Government Bond Dealer** means each of five banks selected by the Issuer, or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

**Reference Government Bond Dealer Quotations** means, with respect to each Reference Government Bond Dealer and any date of redemption, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer; and

**Remaining Term Interest** means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term to maturity of such Note (or, if Issuer Par Call is specified as being applicable in the applicable Final Terms, the remaining term up to the Par Call Period Commencement Date as specified in the applicable Final Terms) determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 7.3.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (a) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (b) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (Notices) not less than 15 days prior to the date fixed for redemption.

#### **7.4 Redemption at the option of the Issuer (Issuer Par Call)**

If Issuer Par Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 14 (Notices) (which notice shall be irrevocable and specify the date fixed for redemption), redeem the Notes then outstanding in whole, but not in part, at any time during the Par Call Period specified as being applicable in the applicable Final Terms, at the Final Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued but unpaid to (but excluding) the date fixed for redemption.

#### **7.5 Redemption at the option of the Noteholders (Investor Put)**

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (Notices) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put**

**Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition 7.5 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (Transfers of Registered Notes in definitive form). If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, or any common depositary or common safekeeper, as the case may be for them to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 7.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10 (Events of Default and Enforcement), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.5 and instead to declare such Note forthwith due and payable pursuant to Condition 10 (Events of Default and Enforcement).

#### **7.6 Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)**

If a Change of Control Put is specified in the applicable Final Terms, upon the occurrence of a Change of Control Put Event (as defined below), each Noteholder will have the option (the **Change of Control Put Option**) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Noteholder's Notes on the Change of Control Put Date (as defined below) at the Change of Control Redemption Amount together with interest accrued to but excluding the date of redemption or purchase.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred and, in any event, within five days of the Issuer becoming aware that such Change of Control Put Event has occurred, the Issuer shall, and at any time upon the Trustee becoming so aware (the Issuer having failed to do so) the Trustee may, and, if so requested by the holders of at least one-quarter in nominal amount of the Notes then outstanding, shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a **Change of Control Put Event Notice**) to the Noteholders in accordance with Condition 14 (Notices) specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar, on any Payment Day (as defined in Condition 6.6 (Payment Day)) at the place of such specified office falling within the Change of Control Put Period (as defined below), a duly signed and completed notice of exercise in the form (for the time being current obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Change of Control Put Exercise Notice**)) and in which the holder must specify a bank account (or, if payment is to be made by cheque, an address) to which payment is to be made under this Condition 7.6 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (Transfers of Registered Notes in definitive form). If this Note is in definitive bearer form, the Change of Control Put Exercise Notice must be accompanied by

this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following the delivery of the Change of Control Put Exercise Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption or, as the case may be, purchase of this Note under this Condition 7.6 the holder of this Note must, within the Change of Control Put Period, give notice to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear and/or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear and/or Clearstream, Luxembourg from time to time.

A Change of Control Put Exercise Notice given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption or purchase, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10 (Events of Default and Enforcement), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Change of Control Put Exercise Notice given pursuant to this Condition 7.6 and instead treat its Notes as being forthwith due and payable pursuant to Condition 10 (Events of Default and Enforcement).

Any Note which is the subject of a Change of Control Put Exercise Notice which has been delivered as described above prior to the expiry of the Change of Control Put Period shall be redeemed or, as the case may be, purchased by (or on behalf of) the Issuer on the date which is the seventh Business Day as defined in Condition 5.2(a) (Interest Payment Dates) immediately following the last day of the Change of Control Put Period (the **Change of Control Put Date**).

The Trustee shall not be required to take any steps to ascertain whether a Change of Control Put Event or Change of Control or any event which could lead to the occurrence of, or could constitute, a Change of Control Put Event or Change of Control has occurred and, until it shall have received notice thereof pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control Put Event or Change of Control or other such event has occurred.

In these Conditions:

a **Change of Control Put Event** will be deemed to occur if:

- (a) a person or persons, acting together, acquire:
  - (i) the beneficial ownership (directly or indirectly) of more than 50 per cent. of the total voting rights represented by Shares of the Issuer; or
  - (ii) the power to appoint or remove the majority of the members of the board of directors of the Issuer (each such event being, a **Change of Control**); and
- (b) on the date (the **Relevant Announcement Date**) that is the earlier of (i) the date of the earliest Potential Change of Control Announcement (as defined below) (if any) and (ii) the date of the first public announcement of the relevant Change of Control:
  - (i) the Issuer has been assigned an investment grade credit rating (*Baa3/BBB-/BBB-, or equivalent, or better*) (an **Investment Grade Rating**) from one or more Rating Agencies and, within the Change of Control Period, such Rating Agency downgrades its rating of the Issuer to a non-investment grade credit rating (*Ba1/BB+/BB+ or equivalent, or worse*) or withdraws its rating of the Issuer and such rating is not within the Change of Control Period restored to an Investment Grade Rating by one or more such Rating Agency or replaced by an Investment Grade Rating of another Rating Agency; or

- (ii) the Issuer is not assigned an Investment Grade Rating from at least one Rating Agency and the Issuer is not able to acquire and maintain thereafter an Investment Grade Rating during the Change of Control Period from at least one Rating Agency; and
- (c) in making the relevant decision to downgrade or withdraw a credit rating pursuant to paragraph (ii) above or to decline to confer an Investment Grade Rating, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Potential Change of Control Announcement. Upon receipt by the Issuer or the Trustee of any such written confirmation, the Issuer shall forthwith give notice of such written confirmation to the Noteholders in accordance with Condition 14 (Notices).

If the rating designations employed by S&P, Moody's or Fitch are changed from those which are described in paragraph (b) of the definition of **Change of Control Put Event** above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of S&P, Moody's or Fitch or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of S&P, Moody's or Fitch and this Condition 7.6 shall be construed accordingly.

**Change of Control Period** means the period commencing on the Relevant Announcement Date and ending 180 days after the Change of Control (or such longer period for which the Issuer is under consideration (such consideration having been announced publicly within the period ending 180 days after the Change of Control)) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 180 days after the public announcement of such consideration;

**Change of Control Put Period** means the period from, and including, the date of a Change of Control Put Event Notice to, but excluding, the 30th day following the date of the Change of Control Put Event Notice or, if earlier, the eighth day immediately preceding the Maturity Date;

**Fitch** means Fitch Ratings Limited;

**Moody's** means Moody's Investors Services Limited;

**Potential Change of Control Announcement** means any public announcement or statement by or on behalf of the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs; and

**Rating Agency** means S&P, Moody's or Fitch or any of their respective successors or any other rating agency (a **Substitute Rating Agency**) of equivalent international standing specified by the Issuer from time to time and approved by the Trustee in writing; and

**S&P** means S&P Global Ratings Europe Limited.

## 7.7 Clean-Up Call

If Clean-up Call is specified as being applicable in the applicable Final Terms, in the event that 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to Conditions 7.5 (Redemption at the option of the Noteholders (Investor Put)) and/or 7.6 (Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)) or purchased and cancelled, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 14 (Notices), redeem or, at the Issuer's option, purchase (or procure the purchase of) all but not some only of, the Notes then outstanding at their principal amount together with interest accrued to but excluding the date of such redemption. The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption.

## 7.8 Early Redemption Amounts

For the purpose of Condition 7.2 (Redemption for tax reasons) and Condition 10 (Events of Default and Enforcement):

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount as specified in the applicable Final Terms; or
- (b) each Zero Coupon Note will be redeemed at its Early Redemption Amount being an amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield (as specified in the applicable Final Terms) expressed as a decimal; and

**y** is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

## 7.9 Purchases

The Issuer, or any Subsidiary of the Issuer may at any time purchase Notes (**provided that**, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

## 7.10 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.9 (Purchases) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

## 7.11 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1 (Redemption at maturity), 7.2 (Redemption for tax reasons), 7.3 (Redemption at the option of the Issuer (Issuer Call)), 7.4 (Redemption at the option of the Issuer (Issuer Par Call)), 7.5 (Redemption at the option of the Noteholders (Investor Put)), 7.6 (Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)) or 7.7 (Clean-up Call) above or upon its becoming due and repayable as provided in Condition 10 (Events of Default and Enforcement) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall

be the amount calculated as provided in Condition 7.8(b) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Trustee or the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14 (Notices).

## 8. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in the Republic of Finland; or
- (b) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6 (Payment Day)).

As used in these Conditions:

- (d) **Tax Jurisdiction** means the Republic of Finland (or any political subdivision or any authority thereof or therein having power to tax) or any other jurisdiction (or any political subdivision or any authority thereof or therein having power to tax) to which payments made by the Issuer of principal and interest on the Notes become generally subject; and
- (e) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (Notices).

## 9. PRESCRIPTION

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (Taxation)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 9 or Condition 6.2 (Presentation of definitive Bearer Notes and Coupons) or any Talon which would be void pursuant to Condition 6.2 (Presentation of definitive Bearer Notes and Coupons).

## 10. EVENTS OF DEFAULT AND ENFORCEMENT

### 10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs 10.1(b) to 10.1(d) (other than the winding up or dissolution of the Issuer) and 10.1(f) to (h) inclusive below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) occurs and is continuing:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues unremedied for the period of 30 days after the service by the Trustee on the Issuer of written notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Subsidiaries becomes capable of being declared due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (as extended by any originally applicable grace period); (iii) any security given by the Issuer or any of its Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any of its Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; **provided that** no event described in this subparagraph 10.1(c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least 1 per cent. of the Consolidated Total Assets; or
- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Material Subsidiaries, save for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution; or
- (e) if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business or any of its Material Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of any reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution, or the Issuer or any of its Material Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (i) proceedings are initiated against the Issuer or any of its Material Subsidiaries under any applicable liquidation (*selvitystila*), bankruptcy (*konkurssi*), composition, reorganisation (*yrittysaneeraus*) or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Material Subsidiaries or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or any part of the undertaking or assets of any of them, or a distress, execution, attachment,

sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of any of them and (ii) in any case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 30 days; or

- (g) if the Issuer or any of its Material Subsidiaries (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (h) if any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in paragraphs (d) to (g) above.

## 10.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes and/or the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed (i) fails so to do within 60 days, or (ii) is unable for any reason to do so and the failure or inability shall be continuing.

## 10.3 Definitions

For the purposes of the Conditions:

**Material Subsidiary** means, at any particular time, a Subsidiary of the Issuer:

- (a) whose total assets or total revenues (where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets or total consolidated revenues) attributable to the Issuer represent not less than 5 per cent. of the total consolidated assets or total consolidated revenues of the Issuer, all as calculated by reference to the then latest audited accounts (or consolidated accounts, as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its consolidated Subsidiaries; or
- (b) to which is transferred all or substantially all of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Material Subsidiary; all as more particularly defined in the Trust Deed; and

**Indebtedness for Borrowed Money** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any borrowed money or any liability under or in respect of any acceptance or acceptance credit or any notes, bonds, debentures, debenture stock, loan stock or other securities.

## 11. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may

reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## 12. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, **provided that:**

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5 (General provisions applicable to payments). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14 (Notices).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## 13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9 (Prescription).

## 14. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after

mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any holder of Notes shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **15. SUBSTITUTION**

The Trustee may, without the consent of the Noteholders or Couponholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition 15) as the principal debtor under the Notes, the Coupons and the Trust Deed of any company being a Subsidiary of the Issuer, subject to:

- (i) the Notes being unconditionally and irrevocably guaranteed by the Issuer;
- (ii) the Trustee being satisfied that the substitution is not materially prejudicial to the interests of the Noteholders; and
- (iii) certain other conditions set out in the Trust Deed being complied with.

## **16. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION**

### **16.1 Meetings of Noteholders**

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one

or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (a) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (b) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (c) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

## **16.2 Modification, Waiver, Authorisation and Determination**

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (**provided that**, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven.

In addition, the Trustee shall be obliged to use its reasonable endeavours to effect any Benchmark Amendments in the circumstances otherwise set out in Condition 5.2(f) without any requirement for consent or approval of the Noteholders or Couponholders.

## **16.3 Trustee to have Regard to Interests of Noteholders as a Class**

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 (Taxation) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 (Taxation) pursuant to the Trust Deed.

## **16.4 Notification to the Noteholders**

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any modification or substitution shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14 (Notices).

## **17. INDEMNIFICATION AND PROTECTION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER**

### **17.1 Indemnification and protection of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Noteholders and the Couponholders, including (a) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its

satisfaction and (b) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security. The Trustee may rely without liability to the Noteholders or Couponholders on a report, confirmation or certificate or opinion or any advice of any accountants, financial advisers, financial institution or other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, opinion, confirmation or certificate or advice and such report, opinion, confirmation, or certificate or advice shall be binding on the Issuer, the Trustee, the Noteholders and the Couponholders.

### **17.2 Trustee Contracting with the Issuer**

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia, (a) to enter into business transactions with the Issuer, and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

### **17.3 Trustee Actions**

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

## **18. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **20. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **20.1 Governing law**

The Trust Deed, the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons are governed by, and construed in accordance with, English law.

## **20.2 Submission to jurisdiction**

- (a) Subject to Condition 20.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 20.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

## **20.3 Appointment of Process Agent**

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of such agent being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

## **20.4 Other documents**

The Issuer has in the Trust Deed and Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## USE OF PROCEEDS

The net proceeds from each issue of Notes will, unless otherwise specified in the applicable Final Terms, be applied by the Issuer as follows:

- (a) where "General Corporate Purposes" is specified in the applicable Final Terms, for its general corporate purposes (which may include refinancing of existing indebtedness); or
- (b) where "Green Bonds" is specified in the applicable Final Terms, the net proceeds will be used to finance or refinance, in whole or in part, investments undertaken by the Issuer or its subsidiaries that promote the transition towards a low-carbon and environmentally sustainable economy (the **Green Projects**), in each case as determined by the Issuer in accordance with the Green Project categories defined in section 4 of its green finance framework (the **Green Framework**), as available from time to time on the Issuer's website at <https://kojamo.fi/greenfinancing>.

Net proceeds of "Green Bonds" will not be allocated to projects involving the production of fossil or nuclear energy, weapons and defence, potentially environmentally harmful resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco.

The Issuer has established a Green Finance Committee to monitor the Issuer's compliance with the Green Framework and to oversee the evaluation and selection of eligible Green Projects. The Green Finance Committee is also responsible for preparing an annual report for investors, the Green Impact Report, describing the allocation of proceeds and the environmental impact of the Green Projects. Additionally, an independent assurance provider will verify the Issuer's selection process for the financing of Green Projects annually and confirm whether such processes are in accordance with the Green Framework. The Green Impact Reports and the auditor's verification reports will be published on the Issuer's website at the address above.

CICERO Shades of Green AS (an independent provider of research-based evaluations of green financing frameworks to determine their environmental robustness) has evaluated the Green Framework and issued a second-party opinion on the Green Framework verifying its credibility, impact and alignment with the ICMA Green Bond Principles 2018 and the Green Loan Principles published by the European Loan Market Association (LMA). The second-party opinion is available on the Issuer's website at the address above.

The Issuer strives to monitor the development of the sustainability bond and green bond markets to continually advance the sustainable terms of its Green Framework. Accordingly, the Green Framework may be updated from time to time to reflect current market practices. The amended Green Framework would be subject to the relevant internal and external review processes, as described above, and a new second-party opinion on the Green Framework would be obtained in connection with any such amendment. Noteholders would not be entitled to vote on such cases. Any amendments to the Green Framework will be published and will be available on the Issuer's website at the address above.

## INFORMATION ABOUT THE ISSUER

### General

Kojamo is the largest private residential real estate company in Finland measured by fair value of investment properties.<sup>9</sup> It offers rental apartments and housing services for tenants primarily in the Finnish Growth Centres. As at 31 December 2020, Kojamo's portfolio comprised 35,802 rental apartments offering a wide range of rental housing alternatives. The fair value of Kojamo's investment properties<sup>10</sup> was EUR 6.9 billion as at 31 December 2020.

During the financial years 2019 and 2020, Kojamo's investments in new developments and acquisitions of properties were EUR 259.9 million and EUR 371.2 million, respectively. In line with its strategy, Kojamo has concentrated its portfolio focus on the Finnish Growth Centres, as illustrated by property acquisitions and divestments in 2019 and 2020. During the financial years 2019 and 2020, Kojamo acquired 260 and 71 apartments, respectively, in the Finnish Growth Centres. In addition, during the financial years 2019 and 2020, Kojamo sold 520 and 18 apartments located outside the Finnish Growth Centres. Measured by fair value, 98.8 per cent. of Kojamo's rental apartments are situated in the Finnish Growth Centres, 87.7 per cent. in the Helsinki, Tampere and Turku regions and 73.8 per cent. in the Helsinki region.<sup>11</sup>

Kojamo's aim is to create a superior customer-service experience for its customers. Its Lumo apartments offer a variety of services such as free broadband connection, Lumo-lounges, a car sharing service in partnership with 24Rent and Lumo Caretakers with Lassila & Tikanoja, wellness coach services with Raatamo and Fysios and a SmartPost parcel service in partnership with Posti Group Corporation. Kojamo's resident co-operation model gives residents an opportunity to influence the development of housing and the Lumo services. Kojamo has invested significantly in digitalisation and the servitisation of urban living. The Lumo webstore enables customers to rent a suitable apartment online by paying the first month's rent and then move into the new apartment as soon as the following day, and the My Lumo mobile application enables Kojamo's customers to use various services and pay their rent using a mobile device.

### Market Overview

As Kojamo operates in the residential real estate sector, it is particularly affected by the broader situation in the residential property market and developments in Finnish Growth Centres. Kojamo's operations are also affected by macroeconomic factors, such as economic growth, employment, disposable income, inflation, regional population growth and household sizes.

The Finnish Ministry of Finance forecasts that the global economy will recover from the deep slump caused by the COVID-19 pandemic during the latter half of 2021. In Finland, economic growth is expected to be slow during the early part of the year, but growth is set to gradually accelerate as the pandemic eases up. Service consumption is expected to recover more slowly as consumer confidence strengthens gradually. The growth of private investments is expected to remain weak in the early part of 2021 due to the uncertainty caused by the pandemic.

These forecasts are based on the assumption that the incidence of COVID-19 cases will be pushed to a low level through the implementation of strict restrictions. The roll-out of vaccinations during the spring will lead to the

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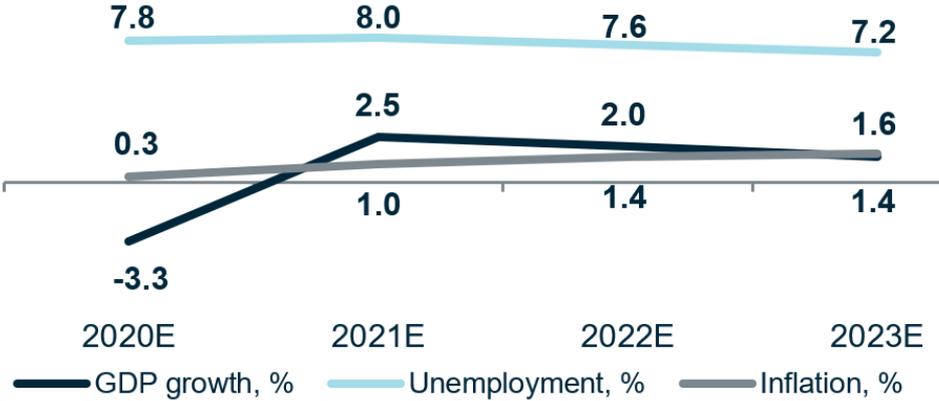
<sup>9</sup> KTI Property Information Ltd: The Finnish property market 2020. Investment properties include apartments, ongoing projects, land plots owned by Kojamo and ownership of certain assets through shares such as parking spaces. Fair value represents the fair value of investment properties and includes investment properties classified as non-current assets held for sale.

<sup>10</sup> Includes investment properties classified as non-current assets held for sale.

<sup>11</sup> By fair value of rental apartments as at 31 December 2020.

gradual return to normalcy in society.<sup>12</sup> The following chart sets out certain key figures regarding Kojamo’s macroeconomic business environment 2020-2023:

**Figure 1: Business environment key figures**



All figures are estimates.

Source: Ministry of Finance, Economic Survey, Winter 2020

Kojamo’s business operations are affected by the situation in the residential property market. According to a business survey by the Confederation of Finnish Construction Industries RT, the decrease in the number of residential start-ups in 2020 was less than anticipated as a result of the onset of the COVID-19 pandemic. The large number of projects launched before the crisis, construction sites remaining open and the wide-ranging stimulus measures implemented throughout the economy all supported construction during the year. Nevertheless, residential construction is slowing down, especially outside of the Helsinki Metropolitan Area, by the lower availability of financing and the continuing economic uncertainty. The number of building permits for residential construction has seen a strong declining trend for an extended period of time, with residential production expected to amount to less than 31,000 apartments in 2021, which is lower than the annual need for new apartments.

Housing sales recovered quickly from the brief decline seen in the spring of 2020, and the prices of apartments have not decreased due to the COVID-19 crisis. Investor demand is expected to remain unchanged and the growth in the supply of rental apartments will continue in the Finnish Growth Centres.<sup>13</sup>

<sup>12</sup> Ministry of Finance. Economic Survey, Winter 2020. Publications of the Ministry of Finance 2020:86.

<sup>13</sup> Confederation of Finnish Construction Industries, business survey November 2020.

The following table sets forth information regarding industry operating environment 2020-2021:

<b>INDUSTRY KEY FIGURES</b>	<b>2021e</b>	<b>2020e</b>
Residential start-ups, units	31,000	35,000
Building permits granted, annual, units <sup>1</sup>	n/a	37,372
Construction costs, change, %	0.5	0.3
Prices of old apartments in the whole country, change, %	1.5	2.3
Prices of old apartments in the capital region, change, %	0.5-4.0	0.6-5.0
Rents of non-subsidised apartments in the whole country, change, %	1.4	1.0
Rents of non-subsidised apartments in the capital region, change, %	1.7-1.8	1.3

<sup>1</sup> Rolling 12 months, November 2020.

Sources: Confederation of Finnish Construction Industries, business survey November 2020; Statistics Finland, Building and dwelling production 2020, November; Nordea Economic Outlook 1/2021; Pellervo Economic Research PTT, Housing market 2021 forecast.

According to KTI Property Information, the growth of large cities has supported the demand for rental apartments, and the pandemic is not expected to lead to significant changes in this trend. The rental apartment market has been characterised by the increasing share of smaller apartments in the supply, which has been supported by the decreasing average size of households as well as demand being concentrated in key locations. Another aspect of this trend is that people increasingly use the shared urban space as an extension of their home. As a consequence of the COVID-19 pandemic, the use of public spaces is now seen in a new light and the significance of the home and outdoor areas has increased. Nevertheless, it appears that the crisis will not bring about major changes in the strong trend of urbanisation, and large cities still attract people.

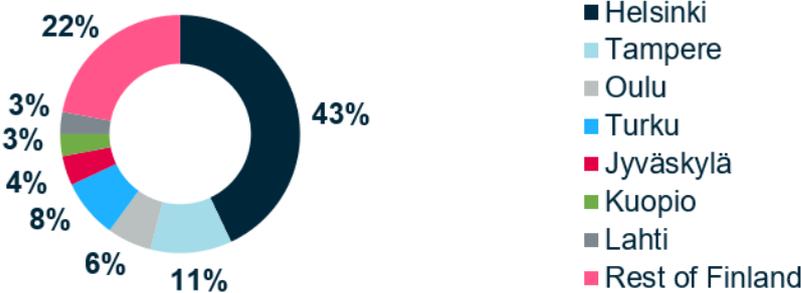
Households living in rental homes outnumber those living in owner-occupied housing in Helsinki, Tampere and Turku. The share of rental household-dwelling units has also increased in all of Finland's major urban areas. This is a strong sign of the acceleration of urbanisation on the one hand and the change in housing preferences on the other hand. For younger generations, owning a home is not as significant as it was for previous generations, particularly as owning a home is also no longer seen as the only way to accumulate wealth. Instead, people are increasingly attracted to the freedom provided by rental housing. This will support the development of the rental housing market long into the future.<sup>14</sup>

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<sup>14</sup> KTI: Koronakriisin vaikutukset kiinteistö- ja rakennusalaan (Finnish version only: The effects of the corona crisis on the real estate and construction sectors)

The following chart sets forth information regarding estimated housing production need in Finland 2020-2040:

**Figure 2: Housing production need 2020 – 2040**



Source: VTT, Need for housing 2020-2040.

The pandemic has exacerbated existing regional differences in house prices. For the most part, the housing market has survived well during the coronavirus pandemic, as can be seen from housing sales volumes. The development of prices and trade volumes has been mainly positive in those areas where price developments were strong even before the pandemic. With the exception of a few cities, price increases during the pandemic have mainly been limited to Finnish Growth Centres. According to Statistics Finland's preliminary data, in 2020 the nominal prices of existing blocks of flats rose by 2.1 per cent. Price development in Finnish Growth Centres is pushing up prices across the country. In Helsinki, prices increased by almost 5 per cent, and in Turku and Tampere by about 4 per cent. Price development was slower in Vantaa and Oulu, where prices were close to zero growth. In the regional centres of Lahti and Jyväskylä, the prices of apartment buildings fell by about 3 per cent, whereas in Kuopio prices noticeably rose. According to the forecast for 2021, prices will no longer grow at such a rapid pace, as people will have other consumption opportunities once the pandemic situation improves that were not possible during the pandemic. In Finnish Growth Centres, the prices of apartment buildings are rising at the pace of previous years. limited supply in Helsinki continues to keep prices high and in Tampere, prices are also growing rapidly due to, amongst other things, the completion of the tramway.<sup>15</sup>

The pandemic situation curbed the rise in rents. The developments in non-subsidised rents in the whole country in 2020 was similar to previous years. According to preliminary data, rents rose by 1.2 per cent in 2020. In Finnish Growth Centres, rental development was similar to 2019 and no large fluctuations were observed on a quarterly basis, with rental development in such centres being close to 1.5 per cent in 2020. The moderate development of rents means that the difference in price and rental development may increase in some cities. The improvement in the economic situation is reflected in the faster growth rate of non-subsidised rents in 2021.<sup>16</sup>

<sup>15</sup> Pellervo Economic Research PTT, Housing market 2021 forecast.

<sup>16</sup> Pellervo Economic Research PTT, Housing market 2021 forecast.

The following chart illustrates the effects of urbanisation in Finland:

Area	Population growth forecast	Share of rental household-dwelling units	
	2019-2030	2010	2019
Helsinki	11.7%	47.1%	49.3%
Capital region <sup>1</sup>	13.0%	41.9%	45.2%
Helsinki region <sup>2</sup>	10.5%	37.7%	41.1%
Jyväskylä	7.1%	40.2%	44.4%
Kuopio	2.9%	36.5%	40.2%
Lahti	0.3%	37.3%	40.9%
Oulu	7.3%	36.7%	41.5%
Tampere	11.7%	42.2%	48.8%
Turku	8.5%	43.0%	49.1%
Other areas	-6.4%	23.8%	25.5%

<sup>1</sup> Helsinki, Espoo, Kauniainen, Vantaa.

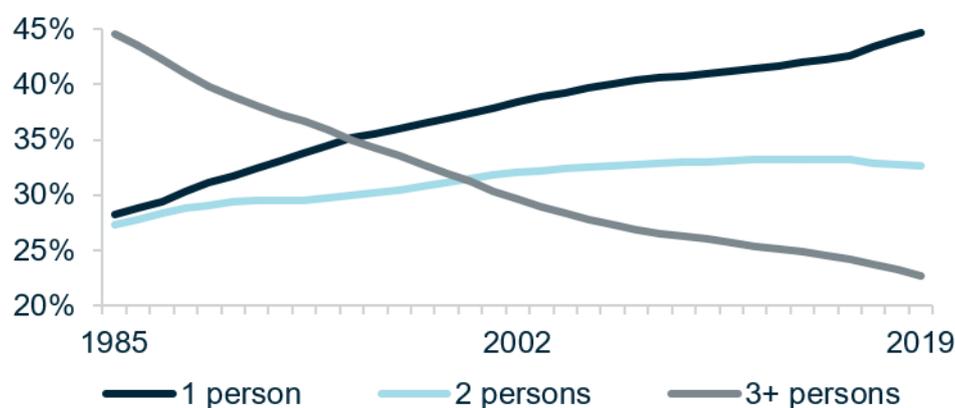
<sup>2</sup> Capital region, Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Mäntsälä, Nurmijärvi, Pornainen, Porvoo, Riihimäki, Sipoo, Tuusula, Vihti.

Sources: Statistics Finland, Dwellings and Housing Conditions 2019, Population forecast 2019.

In addition to urbanisation, Kojamo's management believes that Kojamo can benefit from the increasing popularity of rental living and decreasing household sizes.

The following chart sets forth information regarding development of household sizes in Finland 1985-2019:

**Figure 3: Development of household sizes**



Source: Development of household sizes and rental household-dwelling units: Statistics Finland, Dwellings and housing conditions 2019.

## History

Kojamo was established as a co-operative under the name of Valtakunnallinen vuokratalo-osuuskunta, VVO and registered in the Finnish Trade Register on 9 May 1969 to provide safe rental housing and alleviate the shortage of housing for people in Finland who were migrating to the cities.

The Group's first three rental properties in Malminiitty, Vantaa, were completed in 1970. By the end of the 1970s, Kojamo operated in 28 municipalities and the number of rental apartments exceeded 5,000. By the end of the 1980s, Kojamo had increased its property portfolio of rental apartments to almost 9,700 rental apartments in 30 municipalities.

During the 1990s, Kojamo's property portfolio grew from 10,000 to more than 35,000 apartments in 60 municipalities. Kojamo was converted from a co-operative into a limited liability company in 1997. The first VVO Home Centres (currently Lumo Home centres) were launched in 1995. These centres focus on serving Kojamo's customers in all matters relating to renting an apartment and housing management. Kojamo also started constructing and offering owner-occupied apartments during the 1990s. However, this part of the business was eventually discontinued in 2009.

During the 2000s, Kojamo achieved its position as one of Finland's largest nation-wide owners of residential properties.<sup>17</sup> In 2001, the Issuer was converted into a public limited company.

In 2012, Kojamo renewed its strategy, focusing on commercial operations. In September 2014, Kojamo launched a new brand which was built around commercial housing services: Lumo, "rental housing at its best", with the aim to facilitate apartment rental by offering a range of auxiliary services to the renting and housing process, such as an easy rental process through the Lumo webstore, an in-house contact centre, an online service portal and broadband connection included in the rent.

During the first half of 2016, Kojamo sold 8,571 state-subsidised ARA rental apartments to Kiinteistö Oy M2-Kodit. In July 2016, Lumo Kodit Oy acquired ICECAPITAL Housing Fund II which then owned 2,274 market-based rental apartments, primarily located in Helsinki, Espoo, Vantaa and Tampere. Going forward, Kojamo will focus on the Finnish Growth Centres; the Helsinki region, the Tampere, Turku, Kuopio and Lahti regions as well as cities of Oulu and Jyväskylä. This strategic focus has resulted in a decreasing number of municipalities where Kojamo is present.

During 2016, Kojamo underwent a strategic transformation including revision of its strategic policies identifying changes in Kojamo's operating environment. As a result of this strategic transformation, the 2017 Annual General Meeting of Kojamo decided to change the name of the group from VVO Group plc to Kojamo plc in March 2017.

During the last few years, Kojamo has focused on diversifying its funding sources. In 2017, Kojamo received a Baa2 rating with a stable outlook from Moody's. Kojamo has financed its growth, among other things, by operative cash flow and by using debt, with increasing focus on issuing bonds. Kojamo issued secured and unsecured notes in 2013, 2016, 2017, 2018 and 2020.

In 2018, Kojamo was listed on the official list of Nasdaq Helsinki Ltd. The trading in Kojamo plc's shares commenced on the pre-list of Nasdaq Helsinki on 15 June 2018 and on the official list on 19 June 2018.

## **General Corporate Information**

The business name of the Issuer is Kojamo plc (formerly known as VVO Group plc, until 30 March 2017) and it is domiciled in Helsinki, Finland. The Issuer is a public limited liability company organised under the Finnish Limited Liability Companies Act, and registered under business identity code 0116336-2. The Issuer's legal entity identifier code (LEI) is 7437007YPUOQZ8OV1R42. Its registered address is Mannerheimintie 168, FI-00300 Helsinki, Finland, and its telephone number is +358 20 508 3300. The Issuer's website is [www.kojamo.fi/en/](http://www.kojamo.fi/en/). Unless specifically incorporated by reference into this Base Prospectus, the information contained on the website does not form part of this Base Prospectus.

According to the Articles of Association of the Issuer, the Issuer's line of business is providing housing services and other related business operations. The Issuer engages, either by itself or through its subsidiaries or affiliates, in renting apartments and business premises, partial ownership apartments, as well as transferring tenures of right-of-occupancy apartments. The Issuer, its subsidiary or affiliate may also engage in building management and other building management related services, provide construction services and pursue development of owner-occupied dwellings. For its operations, the Issuer, its subsidiary or affiliate acquires through ownership or lease land areas suitable for construction and constructs residential buildings on them, as well owns and manages them. The Issuer acts as a parent company of the group by supervising and directing its subsidiaries and providing them with

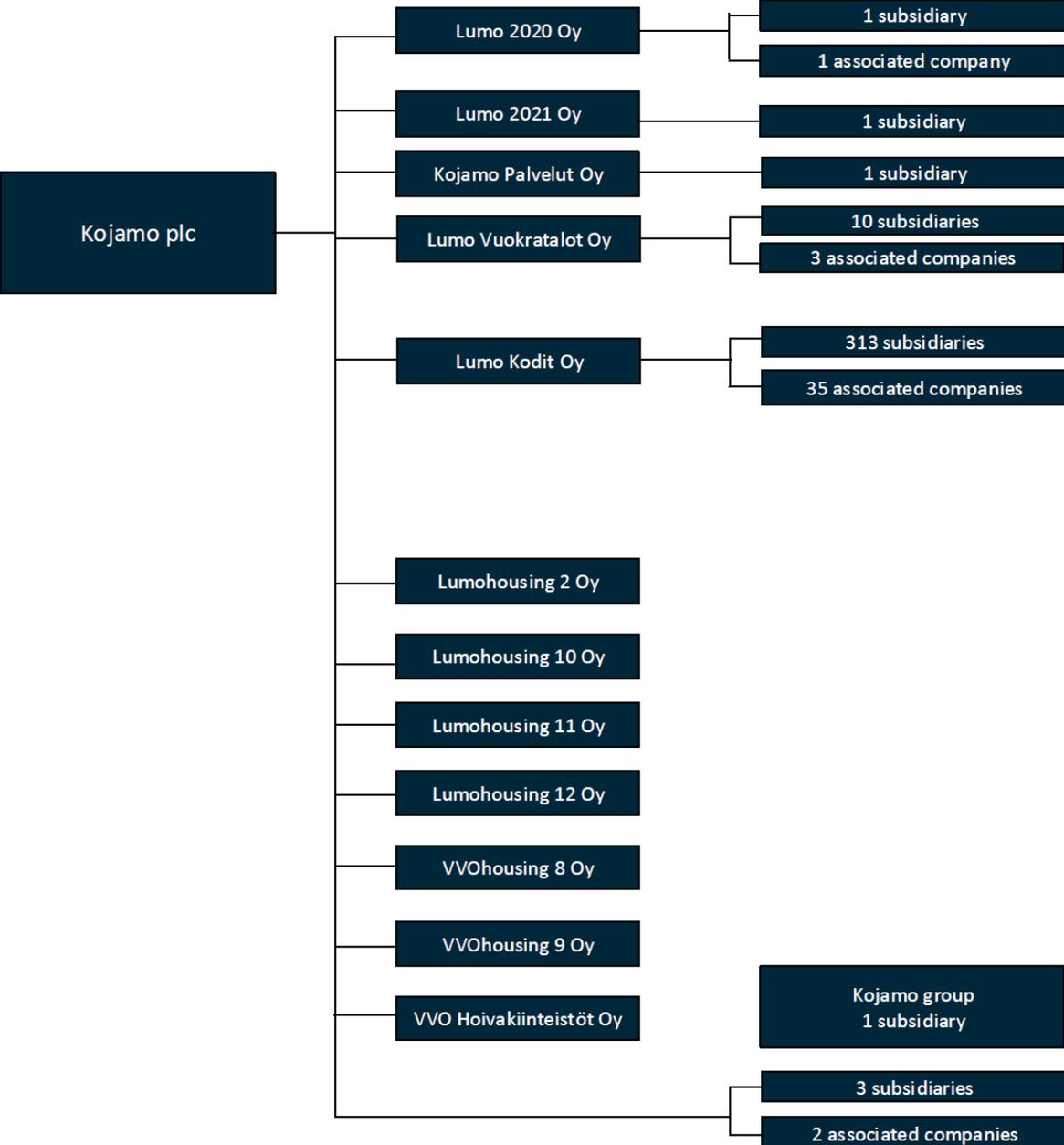
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<sup>17</sup> KTI Property Information Ltd: The Finnish property market 2017.

financial and other services. The Issuer may own securities and real estates as well as trade in securities. In addition, the Issuer acts as a housing policy influencer.

**Group Legal Structure**

As at 31 December 2020, Kojamo Group consisted of Kojamo plc, the parent company, and 342 subsidiaries. 325 subsidiaries were wholly-owned and 17 subsidiaries were majority-owned. In addition, there were 38 associated companies of which Kojamo directly or indirectly owned between 20 and 50 per cent. All of Kojamo’s subsidiaries are incorporated in Finland. The following chart sets out a simplified legal structure of Kojamo Group as at the date of this Base Prospectus:



Kojamo is a holding company and its material assets are its shareholdings in its subsidiaries. Other than the receivables under intercompany loans and any other proceeds from loans made in connection with other financing transactions, Kojamo largely depends on distribution of dividends, group contribution and other payments from its subsidiaries which generate operating cash flow from rental apartments and housing services, and from the profitability and cash flow of its subsidiaries.

### **Mission, Vision and Values**

Kojamo's vision is to be the property market frontrunner and the number one choice for customers who value better urban housing. Kojamo's mission is to create better urban housing through a modern property portfolio and through offering best customer experience with its service offering, aiming to respond to changing customer expectations. Kojamo's operations are guided by the following values: happy to serve, strive for success and courage to change.

### **Strategy**

The Board of Directors of Kojamo completed its strategy process in 2019. No significant changes were made to the strategy but the strategy period was extended to 2023 and Kojamo's strategic focal points and targets were specified further. Kojamo aims to invest heavily in increasing its housing supply by developing new properties, buying existing properties and converting existing properties, such as office buildings, to residential use. Kojamo's management believes that urbanisation and migration to Finnish Growth Centres provides the Group with good growth opportunities in the Finnish rental housing market.

The following table sets forth the strategic goals of Kojamo for the period of 2020-2023:

<b>Strategic goals 2020-2023</b>	<b>Target</b>
Annual growth of total revenue, %	4-5
Annual investments, M€	200-400
Funds from Operations (FFO) / total revenue, %	> 36
Loan to Value (LTV), %	< 50
Equity ratio, %	> 40
Net Promoter Score (NPS)	40

The strategic focal points of Kojamo for the period of 2020-2023 are the following:

#### ***Delivering the Best Customer Experience***

Kojamo's vision is to be a pioneer in housing and the number one choice for its customers. Kojamo's aim is to offer the best customer experience in Finland by offering a range of different housing solutions and services. Kojamo wants to be a forerunner in the digital transformation of the housing industry in Finland and foster a sense of community among its residents. Kojamo believes that digital solutions offer unique opportunities to improve customer experience. Kojamo made a significant leap forward in its service development by making the My Lumo mobile application available to all of its residents at the end of March 2019. The application allows users to, for example, pay rent, send fault reports and monitor the progress of resolving the issues in real time or reserve common club or working spaces. In addition, depending on where they live, Lumo tenants have access to many services that make everyday life easier, such as services related to moving, shared cars and the Smartpost parcel service.

#### ***Strong Growth***

Kojamo is seeking profitable growth with multichannel approach and optimised financing structure. Kojamo is focused on developing rental living and housing services in the Finnish Growth Centres, and actively develops the value and number of investment properties by developing new properties as well as by modernising, buying and selling existing properties.

### ***Operational Excellence***

Kojamo aims to create competitiveness and profitability through industry-leading operating models. Kojamo aims to innovate and continuously improve its operations.

### ***Responsibility and Sustainable Development***

Corporate responsibility and sustainable development represent one of Kojamo's strategic focus areas, with corporate responsibility being reflected in Kojamo's mission to create better urban housing and sustainability being integral to Kojamo's operations and corporate culture. Sustainability is part of Kojamo's DNA and it plays an important role in the work of everyone at Kojamo. This is reflected on various levels of Kojamo's operations, including business operations, working conditions and customer interfacing. Kojamo emphasises responsibility towards customers and its obligations as a contractor, as well as clear communication to Kojamo's shareholders about corporate and social responsibility efforts and their progress. Kojamo is committed to developing new and modern construction solutions, housing services and ecological innovations related to energy-efficient housing solutions. Kojamo operates openly and responsibly and requires its suppliers and partners to do the same.

### ***The Most Competent Personnel and a Dynamic Place to Work***

Kojamo develops its corporate culture and the skills and competences of its personnel to support the implementation of its strategy. In addition, Kojamo strives to commit its entire personnel to its objectives with the help of its remuneration and incentive plan. As Kojamo's strategy changes, the way of working must also change. It is a priority for Kojamo to ensure future competitiveness through competence development and to deliver an employee experience that attracts the best talent in the industry. At Kojamo, the concept of well-being at work consists of five areas that are subject to continuous development: meaningful work, work ability, the workplace community, competence and leadership.

### ***Renewal through Digital Solutions***

Kojamo aims to improve the business and create added value to the customers by taking advantage of solutions enabled by digitalisation. The digital transformation presents Kojamo with opportunities to enhance and develop its operations, which is reflected in its ability to provide better service for its customers. Kojamo's aim is to create user-friendly and convenient services for its customers along with new value-added services, utilise technology in housing and property maintenance and implement solutions that make Kojamo's operations more efficient. In addition, Kojamo has launched a service and innovation platform for co-creation with its partners and customers. The platform enables opening interfaces to different operators' data and piloting and developing versatile housing services.

#### ***Digital roadmap***

In the early summer of 2020, Kojamo completed its Digital Roadmap 2023, which sets out development actions that support the execution of Kojamo's strategy. Kojamo is recognised as a pioneer in the use of a webstore in the rental housing market. Going forward, Kojamo will aim to strengthen its position through the digital transformation of the urban housing experience and the provision of services throughout each customer's path with Kojamo. Kojamo will support these efforts by using NPS as an indicator of the customer experience and will take advantage of technology in order to revise its operating models to achieve operational excellence. The employee experience will be included in Kojamo's performance indicators in this area.

### ***Competitive Strengths***

#### ***Focused Business and Differentiated Business Model in the Highly Attractive Finnish Market***

Kojamo's management believes that Kojamo is well positioned to benefit from the growing demand for apartments, generated by urbanisation. In addition, Kojamo's management believes that Kojamo can benefit from the increasing popularity of rental living and decreasing household sizes. Measured at fair value, 98.8 per cent. of Kojamo's housing stock is located in the Finnish Growth Centres. As a result of Kojamo's focused strategy, high-

quality housing stock and Lumo brand, Kojamo's management believes that Kojamo can benefit from the current trends and the development of rent levels.

### ***High Quality Portfolio***

Kojamo's strategy is to focus on the Finnish Growth Centres and high-quality rental apartments, marketed under the Lumo brand. As at 31 December 2020, these comprised more than 99 per cent. of Kojamo's apartments. As at 31 December 2020, the average age of Kojamo's apartment buildings was 33.5 years. For the financial year ended 31 December 2020, the financial occupancy rate of Kojamo's apartments was 96.4 per cent. and the net rental income was 67.1 per cent. of revenue.

### ***Strong Track Record of Organic Growth and Acquisitions along with a Robust Development Pipeline***

Kojamo has successfully made investments in line with its strategy in spite of the competitive market. Kojamo has developed its property portfolio in accordance with its strategy by building new Lumo apartments, converting buildings that have been used for other purposes into apartments, renovating older housing stock and acquiring properties. Kojamo's management believes that Kojamo's strategy is supported by the trend of urbanisation, which creates demand for new apartments and provides a foundation for Kojamo's profitable growth. One of the objectives of Kojamo's strategy, extending to year 2023, is to grow the portfolio by investing EUR 200-400 million a year through a combination of new construction and acquisitions. As at 31 December 2020, the number of apartments owned by Kojamo totalled 35,802 and 2,624 apartments were under construction.

### ***Experienced and Skilful Management Team and Competent and Committed Personnel***

Kojamo's Management Team has a significant background in rental and real estate business and a strong track record of shifting portfolio focus towards the Finnish Growth Centres, changing Kojamo's financing structure and developing the corporate culture to be more agile and customer oriented. The members of Kojamo's Management Team are experts in their respective fields of expertise and have over 150 years of combined relevant work experience.

In addition, Kojamo has a team of experienced property professionals. Work satisfaction has been high at Kojamo and Kojamo strives to continue to be an attractive employer and maintain its high employee satisfaction also in the future.

### ***Innovative, Value-add Operating Platform***

Kojamo focuses on creating excellent customer experience, which comes from versatile living solutions, easy contacting and fluent digital services. Kojamo's apartments are located close to good transport connections and services. Kojamo develops new living services and solutions together with its tenants and partners. By offering its capabilities to a service and innovation platform Kojamo promotes the servitisation of urban living.

### ***Attractive Yield with Sustainable Growth Backed by a Strong and Well-Run Balance Sheet***

Kojamo's management believes that the combination of Kojamo's property portfolio's growth target and yield potential makes Kojamo an attractive investment target. Yield potential is created by net asset growth and stable cash flow. Kojamo strives to further increase total yield by carefully selecting its development projects and by acquiring apartments that fit its strategy and by selling the apartments that do not. Kojamo offers access to Finland's attractive residential real estate market that historically has produced stable cash flow from rents linked to the consumer price index. A strong and well-run balance sheet helps to secure diversified financing to support growth.

## **Business Overview**

Kojamo is the largest private residential real estate company in Finland measured by fair value of investment properties.<sup>18</sup> Kojamo's Lumo brand accounts for the commercial housing services of Kojamo, representing more than 99 per cent. of Kojamo's apartments, whereas the VVO brand (formerly VVO State-subsidised) represents the non-commercial housing services, with less than 1 per cent. of Kojamo's apartments.

Kojamo had total revenue of EUR 383.9 million for the financial year ended 31 December 2020 (EUR 375.3 million for the financial year ended 31 December 2019). Total revenue is generated entirely by income from rental operations. Total revenue increased mainly due to the completion of rental apartments in 2019 and 2020 as well as the Like-for-Like (LfL) growth of rental income. Kojamo's Like-for-Like rental income growth rate percentage was 1.2 for the financial year ended 31 December 2020 (2.7 for the financial year ended 31 December 2019).<sup>19</sup>

Kojamo Group's net rental income totalled EUR 257.6 million in 2020 (EUR 247.3 million in 2019), representing in 2020 67.1 per cent. of revenue (65.9 per cent. in 2019). The increase in net rental income was mainly due to the completion of rental apartments in 2019 and 2020 as well as the Like-for-Like (LfL) growth of rental income.

Kojamo Group's profit before taxes amounted to EUR 391.2 million in 2020 (EUR 1,031.3 million in 2019). This includes EUR 225.8 million in net valuation gain on the fair value assessment of investment properties in 2020 (EUR 872.4 million in 2019) and an aggregate of EUR -0.7 million in profits and losses from the sale of investment properties in 2020 (EUR 0.1 million in 2019). During the comparison period, the Group adopted a yield-based valuation technique, which had a positive effect of approximately EUR 800 million on the fair value of investment properties in the comparison period. Profit before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 6.6 million.

In general, Kojamo Group's profitability has been driven by changes in the fair value of investment properties, low financial expenses, a good financial occupancy rate and the successful management of maintenance costs. The aggregate amount of financial income and expenses totalled EUR -55.3 million in 2020 (EUR -50.8 million in 2019). Financial income and expenses were higher in 2020 compared to 2019 due to increase in the amount of interest-bearing liabilities.

Funds from Operations (FFO) amounted to EUR 151.5 million (EUR 140.7 million in 2019). The increase in FFO during 2020 was attributable to the improvement in net rental income during the financial year as well as current taxes being lower than in the comparison period.

### ***Lumo Brand***

The Lumo brand was first introduced in 2014 and as at 31 December 2020, the number of Lumo apartments was 35,476 constituting approximately 99 per cent. of the total number of apartments in Kojamo's property portfolio. All property investments in recent years have been made under the Lumo brand.

Kojamo develops better urban housing and turns housing into easy and effortless living experience with Lumo services, making use of technology and digitalisation. The Lumo service concepts are designed to be distinguishable from general rental market practices, in particular by utilising the sharing economy and communality trends in services such as car sharing service and common spaces for the tenants. Kojamo believes that constant development of services connected to housing and digitalisation and the potential offered by smart homes has the potential to improve the comfort of living and customer experience. In 2015, Kojamo launched the Lumo webstore which enables customers to rent an available apartment from Kojamo's property portfolio directly from the online service without the need to fill an application or to be subjected to a tenant selection process. With

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<sup>18</sup> KTI Property Information Ltd: The Finnish property market 2020. Investment properties include apartments, ongoing projects, land plots owned by Kojamo and ownership of certain assets through shares like parking spaces. Fair value represents the fair value of investment properties and includes investment properties classified as non-current assets held for sale.

<sup>19</sup> Like-for-Like growth rate is calculated as change of rental income for properties owned for two consecutive years in the past 12 months compared to the previous 12-month period.

its service concepts and digital platform, Lumo represents a modern way of operating urban rental living. At the end of 2018, Kojamo expanded its existing digital services offering by introducing the My Lumo application that enables residents to order services and pay their rent using a mobile device.

Kojamo aims to provide with its Lumo brand the best comprehensive housing customer experience. The realisation of this target is measured with brand and customer satisfaction studies. In management's view, Kojamo's housing customer experience and especially the Lumo webstore and the ease of renting through it form a customer experience that is differentiated from the other housing brands for consumers.

### *VVO Brand*

VVO is a customer brand of Kojamo offering good quality and reasonably priced rental apartments. As at 31 December 2020, the number of VVO apartments was 326 constituting approximately 1 per cent. of the total number of apartments in Kojamo's property portfolio. VVO apartments are subject to restrictions on rent levels under arava<sup>20</sup> and/or interest subsidy legislation. Kojamo's management expects restrictions on rent levels to end by 2021 and for all VVO apartments to become Lumo apartments over time.

### *Kojamo's Service Concepts*

#### *General*

Striving for the best customer experience and easy and effortless service drives Kojamo's operations. Kojamo aims to offer well-located attractive, tranquil apartments with useful housing-related services and open dialogue between the landlord and the tenant. Kojamo aims to act in a safe, reliable and responsible way as landlord. Kojamo believes that by focusing in improving tenant satisfaction Kojamo is also able to create shareholder value and optimise its financial occupancy rate. Kojamo continually seeks feedback from its customers to develop sustainable housing services according to their needs.

#### *Lumo Service Concepts*

Kojamo develops and offers a variety of services to its customers before and during the move as well as while living in Lumo apartments. Customers can either rent the apartment from the Lumo webstore or leave an application for an apartment online at the Lumo.fi website. Moreover, customers can familiarise themselves with the Kojamo Group's entire rental apartment offering online and, should they wish to do so, leave an application for apartments that match certain customer-defined criteria or to be waitlisted for a location that does not have available apartments at that time. Free moving boxes are offered when moving between Lumo apartments. Lumo service concept also offers paints and accessories to customers to make their home unique and suitable for their needs. Kojamo offers many services from key couriers to final cleaning up services for its tenants. Kojamo uses also external service providers to provide a positive customer experience to tenants.

Tenants of Lumo apartments have access to several services provided by Kojamo. Almost all Lumo apartments have a free 10 Mbit/s broadband connection. In addition, events such as concerts and visits to amusement parks are offered free of charge. Some of the Lumo buildings also have a free gym or customer lounge where the tenants of Lumo apartments can meet and arrange events.

#### *Lumo E-services, Lumo Webstore and My Lumo Applications*

Kojamo's innovation, the Lumo webstore, is another step in the development of the Lumo service concept. Kojamo believes that the online apartment rental service will drive change in the rental housing sector; the decision-making power and the freedom of choice are handed over to the customers who can rent any available apartment they want

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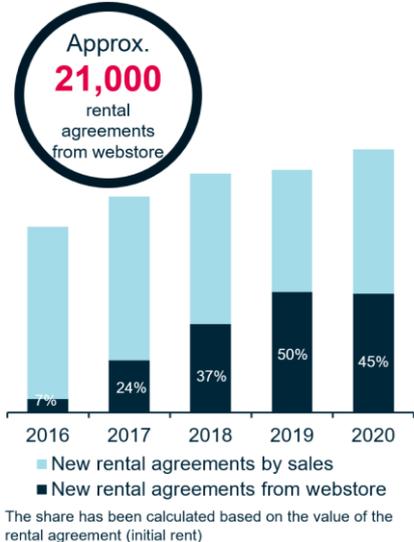
<sup>20</sup> The Arava Restrictions Act (1190/1993, as amended) includes provisions on the use and assignment of arava rental apartments and buildings and the redemption of arava rental apartments. Arava rental apartments and buildings are financed with loans pursuant to the Arava Act (1189/1993, as amended) (the **Arava Act**) and certain preceding acts. Pursuant to the Arava Act, state-subsidized housing loans are granted out of the funds of the Housing Fund of Finland to build, purchase and renovate owner-occupied, rental and right-of-occupancy apartments. New arava loans have not been granted after 2007, however, the legislation regarding the arava loans granted prior to this is still in force.

immediately. This differs from the traditional model in which the customer submits an application and the landlord then offers the tenant an available apartment that matches the criteria set out by the tenant. Tenants can apply for a certain apartment or an apartment in a specific building or area.

Through the Lumo webstore, Kojamo offers prospective tenants the power and freedom to choose their apartment. The Lumo webstore was launched in 2015, and since then it has gained increasing popularity among customers. In 2016, 7 per cent. of all rental agreements were made through the Lumo webstore (calculated on the basis of the value of the rental agreement), compared to 45 per cent. in 2020. By the end of the financial year 2020, approximately 21,000 tenancy agreements had been signed on the Lumo webstore. All Lumo rental apartments that become vacant are available for rent on the Lumo webstore, where customers can choose their preferred apartment.

The following chart sets forth the share of new rental agreements signed on the Lumo webstore 2016-2020:

**Figure 4: Share of Kojamo’s new agreements by channel**



All available Lumo apartments can be found from the webstore with description and pictures. The customer can log into the Lumo webstore by using online Nordic banking codes and rent a suitable apartment online without the need to submit a traditional application. Once the customer has chosen the apartment, an automatically binding lease agreement is confirmed by accepting it and its terms and by paying the first month’s rent. Kojamo automatically checks the Finnish credit data register for any registered payment defaults as well as the payment history from Kojamo’s internal customer data. To be eligible to make a lease agreement in the Lumo webstore, the customer must have a clean credit history and be at least 18 years of age. A further requirement is that the customer must not have any previous arrears payable to Kojamo. If the customer’s credit rating or payment history does not meet Kojamo’s requirements, the webstore automatically prevents the customer from entering into a lease agreement and instructs the customer to contact customer service or submit an application for an apartment via the Lumo.fi website. When renting the apartment through the Lumo webstore, no separate security deposit is required. The Lumo webstore enables the customer to move in as soon as the next day.

In December 2018, Kojamo introduced the My Lumo mobile application that enables Kojamo’s customers to use and order various services and pay their rent using a mobile device. My Lumo is part of Kojamo’s service and innovation platform. The service was implemented gradually from 2019 onwards for all Kojamo’s tenants. My Lumo offers residents digital services that make everyday life easier, such as submitting a maintenance request and paying rent quickly and easily on a mobile device. Kojamo aims to develop the service further to allow customers to use the web application to book and purchase home delivered services, including cleaning or food services, or reserve common club or remote working spaces and order services for them.

### *Services Provided with Partners*

Kojamo offers a variety of services together with its partners. Since 2016, tenants of Lumo apartments have had access to a smart-traffic car-sharing service in several locations around Finland which has been developed in partnership with 24Rent. With the help of the car-sharing service, Kojamo has been able to lower the number of parking spaces in certain apartment buildings. The shared car can be reserved by all tenants at a discounted rate and is available at the parking space. 24Rent is responsible for the operation of the car (including insurance, maintenance and tire changes) and receiving reservations. The tenant only needs to reserve the car and return it to the designated parking space after use. In 2016, the car sharing service was expanded to most of the cities where the Kojamo Group operates.

In 2017, Kojamo and Lassila & Tikanoja introduced a new kind of team of caretakers to take care of the property maintenance of Lumo buildings in the Helsinki region. The designated Lumo Caretakers represent personal service from the era when each individual building had its own caretaker. For the inhabitants of the buildings, the new operating model aims to provide smooth and professional property maintenance.

In 2017, Kojamo launched a fitness service pilot programme with Raatamo in 13 Lumo rental housing units. The coach of Raatamo provides fitness services to residents of Lumo apartments free of charge. The purpose of the programme is to bring fitness services close to home and bring together residents of Lumo apartments. Also in Q3 2017, Kojamo launched an overall wellness service to its senior customers with Fysios in seven Lumo senior houses.

In 2018, Kojamo and Leanheat Oy, a provider of artificial intelligence solutions for controlling district heating, signed an agreement to use Leanheat's AI-based IoT solution to control the indoor temperature of Kojamo-owned apartments. As at the date of this Base Prospectus, the agreement covers approximately 29,000 apartments which represents over 80 per cent. of the total number of apartments in Kojamo's property portfolio. In addition, Kojamo started piloting Avainkuriiri key courier service and Helpponouto moving services with Lassila & Tikanoja. Avainkuriiri gives Lumo apartment residents an opportunity to have a key courier deliver or return their keys. Helpponouto is a service for Lumo apartment residents that involves furniture, home appliances and other unnecessary large items from the resident's home and transporting them responsibly to be reused or recycled.

In 2019, Kojamo announced Smartpost cooperation with Posti Group Corporation in 18 Lumo apartment buildings in Helsinki and Vantaa. The co-operation with Posti started in 2017 with the first Smartpost pilot programme. With Smartpost parcel lockers located in Lumo houses, tenants can send and receive packages and take care of many other tasks that make everyday life easier.

In addition to the services described above, Kojamo regularly offers to tenants of Lumo apartments discounts on the services of its partners. Some of the services provided with partners are cost neutral to Kojamo, since tenants pay the costs themselves, while certain services in pilot use that Kojamo believes to have the potential to become a differentiating factor in the rental market cause costs to Kojamo.

### **Kojamo's Property Portfolio**

#### *Overview*

Kojamo's rental apartments are all located in Finland and are primarily in apartment buildings, with a significant concentration in the Finnish Growth Centres. As at 31 December 2020, Kojamo owned a total of 35,802 rental apartments (35,272 as at 31 December 2019) in 1,328 properties (1,313 as at 31 December 2019). As at 31 December 2020, the total residential lettable area of Kojamo amounted to 1.9 million square meters. The fair value of Kojamo's investment properties in its property portfolio stood at EUR 6.9 billion as at 31 December 2020 (EUR 6.3 billion as at 31 December 2019). As at 31 December 2020, the average age of Kojamo's rental properties was 33.5 years.

The following table sets forth key information regarding Kojamo's property portfolio by region as at 31 December 2020:

Region	Number of apartments, units	Number of commercial premises and other leased premises, units	Fair value, EUR in millions	Fair value, EUR in thousands /unit	Fair value, EUR/sq.m.	Financial occupancy rate, %
Helsinki region	21,407	380	4,629	216	3,860	96.3
Tampere region	4,934	144	643	127	2,461	97.7
Turku region	1,904	20	231	120	2,105	97.8
Oulu	2,220	27	194	86	1,649	96.8
Jyväskylä	1,771	3	185	104	1,986	93.6
Kuopio region	1,674	52	165	95	1,793	94.8
Lahti region	1,436	12	153	106	1,901	96.4
Other	816	24	76	90	1,590	97.3
<b>Total</b>	<b>35,802</b>	<b>662</b>	<b>6,275</b> <sup>1</sup>	<b>172</b>	<b>3,136</b>	<b>96.4</b>
Other			588 <sup>2</sup>			
<b>Total portfolio</b>	<b>35,802</b>	<b>662</b>	<b>6,863</b>			<b>96.4</b>

<sup>1</sup> The figures reflect income-generating portfolio assets, which excludes ongoing projects, plots owned by Kojamo and ownership of certain assets through shares.

<sup>2</sup> Fair value of ongoing projects, plots owned by Kojamo and ownership of certain assets through shares and IFRS 16 right-of-use assets.

## Portfolio Development

### Real Estate Development

Kojamo's real estate development consists of both constructing new buildings and converting existing property stock for new purposes. Kojamo carries out new construction and development investments either by building on its own plots with its own plans after a tender request for construction or by acquiring projects from construction companies. When buying turn-key projects from construction companies Kojamo typically has a say in the planning of the building before construction commences. Kojamo's real estate development function is responsible for the acquisition of new plots and other land, management of plot reserves and development and construction of new projects. The main task of the real estate development function is to grow Kojamo's property portfolio through new developments and implement refurbishment programmes for existing assets.

As at 31 December 2020, there were 2,624 apartments under construction, of which 2,624 apartments are located in the Helsinki region and 0 in other Finnish Growth Centres. In addition to the total number of apartments under construction, Kojamo has agreed on the construction of 965 rental apartments. For more information, see section "— Recent Important Real Estate Development Projects".

Kojamo has a land bank and potential plots suitable of own new construction corresponding to approximately 172,000 square meters of rentable net floor area as at 31 December 2020, which will enable the construction of approximately 2,800 apartments. Of the land bank and potential plots, approximately 100 per cent. is located in the Helsinki region. Kojamo had in place binding acquisition agreements related to new construction with an aggregate value of EUR 633.0 million, of which EUR 262.9 million will be used to complete apartments that were already under construction as at 31 December 2020. Kojamo does not recognise its acquisition agreements on the balance sheet until the project commences.

In 2020, the construction of 532 apartments was completed (816 apartments in 2019). As at 31 December 2020, Kojamo had binding preliminary agreements for the construction of 965 new apartments and Kojamo estimates that 1,282 apartments will be completed during 2021.

The new construction projects utilising own plot reserves as well as conversion projects and projects acquired from construction companies follow a unified process. Kojamo's real estate development project comprise of five steps which are identification, feasibility study, project development, implementation and completion.

In the identification phase, Kojamo's real estate development function constantly seeks out development opportunities which are consistent with Kojamo's investment strategy. In order to find the right opportunity and project for Kojamo the real estate development function reviews, among other things, the suitability of its own plot reserves, tendering requests for zoned plots, supply for unzoned land, buildings to be converted as well as turn-key projects offered by construction companies. In the feasibility study phase, a proposal addressing market study, general specifications and layout of the real estate, a cost-analysis, approximate rental levels and property value estimates are prepared. Based on this proposal, the review team for investments and development decides whether to proceed to the project development phase.

In the project development phase of turn-key projects, an investment decision proposal is prepared based on more in-depth investment calculations, due diligence as well as project and construction planning. In new construction projects utilising own plot reserves, the investment proposal is prepared based on planning and competitive bidding. Kojamo's Management Team reviews the proposal, including whether the project meets the investment criteria approved as part of Kojamo's strategy. Based on its review, the Management Team or the Board of Directors decides whether the project should be implemented.

The project implementation phase includes the construction and supervision of the project. For the actual planning of each new project, Kojamo utilises outsourced design services for architectural, structural, HVAC, electricity and automation design. In the planning of the project, Kojamo's own planning guidelines are followed which, in addition to technical specifications, also include guidelines for the interior of the apartment buildings. In addition, Kojamo's own technical building experts are involved in defining the technical specifications of the new projects and are also involved in testing and inspecting of the completed new buildings. An internal project manager and a technical supervisor are designated for each project. Technical supervisors are mainly in-house experts. In addition, external consultancy services are used, especially for technical systems.

Upon completion of the project, an examination process, revisions and final adjustments to technical systems are carried out before the building is approved for use. After a project is completed, Kojamo's Management Team monitors various parameters, including, among others, fulfilment of the investment criteria, initial rental income and rental occupancy rate, in order to track the success of the project.

#### *Recent Important Real Estate Development Projects*

In January 2020, Lumo Kodit Oy and Lehto Asunnot Oy agreed on the construction of 106 apartments in Kilo, Espoo. The Lumo apartments will include singles, two-room and three-room apartments. The property is expected to be completed in 2021.

In March 2020, Kojamo plc and SRV signed a co-operation agreement on the construction of 676 Lumo rental apartments in Kalasatama, Pasila, Munkkiniemi and Pitäjänmäki districts in Helsinki, and Perkkää district in Espoo. The agreement covers a tower building to be located in Kalasatama and 5 other properties. The purchase price for all the properties is approximately EUR 197 million. The completion of individual projects within the agreement is subject to customary terms and conditions. The building to be constructed in Kalasatama is a tower building next to the Redi shopping centre with 291 Lumo apartments to be completed. The other properties will comprise of 385 apartments to be completed. Kojamo expects that 302 apartments will be completed during 2021 and 374 during 2022. The apartments are mainly studios and one-bedroom apartments. The stabilised yield for the tower building and the net initial yield for other properties is expected to be approximately 4 per cent.

In May 2020, Lumo Kodit Oy signed a contract with Peab to build 137 apartments in Vermonniitty, Espoo. The new Lumo apartments will be completed in 2022.

In June 2020, Kojamo plc and Lehto Group Plc signed a cooperation agreement on the construction of 392 Lumo rental apartments in Vartiokylä in Helsinki, and Nihtisilta, Niittykumpu and Nöykkiönlaakso in Espoo. The agreement involves a total of 11 properties, three of which are apartment blocks constructed from wood. The completion of individual projects specified in the agreement is subject to the fulfilment of the customary terms and conditions.

In August 2020, Lumo Kodit Oy signed an agreement with JM Suomi Oy on the construction of 101 apartments next to the Mall of Tripla and the entrances to the train station in Pasila, Helsinki.

In October 2020, Lumo Kodit Oy and Fira Oy agreed on the construction of 157 new apartments in Myyrmäki, Vantaa. An eight-storey apartment building and a 15-storey tower building will be constructed on the site. The apartments will be completed in summer 2022 and early 2023.

In November 2020, Lumo Kodit Oy and Pakrak Oy agreed on the construction of 153 apartments in Lippajärvi, Espoo.

In January 2021, Lumo Kodit Oy and Hausia Oy agreed on the acquisition of two properties in Tillinmäki and Joutsenpuisto, Espoo. A total of 120 apartments will be completed on the properties in 2022.

#### *Property Acquisitions and Divestments*

Kojamo carries out its strategy through active property portfolio development, including acquisitions and divestments of non-strategic properties. The preparation of acquisitions and divestments is part of Kojamo's normal planning process. Property acquisitions are focused on residential properties and portfolios that meet the investment criteria in Kojamo's strategy. The main criteria include, among other things, the geographical area, micro-location, technical condition and potential net rental income yield of the property. Kojamo's strategic real estate portfolio development also includes making selective divestments of properties that are considered to no longer meet Kojamo's strategic goals.

Kojamo's investment function is responsible for the acquisition process which includes financial, commercial, legal and technical assessments provided by Kojamo's internal experts. The acquisition proposal is then presented to the Chief Investment Officer and Chief Executive Officer of Kojamo, who oversee the fulfilment of investment criteria and approve the tender offer and the terms and conditions. Tenders offers are indicative and subject to internal approval. In addition, tender bids exceeding the CEO's mandate are made subject to the Board of Director's approval of the terms and conditions and the final agreement is made once the Board of Directors has approved the acquisition.

Property divestment plans for the forthcoming year are prepared annually by Kojamo's investment unit. Divestments of properties are decided based on the same criteria as acquisitions. The investment unit prepares and implements the property divestments in-house and, if necessary, with the help of external advisors. As a general rule, properties are sold through a bidding process. The final decision for each sale is made by Kojamo's Management Team for the sale of individual properties and apartments and by the Board of Directors for sale of a significant part of the property portfolio. The Board of Directors of Kojamo oversees the implementation of the divestment plan.

#### *Recent Important Acquisitions and Divestments*

In December 2019, Lumo Kodit Oy acquired 143 apartments in Helsinki and Vantaa from Valio Pension Fund and Valio Mutual Pension Insurance Fund. Apartments are located on Vuorikummuntie 9 in Helsinki and on Lammaslammentie 12 and Lammastie 3 in Vantaa.

#### *Real Estate Management*

As a part of its portfolio development strategy, Kojamo seeks to maintain the value of its rental apartments and properties and increase it in the long term as well as maintain and enhance the attractiveness of apartments and properties to tenants through systematic modernisation investments, repairs and maintenance scheme.

**Modernisation investments** are relatively large repair construction projects that can include major renovations of buildings, building components or technical building systems or equipment. In these projects, the aim is to maintain the building's quality level and value or to increase them in the long-term. In a modernisation investment, the building's quality level is in some cases raised substantially from the original quality level. For example, a modernisation project may include building an elevator or improving the building's energy efficiency by using structural (for example changing the windows) or technical (for example installation of the heat pumps) methods.

The annual budget frame for modernisation investments is approved by the Board of Directors and based on this Kojamo's repair coordination group makes the decisions on modernisation investments. Modernisation

investments are included in the annual budget as individual projects, and the annual modernisation budget is implemented in stages so that a permission is granted by the repair coordination group to execute the project after the coordinated competitive bidding phase. Kojamo assigns an in-house project manager to modernisation investment projects and in larger projects also an in-house supervisor to monitor and coordinate the general implementation of the project.

For the financial year ended 31 December 2020, modernisation investments amounted to EUR 27.1 million (EUR 30.7 million for the financial year ended 31 December 2019).

**Repairs** are smaller renovations that are made in order to keep the buildings and apartments in good general condition and attractive for the customers. Kojamo plans and budgets repairs annually in conjunction with real estate budgeting. Smaller repairs of building systems, equipment and surfaces are carried out continuously. Repair works are sought to be aggregated into a single competitive bidding process in order to benefit from economies of scale.

For the financial year ended 31 December 2020, repair expenses amounted to EUR 35.8 million (EUR 36.9 million for the financial year ended 31 December 2019).

**Maintenance** contains various operations providing good daily living conditions in Kojamo's apartments. The maintenance services consist of, for example, monitoring the general condition of buildings and the technical systems, energy efficiency, cleaning and technical care of indoor and outdoor areas as well as minor repairs. Maintenance costs are budgeted annually containing, for example, building maintenance, heating, electricity, waste management, water, property management, property taxes, property insurances and other maintenance expenses.

For the financial year ended 31 December 2020, maintenance expenses amounted to EUR 90.5 million (EUR 91.1 million for the financial year ended 31 December 2019).

Kojamo's customer relations function controls and co-ordinates the day-to-day property management. The main point of contact for tenants in maintenance-related issues is Kojamo's in-house contact centre. Property managers have a pivotal role in delivering the customer experience and serving the tenants questions relating to the apartment or building they live in. Among other things, property managers handle service defects, make and manage work orders related thereto and are responsible for providing assistance to tenants relating to living in Kojamo's rental apartments as well as with moving in and out of rental apartments.

Day-to-day building maintenance services are sourced from selected external service providers. Local utilities, such as water and district heat, are sourced from regional water and district heating companies, and universal utilities for the whole apartment stock are sourced centrally. For example, property electricity is purchased and the electricity portfolio management related thereto is sourced from one electricity company. The significant concentration of Kojamo's residential properties in the Finnish Growth Centres enables the service partners to utilise economies of scale in service production and improves cost-effectiveness. Kojamo systematically monitors the quality and service level of the building maintenance services through technical inspections and service audits performed on-site, as well as through tenant satisfaction surveys.

To improve the quality of property maintenance and customer experience, Kojamo has introduced, in cooperation with Lassila & Tikanoja plc, Lumo branded caretakers in the Helsinki region. Lumo caretakers is an external service consisting of building maintenance and building services engineering professionals dedicated to Lumo housing units. Currently, there are three specialised groups of Lumo caretakers. The general Lumo caretakers perform regular house maintenance work and tasks based on maintenance schedules and defect notices by tenants and care for the general upkeep of outdoor areas. The Lumo caretakers specialising in housing conditions are building services engineering professionals whose focus is to resolve issues related to indoor conditions, preferably in a single visit. The Lumo caretakers specialising in landscaping perform more demanding green care and maintenance works in the outdoor areas.

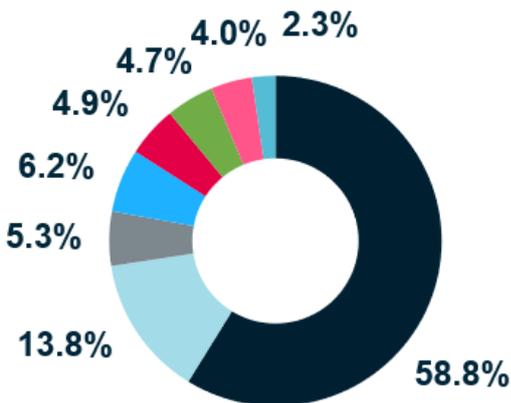
**Geographical Focus**

Kojamo focuses its investments in the Finnish Growth Centres where it sees sufficient demand for rental apartments in the long term. Measured at fair value, 98.8 per cent. of Kojamo’s housing stock is located in the Finnish Growth Centres. Kojamo considers that these areas have historically featured a positive demographic trend, comprehensive municipal and commercial service network, employment opportunities and ease of public transport. Kojamo aims to divest properties outside the Finnish Growth Centres. Investment properties are acquired in areas with well-established and functioning transport links and an established service sector.

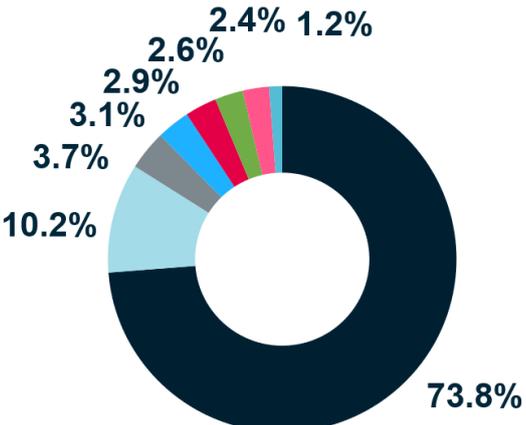
As at 31 December 2020, Kojamo owned in aggregate 35,802 apartments in the Finnish Growth Centres as well as in certain other regions in Finland. As at 31 December 2020, Kojamo had 21,047 apartments in Helsinki region, which represented 58.8 per cent. of the total number of apartments in Kojamo’s property portfolio. Tampere region accounted for 13.8 per cent. and the Turku region for 5.3 per cent. of the total number of apartments as at 31 December 2020.

The following charts set forth the geographical distribution on Kojamo’s apartments by number of apartments and by their fair value as at 31 December 2020:

**Figure 5: Apartment distribution, %**



**Figure 6: Fair value distribution, %**



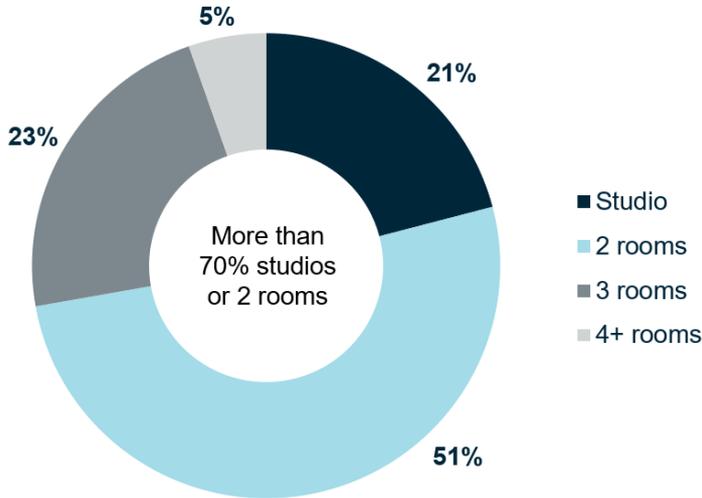
- Helsinki region
- Turku region
- Jyväskylä
- Lahti region
- Tampere region
- Oulu
- Kuopio region
- Others

**Rental Apartments**

As at 31 December 2020, 72 per cent. of Kojamo’s rental apartments were either studios or one-bedroom apartments for which there is the highest demand based on the number of applications that Kojamo receives. The average size of Kojamo’s rental apartments was approximately 55 square meters as at 31 December 2020.

The following charts set forth Kojamo’s apartment distribution by apartment type as at 31 December 2020:

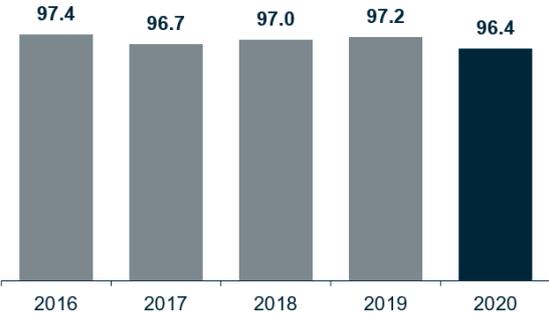
**Figure 7: Apartment type distribution, %**



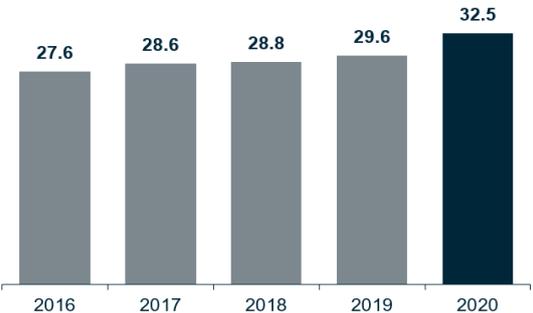
**Rentals**

As at 31 December 2020, there were in total approximately 59,000 residents in Kojamo’s rental apartments. For the financial year ended 31 December 2020, the financial occupancy rate was 96.4 per cent. (97.2 per cent. for the financial year ended 31 December 2019) and the tenant turnover was 32.5 per cent. (29.6 per cent. for the financial year ended 31 December 2019). The charts below set forth the financial occupancy rate and tenant turnover of Kojamo from 2016 to 2020:

**Figure 8: Financial occupancy rate, %**



**Figure 9: Tenant turnover, % excluding internal turnover**



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

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

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

Source: Kojamo plc’s Financial Statements Release 2020

The average monthly rent of Lumo rental apartments as at 31 December 2020 was EUR 16.48 per square meter (EUR 16.13 as at 31 December 2019). For the financial year ended 31 December 2020, the yearly average monthly rent of Lumo apartments was EUR 16.35 (EUR 15.96 for the financial year ended 31 December 2019).

Kojamo's current lease agreements enable rents in Lumo apartments to be increased annually based on the change in the CPI (Consumer Price Index) plus a maximum of 5 percentage points. In the lease agreements made since 1 January 2018, the rent levels are reviewed every 12 months starting from the date on which the lease agreement was signed.

Kojamo's financial department is responsible for Kojamo's rent collection processes and management of outstanding rents. The due date of rent is agreed on the lease agreement and is usually the second day of the month. As at the date of this Base Prospectus, a penalty interest of 7 per cent. is applied to overdue rents.<sup>21</sup> If rent is late for more than three weeks, a reminder is sent to the tenant. If rent is not paid despite such reminder, the collection of rent is transferred to an external collection agency. If the same tenant has outstanding rents for two months, legal proceedings, including eviction, are considered.

Given its long experience in tenant management and the number of apartments as well as statistical analysis related thereto, Kojamo has opted not to take rental security deposits against payment default or damage risk in certain Lumo apartments. To minimise the risk of payment defaults, Kojamo has introduced rental liaison officers whose task is to actively identify tenants who have problems with payment or whose life situation puts them at increased risk of payment defaults. The rental liaison officers provide support and try to come up with solutions in co-operation with tenants. The rental liaison officers contact the tenants to discuss alternative solution such as negotiating a scheme of payment or drawing up a service plan that may include, for example, counseling in financial issues or support in social welfare related matters.

### ***Property Portfolio Valuation***

Kojamo applies the "IAS 40—*Investment Properties*" standard in the valuation of its investment properties, whereby investment property is measured at fair value, with changes in fair values being recognised in profit or loss for the period in which they arise. As at 31 December 2020, the aggregate fair value of investment properties was EUR 6.9 billion.<sup>22</sup>

The fair values of investment properties measured by Kojamo are based on yield value or balance sheet value (acquisition cost). Yield value measurement is based on 10-year discounted cash flow (DCF) calculations, in which the terminal value of the property is calculated based on direct primary ownership and net yield in year 11. The discount rate is the 10-year cash flow yield requirement plus inflation. For the financial year ended 31 December 2020, Kojamo used an average yield requirement (weighted) of 3.83 per cent. for the capital region, 5.06 per cent. for other regions of Finland and 4.23 per cent. for Group total.

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

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<sup>21</sup> The penalty interest rate is based on the Finnish Interest Act according to which the amount of the interest is seven percentage points higher than the reference rate in force at the time in question. The reference rate is the interest rate applied by the European Central Bank to its most recent main refinancing operation carried out before the first calendar day of each half-year rounded up to the nearest half percentage point. The reference rate in force on the first calendar day of the half year in question applies for the following six months.

<sup>22</sup> Includes investment properties classified as non-current assets held for sale.

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 and 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 per cent. of the total floor area) are analysed separately.

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. Kojamo Group has decided to freeze the balance sheet values at the levels used in the confirmed financial statements of 31 December 2014. 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 the original acquisition cost.

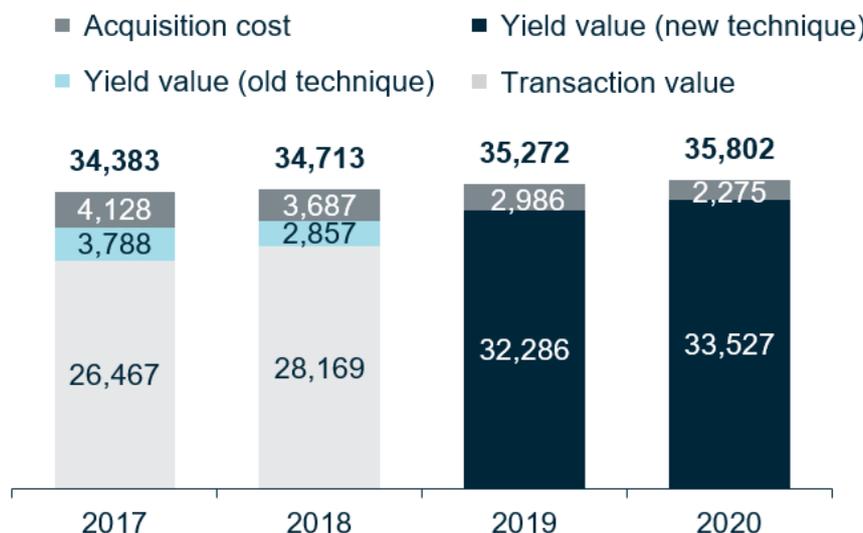
Up until the financial period ended 31 December 2019, Kojamo utilised transaction value technique for the properties of which individual apartments could be sold by Kojamo without restrictions (primarily Lumo apartments). The transaction value of the properties as of the valuation date was calculated based on actual sales prices of comparable apartments for the two preceding years with various building level adjustments. On 6 June 2019, Kojamo announced its plan to shift from a transaction-based valuation technique to a yield-based valuation technique in the valuation of its investment properties in the financial statements for the financial year ended 31 December 2019.

Kojamo's management believes the change to the yield-based valuation technique made Kojamo more comparable with its relevant international peer group. Kojamo's external valuation partner in the shift to the new valuation technique was Jones Lang LaSalle Finland Oy (JLL). The new valuation technique increased the fair value of Kojamo's investment properties. The impact of the change was recognised through profit, and the change improved Kojamo's result for the financial year 2019.

The net effect of the new valuation method on the valuation of Kojamo's investment properties at fair value was approximately EUR 800 million. The Group's solvency ratio as at 31 December 2019 was 0.39. The new valuation method had a positive impact of approximately 5 per cent. to the solvency ratio. The change did not have an impact on Kojamo's total revenue, Funds From Operations (FFO) or investments in new development and acquisitions of housing stock. The change was a change in accounting estimates by nature, and its effects were recognised in the consolidated income statement and balance sheet starting from the period in which the change took place. The change was not applied retrospectively. The Group's solvency ratio as at 31 December 2020 was 0.39.

The following table sets forth the number of apartments in Kojamo's property portfolio by valuation classes as at 31 December 2020:

**Figure 10: Number of apartments by valuation classes (at the end of the review period)**



Kojamo's property valuation model and methodology are reviewed on a quarterly basis by Jones Lang LaSalle Finland Oy, an independent external valuation expert. The most recent review was conducted in 31 December 2020.<sup>23</sup> The parameters used by Kojamo in its appraisal model are market-based and the calculations meet general requirements and principles. According to Jones Lang LaSalle Finland Oy's review statement (Statement on the valuation of Kojamo plc's Investment Properties) concerning 31 December 2020, the internal valuation process of apartment properties used by Kojamo is estimated to be compliant with the IFRS, IVSC (International Valuation Standards) and RICS valuation standards and guidance and provides appropriate and adequate information of property valuation principles and property values.

### Legal Proceedings

Neither Kojamo nor any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Kojamo is aware) during the previous twelve months preceding the date of this Base Prospectus which may have or have had in such period or in the recent past a significant effect on Kojamo's and/or the Group's financial position or profitability. Kojamo's management is not aware of any facts or circumstances that could reasonably be expected to lead to any material claims being made against the Group in the foreseeable future.

### Environment

Kojamo is continually developing its operations in order to improve its environmental efficiency. Kojamo's guiding principle is to adopt the most appropriate and efficient use of energy without compromising the quality and conditions of housing. The most significant environmental aspect Kojamo takes into consideration is the energy consumption and the related CO<sub>2</sub> emissions of its property portfolio. Energy usage is continually being improved based on the goals agreed upon for the Rental Property Action Plan under the Property and Building Sector Energy Efficiency Agreement 2017–2025 (VAETS II), which is a governmental voluntary action plan for the real estate industry to improve its energy efficiency.

Kojamo continually increased the energy efficiency of its property portfolio by investing in the improvement of energy efficiency of existing buildings and in the development of new energy efficient buildings. In all of its new

<sup>23</sup> Statement on the correctness of the market values determined by Kojamo, 31 December 2020, Jones Lang LaSalle.

construction projects, Kojamo's goal is to ensure that its development projects that utilise Kojamo's own plot reserve are virtually zero-energy buildings in accordance with the nZEB principles.

Kojamo aims to reduce energy usage by 7.5 per cent. by 2025 from its 2016 level. To reduce the energy consumption of its properties, Kojamo is currently targeting an indoor air temperature of 21-22 degrees in its apartments, in accordance with the Housing Health Guidelines issued by the Finnish Ministry of Social Affairs and Health. Kojamo's properties together with its digital My Lumo service form a service platform and a basis on which Kojamo can develop new services. Comprehensive high-quality property data therefore enables both sustainable growth and the development of useful housing services for Kojamo's customers.

Kojamo uses the Finnish Leanheat solution, which is currently used in 80 per cent. of its property portfolio, approximately 29,000 of Kojamo's apartments. The solution utilises predictive artificial intelligence to automatically adjust a building's heating based on the actual temperature inside the apartments, outside and the weather forecast. Leanheat helps improve indoor air quality and comfort of living and reduces the energy consumption of buildings. Leanheat typically reduces heating costs by approximately 10 per cent.

Buildings connected to the Leanheat system have temperature and humidity sensors that collect data and help the system learn the building's characteristics and optimise the indoor temperature. The system also analyses changes in humidity, which for example aids in identifying deficiencies in ventilation and can prevent potential negative impacts on tenants. Leanheat uses weather forecasts to predict heating needs, which allows the properties to be pre-heated in order to avoid heating them during the anticipated consumption peaks. This reduces emissions, as carbon dioxide emissions are at their highest when reserve power plants must be used to balance the consumption peaks. During consumption peaks, energy prices are also at their highest, so smart heating not only reduces emissions but also costs.

Over 90 per cent. of Kojamo's properties are connected to a remote monitoring system for energy and water consumption, making it easier to target energy saving measures. Kojamo is also piloting a smart home concept that will be used at the certain new construction projects in the future.

In the area of energy recycling, Kojamo is currently examining and implementing the use of property-specific exhaust air heat pumps to recover waste heat from ventilation. Kojamo has also implemented an operational model for the management of water consumption in order to ensure that water fittings are maintained and equipped with water-saving components in conjunction with the regular maintenance cycle (six to eight years).

Preventing climate change is a long-term commitment at Kojamo and a consideration in all its business development actions. Kojamo is committed to owning only assets that are net zero carbon in operation by the end of 2030. This target is Kojamo's commitment to the World Green Building Council's Net Zero Carbon Buildings Commitment.

The company continues to invest in Finnish Growth Centres, in locations with good public transportation connections and services. Kojamo promotes sustainability related services such as ecological driving through our car sharing services offered to residents of Lumo homes.

Moreover, Kojamo is constantly striving to improve waste management on its properties and apartment buildings. The aim is to continuously develop recycling solutions and offer comprehensive recycling opportunities to Lumo residents.

In addition, Kojamo assesses climate risks as part of its corporate level risk assessment process. Kojamo aims to prevent and reduce the environmental impacts of its operations throughout the life cycle of properties, from planning to reuse. The aim is to continuously work towards the increase in energy and material efficiency and the usage of circular economy adapted models.

All Kojamo offices are WWF Green Office certified. Kojamo has been one of the developers of the Green Office concept in Finland and Kojamo's head office in Helsinki has been a Green Office since the programme was launched in 2002. The aim of the Green Office scheme is to help offices reduce their environmental load, to increase employees' environmental awareness and to achieve energy savings.

Kojamo is a member of several sustainability and corporate responsibility related associations in Finland. Climate Leadership Coalition (CLC) strives its members to move towards carbon neutral operating methods and become climate leaders. The Helsinki Climate Partners network is intended for companies that want to take part in making Helsinki a carbon neutral city. Kojamo has made a commitment to the Helsinki Climate Partners to increase energy efficiency and decrease carbon emissions of the property portfolio. Kojamo is also a member in FIBS (Finnish Business and Society), the largest corporate responsibility network in the Nordic countries.

During 2016-2020, the European Investment Bank has granted a total of EUR 204 million of funding to Kojamo for the production of energy-efficient housing. Since 2016, Kojamo's own new construction has comprised only nearly zero-energy properties (nZEB). The aim is to reduce energy consumption and carbon dioxide emissions and thereby support EU emission reduction targets.

## **Sustainability**

Pursuing corporate responsibility is integral to Kojamo's operations and corporate culture. Kojamo places particular focus on its responsibility towards its customers, its obligations as a contractor as well as clear communication to its shareholders about corporate and social responsibility processes. Kojamo acts transparently and responsibly and also requires its partners to operate responsibly. Kojamo works to ensure its future operating conditions by managing the risks associated with its cooperation network, maintaining the condition of its apartments and good tenancy relationships, as well as developing innovative new services.

Kojamo published its sustainability programme in December 2020. The sustainability programme includes Kojamo's sustainability focus areas and objectives until 2030 and supports the execution of the company strategy, while being based on materiality analysis. The materiality analysis conducted in 2020 ensures a focus on the most material sustainability themes for strategy, business operations and key stakeholders. The cornerstones of the sustainability programme are to ensure long-term profitability and growth, conduct sustainable and responsible operations and ensure transparent communications and reporting on sustainability. The programme consists of four key sustainability focus areas: sustainable cities; the best customer experience (such as aiming to ensure that (i) the Net Promoter Score awarded by Kojamo's residents by the end of 2023 will be 4/5 for the safety and comfort of Lumo homes, 4/5 for the convenience and functionality of waste sorting and recycling in Lumo homes, 4.5/5 for the ease of Lumo homes' communication regardless of the service channel and 4/5 for Lumo homes' services that make daily life easier and promote sustainable housing; (ii) 90 per cent. of Kojamo's households will use the My Lumo application by the end of 2023; (iii) all of Kojamo's properties will have lighting that is energy-efficient, adequate and increases safety by the end of 2025; (iv) at least 70 per cent. of the home appliances in Kojamo's properties will have a high energy efficiency rating by the end of 2025; and (v) the opportunity to use shared cars and bikes will be available for all of Kojamo's properties by the end of 2025); a responsible corporate citizen; and the most competent personnel and a dynamic workplace.

With its sustainability programme, Kojamo is committed to the UN Sustainable Development Goals for 2030, in particular the eight development goals that Kojamo is able to have the greatest impact on: good health and well-being; gender equality; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; sustainable cities and communities; responsible consumption and productions; and climate action.

Kojamo's focus on sustainable cities is at the core of Kojamo's sustainability programme, with a number of key sustainability objectives having been set out for this focus area. The best customer experience focus area promotes actions towards sustainable housing and delivering the best customer experience to Lumo residents. The responsible corporate citizenship focus area sets the framework for sustainable and transparent operations while developing shareholder value in accordance with the company strategy. The focus area of the most competent personnel and dynamic workplace sets out the approach and targets for a dynamic and productive corporate culture.

As part of the sustainable cities endeavour and its commitment to the World Green Building Council's Net Zero Carbon Buildings Commitment, Kojamo is committed to only owning assets that are net zero carbon in operation by the end of 2030. Kojamo will also aim to enhance the efficiency of its energy consumption by 7.5 per cent. during the period of 2017-2025, using 2016 as the baseline, with such target being its commitment to the Finnish national voluntary Rental Property Action Plan under the Property and Building Sector Energy Efficiency Agreement 2017-2025 (VAETS II). The programme covers properties completed by the end of 2016.

Further, Kojamo will strive to annually reduce the portfolio energy intensity by 3 per cent. (kWh/m<sup>3</sup>) and, starting from 2021, Kojamo's new development projects will aim to be implemented with an energy performance level (E-value) equivalent to or below 80 kWh/m<sup>2</sup>. As part of Kojamo's objectives for the sustainable cities focus area, it will work to reduce the portfolio water consumption by 5 per cent. by the end of 2030 (compared to the 2019 level), as well as to achieve a waste sorting and recycling rate above 70 per cent., in both new development and major renovation projects, and to improve the portfolio waste recycling rate to 55 per cent. by the end of 2023.

Kojamo is committed to using carbon neutral property electricity in the entirety of its property portfolio and utilises carbon neutral district heating in part of its properties. In 2020, carbon neutral district heating was used at 79 properties. Kojamo also promotes sustainability related services, such as ecological driving, through its car-sharing services offered to residents of Lumo homes and is committed to sustainability principles in all of its purchasing and cooperation with its partners.

Kojamo's digital solutions promote the development of smart solutions and sustainable cities, with Kojamo working to control and optimise the indoor temperatures of its property portfolio using AI solutions based on actual temperatures and weather forecasts.

Kojamo published its Supplier Code of Conduct in 2020. The Supplier Code of Conduct is incorporated into all of Kojamo's new partnership agreements from 2021 onwards and applies to all of Kojamo's purchasing activities.

Kojamo's anti-grey economy models exceed the legislative requirements in many respects. Partners who are in a business relationship with Kojamo and participate in the supply chain are obliged to observe the provisions of the Act on the Contractor's Obligations and Liability when Work is Contracted Out (the **Contractor's Liability Act**) and other applicable legislation. Further, Kojamo's external partners are also obliged to comply with all laws and regulations pertaining to taxation and money laundering as well as all applicable economic and trade sanctions.

Kojamo's partners are required to join the Reliable Partner service maintained by Vastuu Group Oy and the related reporting is required to be kept up-to-date throughout the duration of the agreement. Kojamo monitors the information required by the Contractor's Liability Act for all of the companies in its purchasing network.

The taxes and tax-like charges paid by Kojamo totalled approximately EUR 101 million in 2020 and approximately EUR 90 million in 2019. Kojamo pays all of its taxes in Finland.

Kojamo's sponsorship and grant programme provides financial support for young talent. The programme covers not only individual sports but also team sports. Personal grants are awarded to athletes aged 12–20 to encourage them in their sporting careers. Those living in Lumo and VVO homes are given priority.

Kojamo also works to promote its corporate culture and the well-being of its personnel and its aim is to create a first-class employee experience through good management, by investing in employee well-being and promoting equality and non-discrimination. Kojamo has been recognised by Corporate Spirit in the "Finland's most inspiring workplaces" survey. Kojamo's Culture Compass project, launched in spring 2020, provided the company with valuable input for its continued efforts to its corporate culture and employee experience.

Kojamo engages in transparent and multi-channel communications on its implementation of sustainability initiatives and aims for high-quality and comprehensive sustainability reporting. Kojamo has revised its sustainability reporting with the aim of communicating the results of its sustainability efforts to its stakeholders with increased transparency. In addition to the statement of non-financial information included in the financial statements, Kojamo published a sustainability report as part of the 2020 Annual Report to describe its sustainability efforts and their results in more detail.

Kojamo's sustainability report for the year 2020 was prepared in accordance with the Global Reporting Initiative (GRI) framework and the European Public Real Estate Association's Sustainability Best Practices Recommendations (EPRA sBPR, 3rd edition). In 2019, Kojamo received a silver award as well as the Most Improved award for its first EPRA sBR reporting for the development of its sustainability reporting. Further, 2020 marked the first time that Kojamo disclosed to the Global Real Estate Sustainability Benchmark (GRESB), and participated in an assessment of, its sustainability performance. Kojamo received 70/100 points, exceeding the average result of its comparison group, and a Green Star designation with 3/5 stars.

## Insurance

The properties owned by Kojamo are covered with full value insurance policies which, as at the date of this Base Prospectus, are provided by If P&C Insurance Ltd (publ), branch in Finland. These insurances cover sudden and unforeseen direct property damage resulting from, for example, water and fire as well as theft and malicious damage. In addition, Kojamo has various other insurances, including cyber insurance, third-party liability insurance for business operations and for the Board of Directors and managing director of Kojamo as well as insurance for buildings and movable property and statutory accident insurance, all subject to standard limitations in the Finnish insurance market. Kojamo reviews its insurance policies on a regular basis as a matter of its general risk management.

## Personnel

As at 31 December 2020, the number of Kojamo's personnel was 317 of whom 282 have permanent contracts and 35 have temporary contracts.

## Material Agreements

Please see the financing agreements described below in “— *Financing and Capital Structure*”.

## Financing and Capital Structure

### *General*

Kojamo finances its business operations and investments utilising both cash flows from operations and debt. As at 31 December 2020, the majority of Kojamo's loans were unsecured. Unsecured debt<sup>24</sup> represented 64.9 per cent. of the total loan portfolio, while the portion of secured debt was 35.1 per cent. Kojamo's equity ratio was 45.6 per cent. as at 31 December 2020. As at the date of this Base Prospectus, Kojamo's interest-bearing liabilities consist of bonds, loans from financial institutions, interest subsidy loans, lease liabilities and commercial papers. Certain key figures of Kojamo related to its financing and capital structure are presented in the table below.

	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018
Equity ratio, %	45.6	46.9	43.0
Loan to Value, %	41.4	40.5	45.9
Hedging ratio, %	91	88	94
Solvency ratio	0.39	0.39	0.43
Secured solvency ratio	0.14	0.20	0.25
Coverage ratio	4.1	4.2	4.3
Unencumbered assets ratio, %	79.4	69.8	65.8
Average interest rate of loan portfolio, %*	1.8	1.8	1.8
Average loan maturity, years	4.5	4.7	5.5
Average interest rate fixing period, years	4.6	4.9	5.8

\* Includes interest rate derivatives

### *Interest-bearing Liabilities*

The following table sets forth the Group's debt portfolio as at the dates indicated:

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<sup>24</sup> Interest-bearing debt = Interest-bearing liabilities – Lease liabilities.

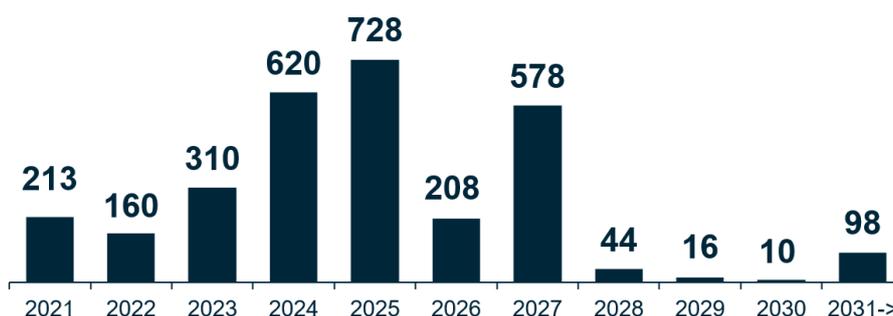
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018
<i>(EUR in millions)</i>			
<b>Non-current</b>			
Bonds	1,688.3	1,191.8	1,289.7
Loans from financial institutions	1,046.7	1,135.8	995.2
Interest subsidy loans	30.8	39.2	104.0
Lease liability	66.7	60.0	-
Other loans	-	2.4	2.8
<b>Total</b>	<b>2,832.6</b>	<b>2,429.3</b>	<b>2,391.7</b>
<b>Current</b>			
Bonds	-	100.0	-
Loans from financial institutions	153.3	37.5	25.1
Interest subsidy loans	7.0	49.9	12.1
Lease liability	1.6	1.1	-
Other loans	8.8	6.5	6.7
Commercial papers	50.0	50.0	50.0
<b>Total</b>	<b>220.7</b>	<b>244.9</b>	<b>93.9</b>
<b>Total interest-bearing liabilities</b>	<b>3,053.3</b>	<b>2,674.2</b>	<b>2,485.5</b>

Of the Group's total interest-bearing liabilities of EUR 3,053.3 million as at 31 December 2020, the Issuer had EUR 2,004.4 million of interest-bearing liabilities and the Issuer's subsidiaries had EUR 1,048.9 million of the interest-bearing liabilities. Of the Group's total secured and unsecured debt<sup>25</sup> amounting to EUR 2,985.0 million as at 31 December 2020, the Issuer had EUR 228.3 million of secured and EUR 1,776.1 million of unsecured debt, whereas the Issuer's subsidiaries had EUR 820.3 million of secured and EUR 228.7 million of unsecured debt.

As at 31 December 2020, the average loan maturity of Kojamo was 4.5 years (4.7 years as at 31 December 2019). In 2021, EUR 212.7 million of the short-term and long-term debt of Kojamo will mature (EUR 160.2 million in 2022 and EUR 309.7 million in 2023).

The following chart sets forth information on the maturity profile of Kojamo's short and long-term debt:

**Figure 11: Distribution of the Group's loan maturities 31 December 2020, EUR million**



<sup>25</sup> Interest-bearing debt = Interest-bearing liabilities – Lease liabilities.

## **Bonds**

### *Unsecured Notes*

On May 27, 2020 Kojamo plc completed the issue of EUR 500 million unsecured notes due 27 May 2027 under the Programme (the **2027 Notes**). On 7 March 2018, Kojamo plc issued EUR 500 million unsecured notes due 7 March 2025 (the **2025 Notes**). On 19 June 2017, Kojamo plc issued EUR 500 million unsecured notes due 19 June 2024 (the **2024 Notes**, and together with the 2027 Notes and the 2025 Notes the **Unsecured Notes**). The Unsecured Notes are listed on the Official List of Euronext Dublin and have been rated Baa2 with a stable outlook by Moody's. The 2027 Notes bear interest at the rate of 1.875 per cent. per annum, the 2025 Notes bear interest at the rate of 1.625 per cent. per annum and the 2024 Notes at the rate of 1.500 per cent. per annum.

Kojamo's Unsecured Notes include financial covenants whereby the Kojamo Group's solvency ratio must not exceed 0.65, its secured solvency ratio must not exceed 0.45 and its interest coverage ratio must be 1.8 or over. These ratios are reviewed on a quarterly basis. Kojamo has always fulfilled the covenant terms. The Unsecured Notes contain a customary change of control clause, requiring prepayment of the Unsecured Notes in connection with certain change of control events.

The trustee of the notes may (and in specified circumstances shall) declare the Unsecured Notes to be immediately due and payable if an event of default occurs. The events of default include among other things non-payment of any sums under the Unsecured Notes (subject to remedy periods of 7 days for principal and 14 for interest), breach of other obligations, cross default, winding up, cessation of business and insolvency or analogous proceedings of the Issuer or material subsidiaries.

### *Senior Secured Notes*

On 17 October 2016, Kojamo plc issued EUR 200 million senior secured notes due 17 October 2023 (the **2023 Notes**). The 2023 Notes are listed on the official list of Nasdaq Helsinki. The 2023 Notes bear fixed interest at the rate of 1.625 per cent. per annum and contain a change of control clause requiring prepayment of the 2023 Notes in the event a person gains control (being defined as obtaining more than 50 per cent. of the total voting rights or the power to appoint or remove the majority of the members of the Board of Directors) of Kojamo. The 2023 Notes also include a redemption option for the Issuer and an option to issue further bonds under the same terms and conditions. The net proceeds of the 2023 Notes have been lent by Kojamo plc to Lumo Kodit Oy.

The 2023 Notes are secured by a security pool comprising freehold and leasehold properties owned by the Issuer's wholly-owned subsidiary Lumo Kodit Oy and shares in mutual real estate companies and housing companies owned by Lumo Kodit Oy as well as all amounts standing to the credit of Kojamo's and Lumo Kodit Oy's specified bank accounts and rent receivables of Lumo Kodit Oy. Pursuant to the terms and conditions of the 2023 Notes, Lumo Kodit Oy may grant as security additional or replace properties or shares in real estate or housing companies as long as the new security assets provided meet the applicable security criteria under the terms and conditions of the 2023 Notes. In addition to the minimum collateralisation level of 125 per cent., the terms and conditions of the 2023 Notes require periodic valuations of the collateral and maintenance and insurance of the properties. Events of default, upon which the noteholders are entitled to accelerate the 2023 Notes include non-payment, non-compliance with the collateralisation level, non-compliance with other undertakings, cross-default, the 2023 Notes no longer ranking *pari passu* with the obligations of the Issuer, cessation of business and insolvency proceedings.

### **Loans from Financial Institutions**

As at 31 December 2020, loans from financial institutions amounted to EUR 1,200.0 million, representing 39.3 per cent. of total interest-bearing liabilities. The loans from financial institutions are all loans from banks or other financial institutions and exclude the bonds issued by Kojamo. Kojamo's unsecured loans from financial institutions include financial covenants that measure the solvency ratio, the proportion of secured loans and the capacity of the business to cover its interest liabilities. Covenants are reviewed quarterly. Kojamo has always fulfilled the covenant terms.

Several companies of the Kojamo Group have entered into bilateral term loan agreements with various financial institutions active in the Finnish market. These loan facilities are mainly based on the standard terms and conditions

of the respective lenders. The loan facilities comprise both secured and unsecured loans. The secured loans are secured by *inter alia* real estate mortgages and shares in the subsidiaries, in addition to which Lumo Kodit Oy and Kojamo plc have granted guarantees for some of these loans.

### ***Interest Subsidy Loans***

Interest subsidy loans amounted to EUR 37.8 million as at 31 December 2020 and EUR 89.2 million as at 31 December 2019.

### ***Commercial Paper Program***

Kojamo has a commercial paper program of EUR 250 million to back short-term funding needs. The borrowing under commercial paper program totalled EUR 50.0 million as at 31 December 2020 and EUR 50.0 million as at 31 December 2019.

### ***Revolving Credit Facility Agreements***

Kojamo has entered into four committed revolving credit facility agreements (the **RCFs**) with total credit amount of EUR 300 million. The lenders for the RCFs are Danske Bank A/S, Finland Branch, OP Corporate Bank plc, Svenska Handelsbanken AB (publ.), Branch Operations in Finland and Swedbank AB (publ.). The RCFs bear interest rate of EURIBOR plus applicable margin.

The RCFs have been originally made at different times with a tenor of 3 to 5 years. The agreement with the farthest due date and with a total principal of EUR 75 million, matures in January 2024 (with two one-year extension options). Kojamo's unsecured credit facilities include financial covenants that measure the solvency ratio, the proportion of secured loans and the capacity of the business to cover its interest liabilities. Kojamo has always fulfilled the covenant terms.

In addition, Kojamo has an uncommitted credit facility of EUR 5 million from Nordea Bank Abp (formerly Nordea Bank AB (publ), Finnish branch). The uncommitted credit facility does not have a determined tenor and no covenants or collaterals are in place regarding it.

As at the date of this Base Prospectus, all of the credit facilities are unused.

### **Dividend Policy**

Kojamo's objective is to be a stable dividend payer whose annual dividend payment will be at least 60 per cent. of FFO, provided that the Group's equity ratio is 40 per cent. or more and taking account of Kojamo's financial position. There can be no assurances that dividends will be paid in the future, nor are there any assurances as to the amount of dividends to be paid for a particular year.

### **Recent Developments**

On 7 January 2021, Kojamo plc signed a new committed EUR 75 million revolving credit facility with Danske Bank A/S, Finland Branch (the **Danske RCF**). The Danske RCF is unsecured and has a tenor of three years with two one-year extension options. The credit facility will be used for general corporate purposes and it replaced the EUR 55 million unsecured revolving credit facility from Danske Bank, maturing in 2021. The margin of the Danske RCF is linked to Kojamo's key sustainability targets.

## ALTERNATIVE PERFORMANCE MEASURES

### Alternative Performance Measures

Kojamo presents in this Base Prospectus certain performance measures, which in accordance with the “Alternative Performance Measures” guidance by the European Securities and Markets Authority (ESMA) are not accounting measures of historical financial performance, financial position and cash flows, defined or specified in IFRS, but which are instead alternative performance measures. These alternative performance measures are the following:

- Net rental income, which measures the profitability of the Group’s rental business after the deduction of maintenance and repair costs.
- Net rental income margin, which reflects the ratio between net rental income and total revenue.
- Profit before taxes, which measures profitability after operative costs and financial expenses.
- EBITDA, which measures operative profitability before financial expenses, taxes and depreciation.
- EBITDA margin, which discloses EBITDA in relation to net sales.
- Adjusted EBITDA, which measures the profitability of the Group’s underlying rental operations excluding gains/losses on sale of properties and unrealised value changes of investment properties.
- Adjusted EBITDA margin, which discloses adjusted EBITDA in relation to total revenue.
- Funds from operations (FFO), which measures cash flow before change in net working capital. The calculation of this performance measure takes into account financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes.
- FFO margin, which discloses FFO in relation to total revenue.
- FFO per share, which illustrates FFO for an individual share.
- FFO excluding non-recurring costs, which measures cash flow before change in net working capital. The calculation of this performance measure 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.
- Adjusted funds from operations (AFFO), which measures cash flow before change in net working capital, adjusted for modernisation investments. The calculation of this performance measure takes into account modernisation investments, financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes.
- Interest-bearing liabilities, which measures the Group’s total debt.
- Return on equity (ROE), which measures financial result in relation to equity. The performance measure illustrates Kojamo’s ability to generate a return for the shareholders.
- Return on investment (ROI), which measures financial result in relation to invested capital. The performance measure illustrates Kojamo’s ability to generate a return on the invested funds.
- Equity ratio, which is a performance measure for balance sheet structure which discloses the ratio of equity to total capital. The performance measure illustrates the Group’s financing structure.
- Loan to Value (LTV), which discloses the ratio of net debt to investment properties. The performance measure illustrates the Group’s indebtedness.
- Dividend/earnings, which measures the ratio of dividends to earnings. This performance measure illustrates how large a proportion of its earnings the Group distributes to its shareholders.
- Price/Earnings ratio (P/E), which illustrates the ratio between the share price and earnings per share. This performance measure illustrates the share’s payback period based on the closing price and current earnings.

- Effective dividend yield, which illustrates the ration between earnings per share and the share price.
- Gross investments, which illustrates total investments including acquisitions, development investments, modernisation investments and capitalised interest.
- Coverage ratio, which illustrates debt service capacity.
- Solvency ratio, which illustrates net debt against total assets.
- Secured solvency ratio, which illustrates secured indebtedness against total assets.
- Unencumbered asset ratio, which discloses the amount of assets with no encumbrance to total assets.

Kojamo presents alternative performance measures as additional information to financial measures presented in the consolidated income statements, consolidated balance sheets and consolidated statements of cash flows prepared in accordance with IFRS. In Kojamo's view, the alternative performance measures provide to the management, investors, securities analysts and other parties significant additional information related to Kojamo's results of operations, financial position or cash flows and are often used by analysts, investors and other parties.

The alternative performance measures should not be considered in isolation or as substitute to the measures under IFRS. All companies do not calculate alternative performance measures in a uniform way, and, therefore, the alternative performance measures presented in this Base Prospectus may not be comparable with similarly named measures presented by other companies.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables present selected audited consolidated financial information for the Issuer as at and for the financial years ended 31 December 2020, 2019 and 2018. The audited consolidated financial information presented below has been derived from the Issuer's audited consolidated financial statements as at and for the financial years ended 31 December 2020 and 2019, including the audited consolidated comparative financial information as at and for the year ended 31 December 2018.

The audited consolidated financial statements of the Issuer as at and for the financial years ended 31 December 2020 and 2019 have been prepared in accordance with the applicable IFRS as adopted by the European Union.

	For the year ended		
	2020	31 December 2019	2018
	(audited)	(audited)	(audited, unless otherwise indicated)
<b>CONSOLIDATED INCOME STATEMENT</b>	<i>(EUR in millions)</i>		
<b>Total revenue</b>	383.9	375.3	358.8
Maintenance expenses	-90.5	-91.1	-89.5
Repair expenses	-35.8	-36.9	-35.4
<b>Net rental income</b>	<b>257.6</b>	<b>247.3</b>	<b>234.0</b>
Administrative expenses	-38.4	-38.7	-38.6
Other operating income	3.6	2.2	2.1
Other operating expenses	-0.2	-0.5	-1.0
Profit/loss on sales of investment properties	-0.7	0.1	1.0
Profit/loss on sales of trading properties	-	0.2	0.1
Profit/loss on fair value of investment properties	225.8	872.4	127.5
Depreciation, amortisation and impairment losses	-1.3	-1.1	-0.8
<b>Operating profit</b>	<b>446.3</b>	<b>1,081.9</b>	<b>324.2</b>
Financial income	1.8	2.6	3.2
Financial expenses	-57.0	-53.4	-50.3
<b>Total amount of financial income and expenses</b>	<b>-55.3</b>	<b>-50.8</b>	<b>-47.1</b>
Share of result from associated companies	0.2	0.2	0.2
<b>Profit before taxes</b>	<b>391.2</b>	<b>1,031.3</b>	<b>277.3</b>
Current tax expense	-16.9	-19.9	-34.1
Change in deferred taxes	-61.5	-186.2	-21.4
<b>Profit for the period</b>	<b>312.9</b>	<b>825.2</b>	<b>221.8</b>
<b>Profit of the financial period attributable to</b>			
<b>Shareholders of the parent company</b>	312.9	825.2	221.8
<b>Earnings per share based on profit attributable to equity holders of the parent company</b>			
Basic, euro <sup>1)</sup>	1.27	3.34	0.93
Diluted, euro <sup>1)</sup>	1.27	3.34	0.93
Average number of the shares, <i>millions</i>	247.1	247.1	239.2



## SHAREHOLDERS' EQUITY AND LIABILITIES

### Equity attributable to equity holders of the parent company

Share capital	58.0	58.0	58.0
Share issue premium	35.8	35.8	35.8
Fair value reserve	-54.2	-44.7	-23.9
Invested non-restricted equity reserve	164.4	164.4	164.4
Retained earnings	3,105.5	2,877.0	2,123.7
<b>Equity attributable to shareholders of the parent company</b>	<b>3,309.5</b>	<b>3,090.6</b>	<b>2,358.1</b>
<b>Total equity</b>	<b>3,309.5</b>	<b>3,090.6</b>	<b>2,358.1</b>

## LIABILITIES

### Non-current liabilities

Loans and borrowings	2,832.6	2,429.3	2,391.7
Deferred tax liabilities	744.5	683.8	499.0
Derivatives	80.6	69.8	44.6
Provisions	0.4	0.5	0.6
Other non-current liabilities	4.6	5.1	14.0
<b>Non-current liabilities total</b>	<b>3,662.7</b>	<b>3,188.4</b>	<b>2,949.9</b>

### Current liabilities

Loans and borrowings	220.7	244.9	93.9
Derivatives	0.6	0.2	0.1
Current tax liabilities	2.3	2.0	13.5
Trade and other payables	65.6	64.3	69.9
<b>Current liabilities total</b>	<b>289.2</b>	<b>311.4</b>	<b>177.3</b>
<b>Total liabilities</b>	<b>3,952.0</b>	<b>3,499.8</b>	<b>3,127.2</b>

## TOTAL EQUITY AND LIABILITIES

7,261.5                      6,590.4                      5,485.4

	2020	For the year ended 31 December 2019	2018
	(audited)	(audited)	(audited, unless otherwise indicated)

## CONSOLIDATED STATEMENT OF CASH FLOWS

(EUR in millions)

### Cash flow from operating activities

Profit for the period	312.9	825.2	221.8
Adjustments	-90.6	-614.5	-22.8
Change in net working capital			
Change in trade and other receivables	-2.1	0.6	-1.6
Change in trading properties	-	0.3	0.2
Change in trade and other payables	3.6	-0.8	-1.6
Interest paid	-50.5	-48.6	-40.5
Interest received	0.8	0.8	0.8
Other financial items	-6.1	-0.0	-5.3
Taxes paid	-20.3	-22.2	-38.5

### Net cash flow from operating activities

147.7                      140.8                      112.4

### Cash flow from investing activities

Acquisition of investment properties	-378.6	-273.9	-366.6
Acquisition of associated companies	-0.1	-	-0.3
Acquisition of property, plant and equipment and intangible assets	-0.4	-0.2	-0.2

Proceeds from sale of investment properties	3.5	26.1	110.9
Proceeds from sale of property, plant and equipment and intangible assets	-	0.0	0.0
Purchases of financial assets	-210.0	-111.1	-304.0
Proceeds from sale of financial assets	224.8	152.5	180.5
Non-current loans, granted	-4.8	0.0	-0.2
Repayments of non-current receivables	0.2	0.4	0.2
Interest and dividends received on investments	1.1	0.3	0.2
<b>Net cash flow from investing activities</b>	<b>-364.2</b>	<b>-206.0</b>	<b>-379.4</b>
<b>Cash flow from financing activities</b>			
Share issue			150.0
Items related to the share issue recorded in equity			-4.3
Non-current loans and borrowings, raised	643.5	289.8	500.0
Non-current loans and borrowings, repayments	-268.2	-164.0	-292.9
Current loans and borrowings, raised	261.8	139.9	338.8
Current loans and borrowings, repayments	-261.8	-139.9	-342.0
Repayments of lease liabilities	-1.6	-1.6	
Dividends paid	-84.0	-71.7	-50.3
<b>Net cash flow from financing activities</b>	<b>289.7</b>	<b>52.4</b>	<b>299.3</b>
<b>Change in cash and cash equivalents</b>	<b>73.2</b>	<b>-12.8</b>	<b>32.3</b>
<b>Cash and cash equivalents in the beginning of period</b>	<b>137.3</b>	<b>150.1</b>	<b>117.8</b>
<b>Cash and cash equivalents at the end of period</b>	<b>210.5</b>	<b>137.3</b>	<b>150.1</b>

The following table provides certain key figures of the Issuer that are published in addition to IFRS measures. In Kojamo's view, these alternative performance measures provide to the management, investors, securities analysts and other parties significant additional information related to Kojamo's results of operations, financial position or cash flows and are often used by analysts, investors and other parties. These alternative performance measures should not be considered in isolation or as substitute to the measures under IFRS. All companies do not calculate alternative performance measures in a uniform way, and, therefore, the alternative performance measures presented in this Base Prospectus may not be comparable with similarly named measures presented by other companies. The following table sets forth key figures of Kojamo as at and for the financial years ended 31 December 2020, 2019 and 2018.

	<b>As at and for the financial year ended 31 December 2018</b>		
	<b>2020</b>	<b>2019</b>	<b>(audited, unless otherwise indicated)</b>
	<b>(audited)</b>	<b>(audited)</b>	
Total revenue, EUR in millions	383.9	375.3	358.8
Net rental income, EUR in millions	257.6	247.3	234.0
Net rental income margin, %	67.1	65.9	65.2
Profit before taxes, EUR in millions	391.2	1,031.3	277.3
EBITDA, EUR in millions	447.6	1,083.1	325.1
EBITDA margin, %	116.6	288.6	90.6
Adjusted EBITDA, EUR in millions	222.6	210.3	196.5
Adjusted EBITDA margin, %	58.0	56.0	54.8
Funds From Operations (FFO), EUR in millions	151.5	140.7	116.4
Funds From Operations (FFO) margin, %	39.5	37.5	32.4
Funds From Operations (FFO) per share, EUR <sup>1)</sup>	0.61	0.57	0.49
FFO excluding non-recurring costs, EUR in millions	151.5	140.7	117.3

Adjusted Funds From Operations (AFFO), EUR in millions	124.4	110.0	92.7
Investment properties, EUR in millions <sup>2)</sup>	6,863.1	6,260.8	5,093.2
Financial occupancy rate, %	96.4	97.2	97.0
Interest-bearing liabilities, EUR in millions <sup>3)</sup>	3,053.3	2,674.2	2,485.5
Return on equity, % (ROE)	9.8	30.3	10.1
Return on investment, % (ROI)	7.4	20.5	7.2
Equity ratio, %	45.6	46.9	43.0
Loan to Value (LTV), % <sup>4)</sup>	41.4	40.5	45.9
Earnings per share, EUR <sup>1)</sup>	1.27	3.34	0.93
Equity per share, EUR <sup>1)</sup>	13.39	12.51	9.54
Dividend/share, EUR <sup>1) 6)</sup>	0.37	0.34	0.29
Dividend/earnings, %	29.1	10.2	31.2
Price/Earnings ratio (P/E)	14.3	4.9	8.7
Effective dividend yield, %	2.0	2.1	3.6
Gross investments, EUR in millions	371.2	259.9	365.2
Average number of personnel	315	305	319
Coverage ratio	4.1	4.2	4.3
Solvency ratio <sup>5)</sup>	0.39	0.39	0.43
Secured solvency ratio	0.14	0.20	0.25
Unencumbered asset ratio, %	79.4	69.8*	65.8*

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

<sup>2)</sup> Contains Non-current assets held for sale.

<sup>3)</sup> Does not include liabilities related to non-current assets held for sale.

<sup>4)</sup> Does not include non-current assets held for sale or liabilities related to non-current assets held for sale.

<sup>5)</sup> Includes liabilities related to non-current assets held for sale.

<sup>6)</sup> In 2020, the Board of Directors proposed to the Annual General Meeting that a dividend of EUR 0.37 per share be paid.

\* Unaudited.

## Calculation Formulas Used in the Calculation of Key Figures

Net rental income	=	Total revenue - Maintenance expenses - Repair expenses	
Net rental income margin, %	=	$\frac{\text{Net rental income}}{\text{Total revenue}}$	x 100
Profit 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	
EBITDA	=	Profit 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 margin, %	=	$\frac{\text{EBITDA}}{\text{Total revenue}}$	x 100
Adjusted EBITDA	=	Profit for the period + Depreciation, amortisation and impairment losses - /+ Profit loss on sales of investment properties -/+ Profit/loss on sales 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 margin, %	=	$\frac{\text{Adjusted EBITDA}}{\text{Total revenue}} \times 100$
Funds From Operations (FFO)	=	Adjusted EBITDA - Net interest charges - Current tax expenses
FFO margin, %	=	$\frac{\text{FFO}}{\text{Total revenue}} \times 100$
FFO per share	=	$\frac{\text{FFO}}{\text{Weighted average number of shares outstanding during the financial period}}$
FFO excluding non-recurring costs	=	FFO + non-recurring costs
Adjusted Funds From Operations (AFFO)	=	FFO - Modernisation investments
Interest-bearing liabilities	=	Non-current loans and borrowings + Current loans and borrowings
Return on equity (ROE), %	=	$\frac{\text{Profit for the period}}{\text{Total equity, average during the period}} \times 100$
Return on investment (ROI), %	=	$\frac{\text{Profit before taxes + Interests and other financial expenses}}{\text{Assets total - Non-interest-bearing liabilities (average during the period)}} \times 100$
Equity ratio, %	=	$\frac{\text{Total equity}}{\text{Assets total - Advances received}} \times 100$
Loan to Value (LTV), %	=	$\frac{\text{Interest-bearing liabilities - Cash and cash equivalents}}{\text{Investment property}} \times 100$
Dividend/earnings, %	=	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
Price/Earnings ratio (P/E)	=	$\frac{\text{Closing price of the share}}{\text{Earnings per share}}$
Effective dividend yield, %	=	$\frac{\text{Dividend per share}}{\text{Closing price of the share}} \times 100$
Gross investments	=	Acquisition and development of investment properties + Modernisation investments + Capitalised borrowing costs
Coverage ratio	=	$\frac{\text{Aggregate amount of Consolidated Adjusted EBITDA}}{\text{Aggregate amount of Net Interest Charges}}$
Solvency ratio	=	$\frac{\text{Consolidated Total Indebtedness}^1 - \text{Cash and cash equivalents}}{\text{Consolidated Total Assets}}$

$$\text{Secured solvency ratio} = \frac{\text{Secured Consolidated Total Indebtedness}^{2)}}{\text{Consolidated Total Assets}}$$

$$\text{Unencumbered asset ratio, \%} = \frac{\text{Unencumbered assets}}{\text{Consolidated Total Assets}} \times 100$$

**Other performance measures**

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

<sup>1)</sup> Aggregate of total interest-bearing liabilities and deferred purchase price due after 90 days.

<sup>2)</sup> “Loans covered by pledges on property and shares as collateral”. See Note 4.7 (*Collateral and contingent liabilities*) to the consolidated financial statements.

## Reconciliations of Certain Alternative Performance Measures

The following table sets forth reconciliation of certain alternative performance measures as at and for the financial years ended 31 December 2020, 2019 and 2018.

	As at and for the financial year ended December 31		
	2020	2019	2018
	(audited)	(audited)	(audited, unless otherwise indicated)
	<i>(EUR in millions, unless otherwise indicated)</i>		
Profit for the period	312.9	825.2	221.8
Depreciation, amortisation and impairment	1.3	1.1	0.8
Profit/loss on sales of investment properties	0.7	-0.1	-1.0
Profit/loss on sales of trading properties	-	-0.2	-0.1
Profit/loss on sales of other non-current assets	-	0.0	0.0
Profit/loss on fair value of investment properties	-225.8	-872.4	-127.5
Financial income	-1.8	-2.6	-3.2
Financial expenses	57.0	53.4	50.3
Share of result from associated companies	-0.2	-0.2	-0.2
Current tax expense	16.9	19.9	34.1
Change in deferred taxes	61.5	186.2	21.4
<b>Adjusted EBITDA</b>	<b>222.6</b>	<b>210.3</b>	<b>196.5</b>
Financial income and expenses	-55.3	-50.8	-47.1
Profit/loss on fair value measurement of financial assets	1.0	1.1	1.2
Net interest charges	-54.2	-49.7	-46.0
Current tax expense	-16.9	-19.9	-34.1
<b>FFO</b>	<b>151.5</b>	<b>140.7</b>	<b>116.4</b>
Non-recurring costs <sup>1)</sup>	-	-	0.8
<b>FFO excluding non-recurring costs</b>	<b>151.5</b>	<b>140.7</b>	<b>117.3</b>
Equity	3,309.5	3,090.6	2,358.1
Assets total	7,261.5	6,590.4	5,485.4
Advances received	-6.6	-6.7	-6.1
<b>Equity ratio, %</b>	<b>45.6</b>	<b>46.9</b>	<b>43.0</b>
Unencumbered investments properties	5,327.0	4,296.3	3,241.7
Non-current assets, other than investment properties	97.6	25.6	24.4
Current assets total	342.7	277.6	341.1
Unencumbered assets	5,767.3	4,599.6	3,607.2
Consolidated Total Assets	7,261.5	6,590.4	5,485.4
<b>Unencumbered asset ratio, %<sup>2)</sup></b>	<b>79.4</b>	<b>69.8*</b>	<b>65.8*</b>
Interest-bearing liabilities	3,053.3	2,674.2	2,485.5
Deferred purchase price due after 90 days	-	8.7	19.7
Consolidated Total Indebtedness	3,053.3	2,682.9	2,505.3
Cash and cash equivalents	-210.5	-137.3	-150.1
Consolidated Total Indebtedness less cash and cash equivalents	2,842.8	2,545.6	2,355.2
Consolidated Total Assets	7,261.5	6,590.4	5,485.4
<b>Solvency ratio</b>	<b>0.39</b>	<b>0.39</b>	<b>0.43</b>

Adjusted EBITDA	222.6	210.3	196.5
Total amount of financial income and expenses	-55.3	-50.8	-47.1
Valuation changes on financial assets recognised at fair value through profit or loss	1.0	1.1	1.2
Net Interest Charges	-54.2	-49.7	-46.0
<b>Coverage ratio</b>	<b>4.1</b>	<b>4.2</b>	<b>4.3</b>
Secured Consolidated Total Indebtedness	1,048.5	1,298.1	1,367.0
Consolidated Total Assets	7,261.5	6,590.4	5,485.4
<b>Secured solvency ratio</b>	<b>0.14</b>	<b>0.20</b>	<b>0.25</b>

<sup>1)</sup> Non-recurring costs arise from arrangements related to the Group's listing on the stock exchange and the issuing of shares.

<sup>2)</sup> The calculation formula was changed in 2018 to limit the maximum amount of warranties to the fair value of the investment property and comparative figures restated to correspond to the current formula.

\* Unaudited.

## BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

### General

Kojamo's corporate governance complies with the Finnish Limited Liability Companies Act (624/2006, as amended) (the **Finnish Limited Liability Companies Act**), the Finnish Securities Markets Act (746/2012, as amended) (the **Finnish Securities Markets Act**) and other laws and regulations applicable to Finnish public companies as well as Kojamo's Articles of Association. Kojamo also follows Nasdaq Helsinki Ltd's rules and recommendations applicable to Finnish listed companies and complies with the Finnish Corporate Governance Code of 2020 issued by the Securities Market Association (hereinafter, the **Corporate Governance Code**), effective as of 1 January 2020.

Under the Finnish Limited Liability Companies Act and Kojamo's Articles of Association, Kojamo's governance and management are distributed between the shareholders, the Board of Directors and the Chief Executive Officer (CEO). The Management Team supports the CEO in the daily management of Kojamo's operations. The business address of the members of the Board of Directors, the CEO and the Management Team is Mannerheimintie 168a, FI-00300 Helsinki, Finland.

The shareholders take part in the supervision and governance of Kojamo through the resolutions of General Meetings of Shareholders. A General Meeting of Shareholders is generally convened by the Board of Directors. In addition to this, a General Meeting of Shareholders shall be held if Kojamo's auditor or shareholders representing a minimum of one-tenth of all outstanding shares in Kojamo demand in writing that a General Meeting be convened.

### Board of Directors

#### *Duties of the Board of Directors*

According to Kojamo's Articles of Association, the Board of Directors consists of a minimum of five and a maximum of eight ordinary members. The term of office for members of the Board of Directors expires at the end of the first Annual General Meeting of Shareholders following the election. The Board of Directors supervises Kojamo's operations and management, deciding on significant matters concerning the company strategy, investments, organisation and finance in accordance with the Finnish Limited Liability Companies Act. The general duty of the Board of Directors is to act as the representative of all shareholders by governing Kojamo's operations in accordance with the Articles of Association and to ensure that it will generate the highest possible added value in the long term while taking into account the expectations of its various stakeholders.

The Board of Directors' duties further include, among others:

- approving financial statements, consolidated financial statements as well as interim reports and financial statement bulletins;
- approving Kojamo's strategic objectives;
- approving the budget and investment and divestment plans;
- deciding on significant investments and divestments;
- deciding on significant loans and guarantees;
- confirming any policies devised in Kojamo (e.g. policies related to personnel, treasury and risk management).

The Board of Directors also appoints Kojamo's CEO, Deputy CEO as well as the members of the Management Team and decides on the terms of their service. The Board of Directors has compiled a written working order for its operations, defining the main duties and operating principles of the Board. The Board of Directors evaluates its

operations and working methods annually, and develops its operations based on the results. The outcomes of the evaluation shall be observed when preparing a proposal for the composition of the new Board of Directors.

The following table sets forth the members of Kojamo's Board of Directors as at the date of this Base Prospectus:

<b>Name</b>	<b>Year of birth</b>	<b>Position</b>	<b>Member of the Board of Directors since</b>
Mikael Aro	1965	Chairman of the Board of Directors	Chairman of the Board of Directors since 2019
Mikko Mursula	1966	Vice Chairman of the Board of Directors	Member of the Board of Directors since 2016, Vice Chairman of the Board of Directors since 2016
Matti Harjuniemi	1958	Member of the Board of Directors	2010
Minna Metsälä	1967	Member of the Board of Directors	2018
Reima Rytsölä	1969	Member of the Board of Directors	2014
Anne Leskelä	1962	Member of the Board of Directors	2018
Heli Puura	1965	Member of the Board of Directors	2019

Mikael Aro has been the Chairman of Kojamo's Board of Directors since 2019 and the Chairman of Kojamo's Remuneration Committee since 2019. Mr. Aro has acted as Senior Industry Expert at Triton since 2016. Previously, Mr. Aro has acted as President and CEO of VR Group in 2009-2016 and as SVP, Northern Europe of Carlsberg Breweries AS in 2007-2009. Mr. Aro holds an eMBA degree and he is a Finnish citizen.

Mikko Mursula has been a member and the Vice Chairman of Kojamo's Board of Directors since 2016 and a member of the Audit Committee since 2016. During 2016-2018, Mr. Mursula was the Chairman of the Audit Committee. In addition, Mr. Mursula has acted as the Chief Investment Officer of Ilmarinen Mutual Pension Insurance Company since 2015. Previously, Mr. Mursula has acted as Chief Executive Officer of FIM Corporation and Head of Asset Management and Securities Broking Business of S-Bank in 2013-2015 and as Managing Director of FIM Asset Management in 2010-2015. Mr. Mursula has also acted at Ilmarinen Mutual Pension Insurance Company as a portfolio manager and as the Head of Equities and Head of Allocation and Listed Securities in 2000-2010. Mr. Mursula holds a Master's degree in Science, Economics and Business Administration and he is a Finnish citizen.

Matti Harjuniemi has been a member of Kojamo's Board of Directors since 2010 and a member of Kojamo's Audit Committee since 2010. In addition, Mr. Harjuniemi has been the President of the Finnish Construction Trade Union since 2005. Mr. Harjuniemi holds a Master's degree in Science and he is a Finnish citizen.

Minna Metsälä has been a member of Kojamo's Board of Directors since 2018 and a member of Kojamo's Remuneration Committee since 2018. Ms. Metsälä acts as partner in Ocio Oy. Before that, she acted as Business Director of Tays Heart Hospital from autumn 2018 to autumn 2019. Previously, Ms. Metsälä has acted as Chief Executive Officer of Turva Mutual Insurance Company in 2008-2018. In 2000-2008 Ms. Metsälä acted as Group Logistics Manager, Supply Chain Manager and Customer Service Manager at Nokian Tyres plc. Ms. Metsälä holds a M.Sc. (Economic Sciences) degree and she is a Finnish citizen.

Reima Rytsölä has been a member of Kojamo's Board of Directors since 2014 and a member of the Remuneration Committee since 2015. Mr. Rytsölä has also been a member of the Audit Committee in 2014-2015. In addition, Mr. Rytsölä has acted at Varma Mutual Pension Insurance Company as the Executive Vice President since 2015 and Chief Investment Officer since 2014. Previously, Mr. Rytsölä has acted as a Senior Executive Vice President, Banking, with Group-level responsibility for major corporate and institutional customers of Pohjola Bank Plc in 2008-2013 and in other managerial and investment-related positions of Pohjola Bank Plc and its subsidiaries in 1998-2007. Mr. Rytsölä holds a Master's degree in Social Sciences and a CEFA degree and he has completed an AMP at the Harvard Business School. Mr. Rytsölä is a Finnish citizen.

Anne Leskelä has been a member of Kojamo's Board of Directors since 2018, Chairman of Kojamo's Audit Committee since 2019 and a member of Kojamo's Audit Committee since 2018. Ms. Leskelä has acted as Chief Financial Officer and Vice President for Finance and Control and IR at Nokian Tyres plc in 2006-2018. In 1997-2006 Ms. Leskelä acted as Treasurer and Manager, Treasury at Nokian Tyres plc. In 1995-1997 Ms. Leskelä acted

as Financial analyst at group administration at Oy Kyro Ab. In 1992–1994 Ms. Leskelä participated in founding Suomen Säästöpankki – SSP Oy and acted as Manager, Domestic Money Market. Ms. Leskelä holds a M.Sc. (Business Administration) degree and she is a Finnish citizen.

Heli Puura has been a member of Kojamo’s Board of Directors since 2019, and a member of Kojamo’s Audit Committee since 2019. Ms. Puura has acted as Director of department responsible for working conditions at SAK since September 2019. Before that, she acted as 2nd Vice President of Industrial Union from 2018 until autumn 2019. Previously, Puura acted as Union President of The Industrial Union TEAM in 2015-2017 and as Lawyer and Director of Social Affairs in The Finnish Confederation of Professionals (STTK) in 2005-2015. Ms. Puura holds a Master’s degree in Law and she is a Finnish citizen. Heli Puura will leave Kojamo's Board of Directors following the 2021 Annual General Meeting of Kojamo.

### ***Nomination Board Proposals to the 2021 Annual General Meeting of Kojamo***

The Nomination Board has proposed to the 2021 Annual General Meeting that Catharina Stackelberg-Hammarén (born 1970) be elected to join the Board of Directors of Kojamo as a new addition to the board. Ms. Stackelberg-Hammarén is the Founder and Executive Chairman of Marketing Clinic Oy and acted as the Chief Executive Officer of the company in 2004-2019. Before this, Ms. Stackelberg-Hammarén acted as Managing Director of Coca-Cola Finland (Helsinki) in 2003-2004 and 2000-2002, as Managing Director of Coca-Cola AB (Stockholm) in 2002-2003 and as Marketing Director of Coca-Cola Nordic & Baltic Division, Copenhagen in 2000. Ms. Stackelberg-Hammarén holds a M. Sc. (Economics) degree and she is a Finnish citizen.

## **Committees**

### ***Audit Committee and Remuneration Committee***

Kojamo has two committees appointed by the Board of Directors; the Audit Committee and the Remuneration Committee. The Committees have no independent decision-making authority; their purpose is to present issues within their remit to the Board of Directors or the Annual General Meeting for a decision. The Committees report regularly to the Board of Directors. If necessary, the Board of Directors may also establish other committees and temporary working groups from among its members to prepare other important decisions.

The Board of Directors appoints the Audit Committee and the Remuneration Committee from among its members. The members’ term of office is one year, ending at the close of the next Annual General Meeting after the election. Each committee shall have at least three members. A quorum of a committee meeting shall be attained when the Chairman and at least one member are present.

The main task of the Audit Committee is to monitor Kojamo’s financial position and oversee its financial reporting. The committee also assesses the sufficiency and adequacy of internal auditing and risk management, evaluates compliance with laws and regulations, prepares the appointment and maintains contacts with the auditor as well as processes the auditor’s report and assesses the advisory services of the auditors. The majority of the members of the Audit Committee shall be independent of Kojamo and at least one member shall be independent of Kojamo’s significant shareholders.

The current members of the Audit Committee are Anne Leskelä (Chairman), Matti Harjuniemi, Mikko Mursula and Heli Puura.

The main task of the Remuneration Committee is to prepare matters concerning the remuneration and benefits of Kojamo’s CEO and Deputy CEO, and other matters concerning Kojamo’s reward systems. In addition, the committee prepares matters relating to the remuneration of all other members of Kojamo’s management and relating to its remuneration system. The majority of the Remuneration Committee members shall be independent of Kojamo.

The current members of the Remuneration Committee are Mikael Aro (Chairman), Minna Metsälä and Reima Rytölä.

### ***Nomination Board***

According to its Charter, the Nomination Board consists of representatives nominated by the three largest shareholders of Kojamo and the Chairman of the Board of Directors as an expert member. The right to nominate representatives is vested with the three shareholders of Kojamo having the largest share of the votes represented by all the shares in Kojamo annually on the first workday of September preceding the Annual General Meeting.

The Nomination Board is a body of Kojamo's shareholders with the responsibility for preparing the proposals to the Annual General Meeting and, if needed, to the Extraordinary General Meeting concerning the election and remuneration of the members of the Board of Directors and the remuneration of the members of the Board Committees. The main responsibility of the Nomination Board is to ensure that the Board of Directors and its members have a sufficient level of expertise, knowledge and experience for the needs of Kojamo.

The Chairman of the Board of Directors does not take part in the decision-making of the Nomination Board. The representative of the largest shareholder shall be elected Chairman of the Nomination Board unless the Nomination Board expressly decides otherwise. The Chairman of the Board of Directors cannot act as the Chairman of the Nomination Board.

The current members of the Nomination Board are Riku Aalto (Chairman; President of the Finnish Industrial Union), Risto Murto (President and CEO of Varma Mutual Pension Insurance Company) and Jouko Pölonen (President and CEO of Ilmarinen Mutual Pension Insurance Company).

### **CEO**

Kojamo's Board of Directors appoints the Chief Executive Officer (CEO), Deputy CEO and the members of the Management Team. The CEO is responsible for running the operating activities of Kojamo in accordance with the Finnish Limited Liability Companies Act and the administrative regulations and as instructed and ordered by the Board of Directors.

The CEO's other tasks are to:

- be responsible for the day-to-day administration of Kojamo in accordance with the instructions and regulations given by the Board of Directors;
- oversee that the accounts of Kojamo are in compliance with the law and that Kojamo's financial affairs have been arranged in a reliable manner;
- prepare and present to the Board of Directors the strategic plan, annual budget and the investments and divestments plan for Kojamo and further to ensure that they are implemented as decided by the Board of Directors;
- chair the Management Team;
- ensure that Kojamo's operations are properly organised and its objectives achieved; and
- report to the Board of Directors on Kojamo's financial position, business environment and other significant matters related to Kojamo's operations.

At the date of this Base Prospectus, the CEO of Kojamo is Jani Nieminen and the Deputy CEO is Erik Hjelt.

### **Management Team**

The Management Team supports the CEO in the preparation of Kojamo's strategy issues, in the handling of significant and fundamental operational issues, and in facilitating internal communications. The Management Team is formed by the CEO and Directors appointed by the Board of Directors as based on the CEO's proposal. The Management Team meetings are also attended by other advisors as decided by the CEO. The tasks of the Management Team are to implement the Board of Directors' decisions under the leadership of the CEO, analyse

changes in the operating environment and prepare actions accordingly as well as prepare matters for the Board of Directors and its committees.

The following table sets forth the members of Kojamo’s Management Team as at the date of this Base Prospectus:

<b>Name</b>	<b>Year of birth</b>	<b>Position</b>	<b>Member of Management Team since</b>
Jani Nieminen	1968	CEO	2011
Erik Hjelt	1961	CFO, Deputy to CEO	2015
Irene Kantor	1968	Marketing and Communications Director	2013
Tiina Kuusisto	1968	Chief Customer Officer	2019
Ville Raitio	1978	Chief Investment Officer	2019
Katri Harra-Salonen	1969	Chief Digital Officer	2020

Jani Nieminen has been the CEO of Kojamo since 2011. Previously, Mr. Nieminen has acted as Business Director and Deputy to CEO of Realia Group Oy in 2006–2011 and as Unit Manager of Sato Plc in 1997–2006. Mr. Nieminen holds a Master’s degree in Science, Technology and a Master’s degree in Business Administration, MBA. Mr. Nieminen is a Finnish citizen.

Erik Hjelt has been the CFO and Deputy to CEO of Kojamo since 2015. Previously, Mr. Hjelt has acted at Sponda Plc as the Chief Financial Officer (CFO) in 2009–2015 and Senior Vice President for Legal Affairs and Treasury in 2007–2009. He has also acted at Kapiteeli Plc as Senior Vice President for Finance and Legal Affairs, HR and Communications in 1999–2006. Mr. Hjelt is a Licentiate in Laws and holds an eMBA degree. Mr. Hjelt is a Finnish citizen.

Irene Kantor has been the Marketing and Communications Director of Kojamo since 2013. Previously, Ms. Kantor has been the Communications Director of DNA Oy in 2012–2013, Chief Executive Officer of SEK Public Oy in 2010–2012, Chief Executive Officer and owner of Aidema Oy in 2006–2010 and Communications Consultant of BNL Euro RSCG in 2001–2006. Ms. Kantor holds a Master’s degree in Arts and an eMBA. Ms. Kantor is a Finnish citizen.

Tiina Kuusisto has been the Chief Customer Officer of Kojamo since 2019. Previously, Ms. Kuusisto has been Chief Marketing Officer of Elisa plc in 2018 and responsible for digital consumer sales and marketing in 2009–2018. Before that, she was Managing Director at Tiimari Retail Oy in 2008–2009 and Marketing Director at Seppälä Oy in 2001–2008, among others. Ms. Kuusisto holds a M.Sc. (Econ) degree. Ms. Kuusisto is a Finnish citizen.

Ville Raitio has been the Chief Investment Officer of Kojamo since 2019. Mr. Raitio has previously been, among others, Co-Head of Direct Property, Nordics and Country Head, Finland at Aberdeen Standard Investments in 2013–2019. Before that, he was Partner, Investments at ATP Real Estate from 2007 to 2013 and Research Director at INREV from 2004 to 2007, among others. Mr. Raitio holds a M.Sc. (Econ) degree. Mr. Raitio is a Finnish citizen.

Katri Harra-Salonen has been the Chief Digital Officer of Kojamo since 2020. Previously, Ms. Harra-Salonen was the Chief Digital Officer of Finnair Plc from 2016. Before that, she was the CEO of Umbrella Strategic Advisory Oy she founded from 2012 to 2016, Managing Director and Business Development Director from 2010 to 2012 at Fjord Sweden AB in Sweden, and she held many international management positions at Satama Interactive from 1999 to 2009, among others. She is also a member of the Board at Veho Oy and Docrates Oy. Ms. Harra-Salonen holds M.Sc. (Tech) and eMBA degrees. Ms. Harra-Salonen is a Finnish citizen.

### **Absence of Conflicts of Interest**

There are no (i) potential conflicts of interest between any duties to Kojamo of any member of the Board of Directors or the Management Team and their private interests and/or other duties; or (ii) arrangements or understandings with major shareholders, members, suppliers or others pursuant to which any member of the Board of Directors or the Management Team was elected.

According to the independence assessment, all members of the Board of Directors are independent of Kojamo. The members are also independent of Kojamo's major shareholders, except for Mikko Mursula and Reima Rytsölä who are employed by shareholders holding over 10 per cent. of Kojamo's shares.

### **Auditors**

The consolidated financial statements of the Issuer for the financial year ended 31 December 2020 and for the financial year ended 31 December 2019 incorporated by reference in this Base Prospectus have been audited by KPMG Oy Ab, under the supervision of principal auditor Esa Kailiala, Authorised Public Accountant. The business address of the principal auditor and KPMG Oy Ab is Töölönlahdenkatu 3 A, FI-00100 Helsinki, Finland.

## SHARE CAPITAL AND OWNERSHIP STRUCTURE

### Share Capital Information

The Issuer has a single series of shares (**Shares**), and each Share entitles its holder to one vote in the General Meeting of Shareholders of the Issuer. There are no voting restrictions related to the Shares. The Shares have no nominal value. All Shares carry equal rights to dividends and other distributions by the Issuer (including distributions of assets in the event of a liquidation of the Issuer). The Issuer's registered share capital as at the date of this Base Prospectus is EUR 58,025,136 and the Issuer has 247,144,399 fully paid Shares.

The Board of Directors of the Issuer decided on 31 May 2018 that the Issuer will apply for the listing of the Shares on the official list of Nasdaq Helsinki. Trading in the Shares on the pre-list of Nasdaq Helsinki commenced on 15 June 2018 and on the official list of Nasdaq Helsinki on 19 June 2018 under the trading code "KOJAMO" and ISIN code FI4000312251.

As at the date of this Base Prospectus, the Issuer does not hold any of its Shares.

Kojamo's Annual General Meeting held on 12 March 2020 authorised the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of a maximum of 24,714,439 of the Issuer's own shares. The number of shares corresponds to approximately 10 per cent. of all the shares of the Issuer. In addition, the Board of Directors was authorised to resolve on the issuance of shares and issuance of special rights entitling to shares, as referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act. The maximum number of shares that can be issued on the basis of the authorisation is 24,714,439, which corresponds to approximately 10 per cent. of all the shares of the Issuer. The authorisation applies to both the issuance of new shares and the conveyance of own shares held by the Issuer. Both authorisations are valid until the closing of the next Annual General Meeting, however, no longer than 30 June 2021.

### Ownership Structure

The following table sets forth the ten largest shareholders of the Issuer and their shareholdings as at 28 February 2021:

<b>Shareholder</b>	<b>No. of Shares</b>	<b>Shareholding, %</b>
The Finnish Industrial Union	24,809,561	10.04
Ilmarinen Mutual Pension Insurance Company	20,537,814	8.31
Varma Mutual Pension Insurance Company	19,362,375	7.83
Trade Union of Education in Finland	15,081,498	6.10
Trade Union for the Public and Welfare Sectors	11,900,000	4.82
Finnish Construction Trade Union	9,866,210	3.99
Trade Union PRO	8,104,150	3.28
Service Union United PAM	6,983,974	2.83
Elo Mutual Pension Insurance Company	2,981,113	1.21
Åbo Akademi University Foundation	2,198,763	0.89
Other	125,318,941	50.70
<b>Total</b>	<b>247,144,399</b>	<b>100.00</b>

To the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled by any person for the purposes of Chapter 2, Section 4 of the Finnish Securities Market Act, and the Issuer is not aware of any arrangement the operation of which may result in a change of control of the Issuer.

The Issuer is not aware of any existing shareholder agreements between its shareholders as at the date of this Base Prospectus.

## TAXATION

### FINNISH TAXATION

#### *General*

The following is a general description of certain Finnish tax considerations relating to the Notes. This description is (i) based on the laws and regulations and published case law in full force and effect in Finland and the interpretation thereof as at the date of this Base Prospectus, which may be subject to change in the future, potentially with retroactive effect, and (ii) prepared on the assumption that the Issuer is resident in Finland for tax purposes. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. The comments below relate only to the position of persons who are the absolute beneficial owners of the Notes. The following description is based on an interpretation of general provisions of tax law. Prospective investors are therefore advised to consult their own qualified tax advisors so as to determine, in the light of their individual situation, the tax consequences of the acquisition, holding, redemption, sale or other disposition of the Notes.

#### *Non-Resident Holders of Notes*

Payments made by or on behalf of the Issuer to persons not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland may be made without withholding or deduction for, or on account of, any present taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

Noteholders who are not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland will not be subject to Finnish duties or taxes on gains realized on the sale or redemption of the Notes.

When the Issuer effects payments through a paying agent or intermediary, the Issuer should not have an obligation to ensure whether the recipient of the payment is non-resident for Finnish tax purposes provided that the paying agent or intermediary is a Reporting Financial Institution under Common Reporting Standard (CRS), Foreign Account Tax Compliance Act (FATCA) or Council Directive 2014/107/EU of 9 December 2014 (DAC2). When the paying agent or other intermediary (such as a financial institution) effecting the payment to the holder of Notes is resident in Finland for tax purposes or the payment is made through a Finnish permanent establishment of a non-resident paying agent or intermediary, the entity effecting the payment should ensure whether the recipient of the payment is non-resident for Finnish tax purposes.

#### *Resident Holders of Notes*

Taxable income is determined separately for business income, personal income and agricultural income. Repayments of principal on the Notes as well as the redemption or other sale of the Notes are treated as disposals (partial or full, depending on the case) of the Notes, potentially resulting in taxation on the capital gains/losses, as explained below.

##### *(a) Corporates*

For Finnish resident corporate entities, and entities not resident in Finland for tax purposes but who engage in trade or business through a permanent establishment or a fixed place of business in Finland, interest income and capital gains relating to the Notes are generally taxed at a flat rate of 20 per cent. (the current rate in 2020). The remaining acquisition cost in taxation of the Notes is regarded as tax-deductible expenditure upon disposal of the Notes. Losses resulting from the disposal of the Notes in the context of business activity can be set off against income from the same income source during the year of the disposal and ten subsequent tax years. Capital losses resulting from the disposal of Notes from a personal income source can be set off against capital gains from disposals of other assets in the personal income source derived during the tax year of the disposal and five subsequent years. Due to changes to the Finnish tax laws that came into effect on 1 January 2020 and are applied as of tax year 2020,

most Finnish limited liability companies and other corporate entities cannot have assets belonging to the personal income source.

Payments made by or on behalf of the Issuer to corporates resident in Finland for tax purposes may be made without withholding or deduction for, or on account of, any present taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

*(b) Individuals and Estates*

For a private person (and an estate of a deceased person) who is resident in Finland for tax purposes and is taxed in accordance with the Income Tax Act (1535/1992, as amended), interest income and capital gains relating to the Notes (including payments made by the Issuer) are generally taxed at the current (2020) capital income tax rate of 30 per cent. up to EUR 30,000 and 34 per cent. for any amounts exceeding EUR 30,000. Capital gains are tax-exempt if all taxable sales proceeds received during a tax year in aggregate do not exceed EUR 1,000. Correspondingly, capital losses are not deductible if the related acquisition costs in a tax year in aggregate do not exceed EUR 1,000. Capital gains or losses are calculated by deducting the aggregate of the acquisition cost and the expenses related to acquiring the gain or loss from the sales proceeds. Alternatively, instead of applying the actual acquisition cost, individuals and estates can apply a “presumed acquisition cost,” in which case no additional actual expenses can be deducted. The presumed acquisition cost is 20 per cent. (and if the Notes have been owned for a period of at least ten years, 40 per cent.) of the sales price. Capital losses resulting from the disposal of such Notes, which do not belong to the business activities of individuals or estates, can generally be set off against capital income from non-business activities derived during the tax year of the disposal and five subsequent years.

Note that the separate tax rules applicable to Finnish resident private individuals taxed in accordance with the Business Income Tax Act (360/1968, as amended) are not dealt with in this description.

Interest and any similar payments (e.g. interest compensation FI: “*jälkimarkkinahyvitys*” and index compensation FI: “*indeksihyvitys*”) made to individuals or estates resident in Finland are generally subject to advance withholding of income tax. Payments classified as capital gain for Finnish income tax purposes are not subject to advance withholding of income tax.

The withholding liability should primarily lie with a possible paying agent or other intermediary (such as a financial institution) effecting the payment to the holder of Notes, if the paying agent or intermediary is resident in Finland for tax purposes or the payment is made through a Finnish permanent establishment of a non-resident paying agent or intermediary.

## **FATCA DISCLOSURE**

### ***Foreign Account Tax Compliance Act***

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Finland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes that are characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under Condition

18 (*Further Issues*)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

### **The Proposed Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the participating Member States may decide to withdraw.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

The Dealers have, in the amended and restated Programme Agreement (the **Programme Agreement**) dated 23 March 2021, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

## SELLING RESTRICTIONS

### *United States*

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### *Prohibition of Sales to EEA Retail Investors*

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

- (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

### ***United Kingdom***

#### ***Prohibition of sales to UK Retail Investors***

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus Regulation**); and

- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

- (A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- (a) the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- (b) the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

#### ***Other regulatory restrictions***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

### ***The Republic of Finland***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will offer the Notes in the Republic of Finland only to qualified investors as defined in the Prospectus Regulation and in circumstances that will not result in a requirement to prepare a prospectus or passport a prospectus into the Republic of Finland pursuant to the Finnish Securities Market Act or any regulation made thereunder, as supplemented and amended from time to time.

### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### ***Belgium***

Other than in respect of Notes for which “Prohibition of Sales to Belgian Consumers” is specified as “Not Applicable” in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

### ***General***

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Authorisation

The establishment and the update of the Programme was duly authorised by a resolution of the Board of Directors of the Issuer dated 12 March 2020.

### Listing of Notes

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months from the date of this Base Prospectus to be admitted to the Official List and trading on the Euronext Dublin Regulated Market. The approval of the Programme in respect of the Notes was granted on or about 23 March 2021.

### Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the Euronext Dublin Regulated Market for the purposes of the Prospectus Regulation.

### Documents Available

For the life of this Base Prospectus, copies of the following documents will, when published, be available for inspection in electronic form at <https://kojamo.fi/en/investors/financial-information/financing-and-bonds/emtn-programme/>:

- (a) the constitutional documents (with an English translation thereof) of the Issuer;
- (b) the Trust Deed, Agency Agreement, and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (c) a copy of this Base Prospectus; and
- (d) any future base prospectuses, prospectuses, information memoranda, supplements to this Base Prospectus and Final Terms and any other documents incorporated herein or therein by reference.

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and/or Clearstream, Luxembourg, as applicable, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

### Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

### Significant or Material Change

There has been no significant change in the financial performance or position of the Issuer or the Group since 31 December 2020 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2020.

## **Litigation**

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

## **Auditors**

The auditors of the Issuer are KPMG Oy Ab, who have audited the Issuer's consolidated and the parent company's financial statements under the supervision of principal auditor Esa Kailiala, Authorised Public Accountant, and in accordance with good auditing practice under the Auditing Act (1141/2015, as amended) in Finland, and have issued unqualified reports in respect of those financial statements for each of the two financial years ended on 31 December 2020 and 31 December 2019.

## **Dealers Transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **Language of this Base Prospectus**

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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**PRINCIPAL PAYING AGENT**

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**REGISTRAR AND TRANSFER AGENT**

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