

Annual report

2021

Asunto yhtymä

Jaakko Niskanen and Erik Selin

Values

Joo Kodit

Sustainability

Asuntoyhtymä in numbers

Property portfolio

New developments

Reinventing
urban living



Asuntoyhtymä's CEO **Jaakko Niskanen** and Chairperson of the Board **Erik Selin** have worked closely together since the company was founded in 2017.

To celebrate the company's fifth anniversary, Jaakko and Erik met at the start of January at our newly completed Kauniainen office.

Let's enjoy life as a whole

Jaakko Niskanen
CEO

2021 was filled with uncertainty regarding COVID-19. However, the effects on the Finnish residential market have been moderate. On the supply side, our nation's largest cities keep growing and developing. On the demand side, the uncertainty created by COVID-19 has prompted potential tenants to act a little more passively than in a typical market environment.

COVID aside, Asuntoyhtymä had a terrific year. The number of finished apartments in our portfolio grew from 2 748 to 4 146. The market value of our real estate portfolio amounted to 596.7 million euro. We expect a busy 2022 and estimate that by the end of the year the portfolio value will exceed 1 billion euro.

Overall we are great fans of continuous improvement. The number of operational activities performed in-house, instead of outsourcing, is steadily rising. Increasing portfolio volume, combined with higher quality for our customers, also involves onboarding new coworkers. At the time of writing, we are 50 people and expect to have around 75 coworkers at the end of 2022.

Our focus on well-being at work has borne fruit, as illustrated by the results of our coworker survey in

early 2022. Asuntoyhtymä's eNPS (Employee Net Promoter Score) to rate coworker satisfaction was 94, by far the highest score in our industry and an exceptional achievement.

In 2021, we were also excited to launch our new rental brand Joo Kodit. Joo is a lifestyle, one that seeks carefree and easy living, despite the everyday worries and challenges that we all share. Our Joo brand has been very well received by the general public, and we're keen to see how we can change the industry in the future. One tangible innovation we've already introduced is Joo+. This service offers tenants the opportunity to rent their home furnished. Joo is the first large rental operator to launch this service.

Finally, I think it's very important to enjoy our everyday life. Happily, we have a special Joo spirit in the company and we aim to keep it that way! With this in mind, I'd like to give my heartiest thanks to all our dear, hard-working coworkers as well as our customers, partners and financiers. It's an honour to work with you all, I could not enjoy my time more.

2021 at Balder and Asuntoyhtymä

Erik Selin
Asuntoyhtymä, Chairperson of the Board
Fastighets AB Balder, CEO

The past year was exceptional in many ways, with large fluctuations in expectations and prices in all possible areas. Balder's operations, overall, have performed well.

For Balder and Asuntoyhtymä alike, the most important financial goal is to increase our profit from property management and our earning capacity on a long-term basis. This requires that our existing portfolio develops well and that we can find new business with a reasonable return.

Asuntoyhtymä has had a busy year with rapid and profitable growth. Our new rental brand, Joo Kodit, was launched in the autumn. Joo is a fresh and dynamic concept for living. With the current growth rate, at the end of 2022 Asuntoyhtymä will rank as the third largest private housing provider in Finland.

The future is bright and it is my belief that we will continue to find good investments and keep improving everything we do. I would like to thank all Asuntoyhtymä coworkers for their hard work and efforts during the year. Let's keep up the good spirit and momentum!

During the year
we got together
several times to
contemplate why
we do what we do.
What kind of values
guide our actions?



Asuntoyhtymä's values

Respect

We keep our promises and respect our commitments. We have an excellent reputation in the industry.

We treat everyone kindly, equally and fairly. That is also the cornerstone of the Joo service approach – a genuine desire to enable a carefree life for our residents.

While respecting our shared practices, every coworker has the freedom to work in their preferred way. Freedom and responsibility go hand in hand.

Continuous personal and business development

Personal development: We take responsibility for continuously developing our expertise. We don't shy away from requesting or giving feedback.

Business development: Asuntoyhtymä is reinventing urban living. We are always testing out new ideas and developing solutions to benefit us, our customers and the society for decades to come.

Simplicity

The services we provide for our customers and partners are easy to use. We don't overcomplicate things. We always aim to understand the big picture and focus on the essential.

Sustainability

Sustainable working life: We work passionately loving what we do. We focus on finding a good work life balance, meaning we respect our coworkers' free time and personal life goals.

Sustainable property development and management: We are driven to make our operations both financially and ecologically sustainable. We develop and manage properties that are long-lasting, functional and desirable.

Sustainable life in Joo apartments: We strengthen community spirit at our properties. We make reducing waste, recycling, sustainable mobility, and other aspects of ecological life easy for residents.

We strive to give each Asuntoyhtymä
coworker and Joo Kodit resident the
opportunity to do what they love.

By saying Joo we believe in new possibilities and new beginnings

In autumn 2021 we launched Joo Kodit, our new brand for apartment renting. Today, all our rentals are Joo apartments, and we promise our residents carefree rental living.

When you don't have to worry about the small details of everyday life, you'll feel comfortable, safer, and more content. That's when you're free to say Joo – which means yes in Finnish! That's Joo, or yes, to embracing the new, seizing the moment, and following our hearts – even throwing caution to the wind sometimes.

Our promise is as simple as that – the freedom to say Joo to the things that really matter.

We want Joo Kodit to be known for the most convenient customer experience in its field. To get there, we offer first-class digital touchpoints, fast and empathic customer service, and safe and high quality homes.

Our sustainability mission is to cultivate community spirit in residential living. Many of Joo Kodit residents live alone, but we think no one should feel lonely in their home. To help our tenants get to know each other, we are building versatile communal spaces in our apartment complexes.

What will you say Joo to next?



Joo.
Carefree
rental living.





Joo.Arena

We offer our residents in Kirkkonummi free floorball shifts and exercise classes at the Joo.Arena sport centre completed in autumn 2021. Joo Kodit is the main sponsor of Joo.Arena, as we want to encourage an active way of life. Besides floorball, the sports centre offers bowling, climbing, yoga, golf, and more.

Joo. Olohuone

We are completing an attractive communal lounge for our Kirkkonummen Manhattan apartment complex, in which residents can spend time together, organise events, and work remotely. Joo Olohuone will open its doors in spring 2022.

Joo. Hetki

We decided to open a café to enhance community spirit in the Toppilansalmi neighbourhood of Oulu. Called Joo Hetki, the café will delight the residents of our apartment complex from late 2022. It will serve as an extension of the residents’ homes whenever they need company or just a change of scenery. The café will welcome everyone from the neighbourhood and beyond.

Joo Hetki will also function as a remote working space, an event venue, and a Joo Kodit customer service point. Together with our existing Oulu office, it will be a place for new residents to pick up their keys and enjoy personal service. We look forward to making you a coffee!

Top middle
Our new office and customer service point in Kauniainen.

Bottom left
Joo Olohuone is an attractive meeting place.

Bottom right
Virtual styling of a Joo Kodit apartment with a furniture set by Finnish Design Shop.



We opened a new office

We invested in the well-being of our fast growing work community by expanding our premises. In December, we opened our new headquarters in Helsinki area, in the centre of Kauniainen. Location is excellent with functional transport connections and restaurants in the vicinity. Parking is easy for coworkers and customers alike. The interior design by Bond Creative Agency features beautiful and sustainable Scandinavian furniture, which expresses our Joo brand. The cosy and luminous space is a combination of a contemporary office and a separate customer service space, where our residents can pick up the keys to their new home, for example. You’re always welcome to pay us a visit!

Joo+ changes the culture of rental living

We noticed that Finland was still lacking a renting option that was popular elsewhere: furnished apartments for affordable, long-term living. We decided to grasp the opportunity and started working on the new Joo+ service in 2021. An interior designer selected the contents of Joo+ apartments, which include key pieces of furniture, lighting, curtains, and a rug. The furnished Joo+ homes were launched in early 2022 in Helsinki area, Tampere, Turku and Oulu.

Inspiring interior decoration pictures

When looking for a new home, a picture is worth a thousand words. That’s why we use virtual staging for our homes with interior design sets created for Joo Kodit by our collaboration partner Finnish Design Shop. Thanks to the virtual staging, our photos can better showcase the dimensions of the apartment, while inspiring residents to choose timeless, high quality furniture. The products in the interior design sets are all available to buy at Finnish Design Shop.

In search of sustainability

Antti Niskanen
Head of sustainability

Corporate sustainability starts with a purpose, and with values.

Ours relate strongly to people: to everybody at Asuntoyhtymä, our Joo Kodit residents, and everyone we deal with in daily life. We want to enable people to live a good, balanced life.

Sustainable actions are needed by individuals, businesses, and societies. This said, it may be difficult to estimate which choices are genuinely right and sustainable. Moreover, the opportunities to live according to our ideals are always somehow limited.

We want to help our tenants tackle this challenge as well as we can. All aspects of what that might mean in the future, we can't even know just yet. In any case, it's important to remember that while aiming for a more sustainable lifestyle, we will need to change a lot of things to preserve the whole.

In addition, many changes will simply happen, regardless of whether we choose them. We need to both influence and adapt.

There's plenty of work ahead, but we are ready for it. Of course, we need a variety of partners along the journey – sustainability can't be achieved alone. Whether you are our coworker, tenant, partner, or someone else entirely, let's help each other out in this area as well!



Sustainability in practice

2021 was a year of rapid changes

- Joo Kodit, our carefree rental brand was launched.
- We decided to add solar panels to all our future properties and suitable completed properties.
- We started to significantly increase our use of geothermal heating. We agreed upon the construction of more than 10 properties with geothermal heating.
- We determined to start commissioning only properties with the highest energy class A.

We will continue our development efforts in 2022

- We will be requesting more consistent and comprehensive feedback from our customers. This feedback will help us create an even more carefree customer experience.
- The excellent results of our employee survey in early 2022 encourage us to continue to focus on well-being at work. After the years of remote working, it's again time to celebrate and have a good time together.
- We are launching a whistleblowing platform to support the transparency of our operations.
- We will calculate the total carbon footprint of our operations.
- We will draft an even more comprehensive energy strategy.
- We will promote community spirit for our residents and a lifestyle based on the circular economy. This includes making it easier to recycle and to borrow instead of buying.
- While much is changing, some things remain the same. We will still focus on attractive neighbourhoods with good transport connections and smart apartments with functional layouts.

€25.5M

Turnover

Property portfolio

€596.7M

48.7%

Loan to property
value (LTV)

IFRS compliant profit
before tax

€68.7M

75%

of residents are under 35
years old

1/3

Joo Kodit residents are
students

89%

of residents rate their tenancy agreement process
as excellent or very good

50

Employees

94

eNPS
Employees recommend
Asuntoyhtymä as a great
place to work!

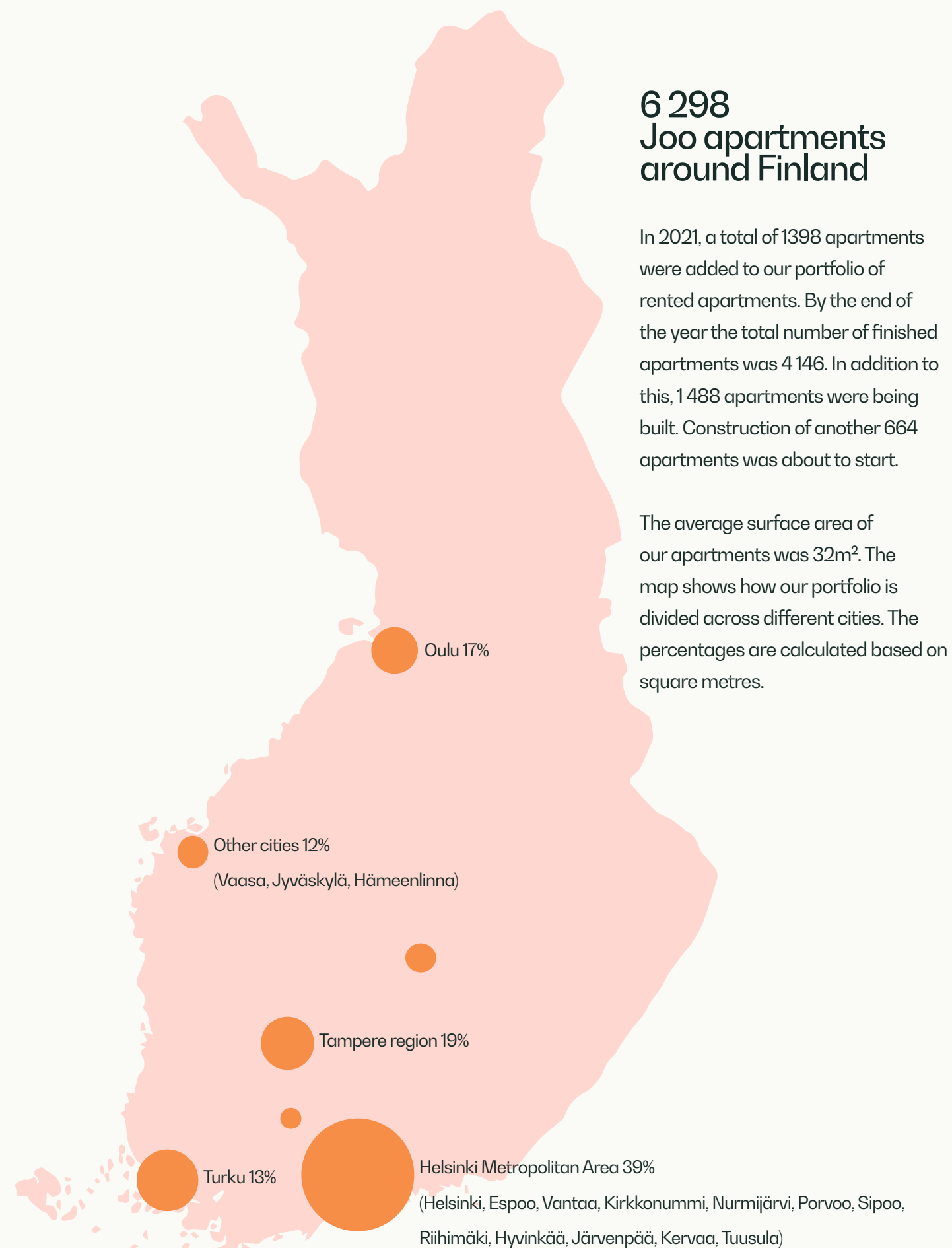
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Offices:
Helsinki area (2),
Turku, Tampere
and Oulu

6 298 Joo apartments around Finland

In 2021, a total of 1398 apartments were added to our portfolio of rented apartments. By the end of the year the total number of finished apartments was 4 146. In addition to this, 1 488 apartments were being built. Construction of another 664 apartments was about to start.

The average surface area of our apartments was 32m². The map shows how our portfolio is divided across different cities. The percentages are calculated based on square metres.



GROUP INCOME STATEMENT, IFRS

	2021	2020
Rental income	23 968 756	16 918 475
Property costs	-6 482 584	-6 166 818
Net operating income	17 486 172	10 751 657
Management and administrative costs	-3 575 020	-1 947 980
Other income/expenses	20 580	1 096 528
Profit before net financial items	13 931 732	9 900 204
Financial income	17 368	2 057
Financial expenses	-10 985 682	-6 020 126
Net financial items	-10 968 314	-6 018 070
Changes in value of investment properties, realised	1 649 871	577 388
Changes in value of investment properties, unrealised	64 040 026	25 922 919
Changes in value, total	65 689 897	26 500 307
Profit before tax	68 653 314	30 382 442
Income tax	-14 955 736	-6 655 739
Net profit for the year	53 697 578	23 726 702

GROUP BALANCE SHEET, IFRS

	2021	2020
NON-CURRENT ASSETS		
Investment properties	596 333 364	354 445 944
Other property, plant and equipment	415 893	36 655
Total non-current assets	596 749 257	354 482 599
CURRENT ASSETS		
Trade receivables	318 810	147 667
Other receivables	4 793 052	915 913
Prepaid expenses and accrued income	298 349	66 930
Cash and cash equivalents	4 440 832	2 736 498
Total current assets	9 851 043	3 867 008
Total assets	606 600 300	358 349 606

EQUITY		
Share capital	200 000	200 000
Retained earnings	61 035 100	37 308 397
Net profit for the year	53 697 578	23 726 702
Total equity	114 932 678	61 235 100

NON-CURRENT LIABILITIES		
Non-current interest-bearing liabilities	281 456 158	187 531 564
Liabilities to Parent company	156 220 374	85 586 335
Deferred tax liability	31 186 315	16 209 420
Other non-current liabilities	735 611	761 177
Total non-current liabilities	469 598 457	290 088 496

CURRENT LIABILITIES		
Liabilities to credit institutions	9 194 015	4 413 506
Trade payables	11 964 927	1 283 133
Other liabilities	101 413	93 150
Accrued expenses and prepaid income	808 809	1 236 222
Total current liabilities	22 069 165	7 026 011
Total liabilities	491 667 622	297 114 507
Total equity and liabilities	606 600 300	358 349 606



Completed in March 2021, **Turun Moment** is located in the new Herttuankulma neighbourhood in central Turku. In January 2022 another Joo apartment complex, **Turun Montana**, was completed in the area.

The residents of Herttuankulma can run their errands with the Joo Kodit shared car. We will also open a new Joo Kodit office in the area in 2022.

Highlights of finished projects in 2021

Kirkkonummen Manhattan was completed in the Masala neighbourhood in December 2021. The apartment complex has the energy rating A and solar panels producing green energy for the property.

The cosy communal space, Joo Olohuone, Finnish for Joo lounge, will open for Manhattan's residents in spring 2022. Residents can also make use of the free floorball shifts and exercise classes at the nearby Joo.Arena sports centre.





Vantaan Ruutulippu was completed in July 2021 at Keimolanmäki, Vantaa, near an outdoor recreation and nature area.

We added new charging stations for electric cars in our parking lots.



We also started renting out apartments in Nokia, in Tampere area, as **Nokian Värjäamo** was completed in a new neighbourhood near the train station in December 2021.



Redin Loisto in Kalasatama, Helsinki, saw the completion of 35 Joo apartments in autumn 2021. The many amenities and metro stop of the REDI shopping centre are only a lift ride away for the residents.



Oulun Mallasmaisteri was completed in Oulu's Toppilansalmi neighbourhood for Christmas 2021.

In late 2022 its residents will be able to enjoy a cup of coffee next door at the new Joo Kodit café, Joo. Hetki.

Asuntoyhtymä Oy

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