



General release 2/2022

Dear Pollari shareholders and residents,

This second General release of 2022 focuses on energy costs, interest rates and charges.

Energy prices

You have probably been informed through the media that the local utility company, Helen Oy is significantly raising the district heating price. Both Pollari's indoor heating and the heating of warm tap water is dependent on district heating services.

The price increases will take place in three different phases, resulting in a heating cost increase of about 40 percent on average.

When preparing the budget for the current period, the housing company Board anticipated cost pressures, but nobody could foresee price increases of this magnitude. Contributing factors include the war in Ukraine, the global energy crisis, the energy sources used by Helen in district heat generation, and inflation. The Board will closely follow up on the cost developments.

The weather during the coming heating period will naturally have an effect on the heating costs. Based on the heating volume of the last heating period and the known price increases, our Housing Manager has estimated that we can expect additional heating costs up to the amount of 27.000 € by the end of March 2023. This means that we will probably need to invoice extra monthly charges as described below. In addition, we have to decide on the effect of the rising costs on the charge rates at the next Annual Meeting of Shareholders, at latest .

We urge all residents to join the effort in saving energy and to get used to a slightly lower indoor temperature. If the regular ventilation is not enough and you need to open windows for more ventilation, please do it quickly using several windows simultaneously so that heat will not escape. The indoor temperature is regulated using the floor heating thermostats. Please turn the thermostat for a lower setting, if the normal indoor temperature in your apartment allows for that. Please avoid unnecessary excess heating.

Another good way to save heating energy is to avoid unnecessary running of warm tap water.

The price of electricity is also on the rise. The floor heating of wet spaces uses a significant amount of electricity. It has to be on in order to avoid humidity problems, but even here it is advisable to avoid overheating. Another significant factor for an apartment's own electricity use is the apartment's own sauna.

Interest rates on housing company loans

The interest rate level has also increased. Pollari's housing company loans are mostly based on fixed rates or fixed installments, but the increased interest rate still matters. We have estimated that in case the 12 months Euribor-rate stays on the current level (about 2%), there will be pressure to increase the Capital Expenditure Charge A with about 1,50 €/m². If the Euribor rate rises to the level of 3%, we may have to increase the Capital Expenditure Charge A with 3,30 €/m².

Extra charges - preliminary information

As anticipated in General Release 1/2022, it seems that the Board has to use its powers to invoice extra Maintenance and Capital Expenditure Charges.

By the end of this year, there will probably be one extra Maintenance Charge and one extra Capital Expenditure Charge A invoiced. In addition, The Board will probably need to decide on a second set of extra charges to be billed on or before iMarch 2023.

The so-called plot purchase charge or Capital Expenditure Charge C, which is based on fixed installments, will probably not need extra charges, unless the interest rate increases so much (to about 4% in total) that the fixed installment does not cover even the interest, which always has to be paid..

We will come back with separate and more detailed information about invoicing the extra charges later.

The Board