# SBB Treasury Oyj

Business ID
3147399-4
Dominicile
Helsinki

## ANNUAL ACCOUNTS

Accounting period
01.01.2024 – 31.12.2024

Storage until 31.12.2034

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The company's Board of Directors approved the financial statements for publication on April 30, 2025.
The Board of Directors has the right to make changes to the financial statements and republish them.

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## Board of Directors' Report

The profit for the financial year was EUR 89,105,126.86, of which EUR 33,596,185.17 was interest income on intra-group loans and EUR 714,768.49 interest expenses.

### Events during the financial period

SBB Treasury Plc and Samhällsbyggnadsbolaget i Norden AB, the parent company providing the bonds, have announced on 6.2.2024 that one holder of the 2020 and 2021 Euro Medium Term Note (EMTN) has initiated formal legal proceedings regarding its announcement on 9.11.2023 alleging that SBB is in breach of EMTN's covenants and requesting that their interest in SBB's bonds be returned. The announced holdings represent a total nominal value of approximately EUR 46 million divided into both bond series, corresponding to approximately one per cent of SBB's total bonds as at 30.6.2023. After the end of the financial year, the bondholder in question has withdrawn from the legal proceedings against SBB.

On 8th February, the company redeemed the remaining EUR 143,219,000 of the bond maturing on that date.

On 26th March, the company redeemed EUR 5,219,000.00 of the EUR 700 million bond maturing on 14.12.2028 and EUR 154,512,000.00 of the EUR 950 million bond maturing on 26.11.2029.

On 10th December, SBB Group submitted a repurchase and exchange offer regarding hybrid bonds for a combined nominal amount of SEK 12,8 bn and selected bonds for a combined nominal amount of EUR 32.5 bn, including SBB Treasury Oyj bonds for a nominal amount of EUR 1 484 m. The outcome of the offer was announced on 18th December and entail, in brief, that 95 percent of the outstanding senior unsecured bonds participated in the offering, with 93 percent of the outstanding bonds being exchanged from bonds in Samhällsbyggnadsbolaget i Norden AB (publ) and SBB Treasury Oyj were replaced to bonds issued by Samhällsbyggnadsbolaget i Norden Holding AB (publ).

After the exchange, SBB Treasury Oyj bonds with a nominal amount of EUR 1 430 m, corresponding to 96 % of the total outstanding SBB Treaury Oyj bonds, is held by the Samhällsbyggnadsbolaget I Norden AB.

### Material events after the reporting period

The Euro Medium Term Note (EMTN) bondholder, who initiated formal legal proceedings against SBB, has withdrawn from the legal proceedings against SBB after the end of the financial year.

There have been no material changes in the company's financial position or related parties after the reporting period.

The company does not present any other financial statements outside the Annual Report.

### Main risks

SBB Treasury Plc is exposed to financial and interest rate risks. Financing risk is the risk that SBB Treasury Plc would not have access to financing or the cost of financing would become too high. In addition, the bond terms contain clauses that may limit the possibility of raising new debt securities. If SBB Treasury Plc is unable to service the financing or the financing is obtained on less favourable terms, it may have a material adverse effect on SBB Group's financial position. Interest rate risk is described as a risk that may have adverse effects on SBB Group's interest expenses. Interest expenses are one of SBB Group's most significant expense items.
In addition to the amount of interest-bearing liabilities, interest expenses are affected by the level of the market interest rate, the margins of credit institutions and the strategy of fixed interest rate periods. Interest rate risk may lead to changes in market value and cash flows, as well as fluctuations in SBB Group's result.

Financial risk is managed through fiscal policy objectives aimed at good diversification at SBB Group level in terms of loan maturity structure, borrowing forms and lenders, good advance financing planning and balanced liquidity reserves. The average remaining maturity of SBB Group's total loan portfolio on 31st December 2024 was 2.9 years (3.6 years). At the same time, available liquidity, including cash and cash equivalents, financial investments, loan commitments and unutilised credit facilities, was SEK 5,362 million (SEK 4,060 million). SBB's interest rate risk strategy aims to achieve stable cash flows that enable real estate investments and meet the requirements and expectations of external parties while achieving the best possible financial cash flow. The objective of the interest rate risk strategy is to maintain a balanced combination of variable and fixed interest rates, taking into account the sensitivity of SBB Group's total cash flows to changes in the fixed income markets in the long term. The average fixed-rate maturity at the end of the year was 3.1 years (3.4 years) and the fixed-rate loan portfolio through interest rate derivatives or fixed-rate loans accounted for 100 per cent (100 per cent). The total nominal value of bonds held by the parent company, Samhällsbyggnadsbolaget i Norden AB, is EUR 1,437 million.

The average remaining maturity of SBB Treasury Plc as of December 31st, 2024 was 4.4 years. The average fixed-rate loan period at the end of the year was 4.4 years, and the fixed-rate loan portfolio through interest rate derivatives or fixed-rate loans accounted for 100 per cent. At the same time, available liquidity, including cash and cash equivalents and loan commitments, was EUR 1,629 million.

Liquidity risks

The financial statements have been prepared on a going concern basis. The company's ability to operate depends on the financial position of the parent company Samhällsbyggnadsbolaget i Norden AB. If SBB Treasury Plc does not receive sufficient payments from the parent company on the group loan receivables or there are delays in payments, the company will not be able to pay the drawn notes and related interest, which may lead to loss of the company's solvency.

The difficulties in the financial markets and negative speculation about the future of the parent company and SBB Group in 2024 have led to prolonged financing processes and thus reduced liquidity for the parent company. High interest rates and falling asset prices have created a need for SBB Group to reduce the absolute level of debt.

During the year, SBB has carried out transactions aimed at reducing indebtedness. SBB Group takes measures and implements processes aimed at strengthening the Group's short-term financing management, creating conditions for new long-term financing and improving the Group's overall financial position. In 2025, market participants expect interest rates to fall, as well as access to bond markets to improve and real estate markets to recover. The market's belief in interest rates is illustrated by the reverse interest rate path, where long-term loans are priced cheaper than short-term loans. We see that real estate companies are getting more low-cost loans and that pricing for real estate companies has improved.

Related party transactions

In 2022, the company issued a note note of EUR 700 million, after which the proceeds were transferred to the parent company. At the end of 2024, the company has accumulated a long-term receivable from its parent company and a related interest receivable, totalling EUR 1,628,685,733.00. The interest rate on mutual loan receivables and liabilities to SBB Group is fixed at 2%.

Bonds issued by SBB Treasury Plc with a nominal value of EUR 1,437 million are held by the parent company

According to the SBB Group's internal loan agreement, the debtor (parent company Samhällsbyggnadsbolaget i Norden AB) must, at the request of the creditor (SBB Treasury Oyj), repay the loan in full with accrued interest. The parties may mutually agree on the amount, timing or other different method of payment of the loan instalments.

In accordance with the netting agreement signed on 31.12.2024, SBB Treasury Plc's debt to SBB Finland Oy has been offset by deducting SBB Finland Oy's debt to Samhällsbyggnadsbolaget i Norden AB and Samhällsbyggnadsbolaget i Norden AB's debt to SBB Treasury Oyj by a corresponding amount.

The company's intra-group loan receivables involve a credit risk risk. The company has no other activities than a loan receivable from the parent company Samhällsbyggnadsbolaget i Norden AB. Samhällsbyggnadsbolaget i Norden AB is dependent on its lease agreements and, among other things, on payments received from tenants. The result and cash flow of the company's parent company may be negatively affected if the tenants fail to make payments or otherwise fail to meet their obligations, or the leases terminate earlier than expected for any reason, which could force SBB Treasury Plc to recognise receivables from the parent company as credit losses and would not be able to repay the bond as agreed.

Receivables and liabilities are exposed to the risk that their fair values will change due to variable interest rates. The long-term loan granted to the parent company during the financial year is at a fixed rate. In addition, both receivables and liabilities are denominated in euros, and changes in currencies do not have an impact on them.

The parent company of SBB Treasury Plc is Samhällsbyggnadsbolaget i Norden AB (556981-7660); domicile Stockholm), which owns 100% of the company's shares.

The company prepares a Corporate Governance Statement, which is published separately at www.sbbtreasury.fi

<u>Board of Directors</u>
Members:
Leiv Synnes
Debuty members:
Ilija Batljan

The auditor is Ernst & Young Oy.
Principal auditor:
Mikko Rytilahti

The company's share capital is EUR 80,000.00 (registered on 15 July 2020) and the number of shares is 1,000. The shares have no nominal value, and all shares in the company have equal rights. During the financial period, there has been no change in the share capital. No funds have been set up for the company.

The Board of Directors proposes that the result for the financial year of EUR 89,105,128.86 be transferred to the profit and loss account and that no dividend be paid.

# Comprehensive income statement

| Currency EUR | Note | 1.1.2024–31.12.2024 | 1.1.2023–31.12.2023 |
|---|---|---|---|
| **Financial income and expenses** | | | |
| Interest income | 8, 19 | 33 596 367 | 89 418 279 |
| Interest expenses | 7 | -17 562 154 | -35 726 442 |
| Other financial income | 12 | 69 182 597 | 13 450 265 |
| Other financial expenses | 7 | -1 440 844 | -2 829 421 |
| Impairments of financial assets and credit losses | 4, 7 | 22 298 207 | -30 923 412 |
| **Total financial income and expenses** | | **106 074 172** | **33 389 270** |
| Administrative expenses | 9 | -259 782 | -170 745 |
| **Profit before tax** | | **105 814 390** | **33 218 525** |
| Taxes | 10 | -16 709 261 | -13 443 894 |
| **Profit for the period** | | **89 105 129** | **19 774 631** |
| **Other comprehensive income** | | 0 | 0 |
| **Total comprehensive income for the period** | | **89 105 129** | **19 774 631** |
| **Breakdown of profit for the period** | | | |
| To shareholders of the parent company | 11 | 89 105 129 | 19 774 631 |
| **Total** | | 89 105 129 | 19 774 631 |
| Average number of shares adjusted for share issue | 11 | 1 000 | 1 000 |
| Calculated from the profit or loss attributable to shareholders of the parent company earnings per share, undiluted and diluted, EUR | 11 | 89 105 | 19 775 |

# Balance sheet

| Currency EUR | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **FIXED ASSETS** | | | |
| | | | |
| **Investments** | | | |
| Bond receivables | 12 | 6 172 711 | 0 |
| **Total investments** | | **6 172 711** | **0** |
| | | | |
| **TOTAL FIXED ASSETS** | | **6 172 711** | **0** |
| | | | |
| **VARIABLE ASSETS** | | | |
| | | | |
| **Receivables** | | | |
| **Long-term** | | | |
| Receivables from Group companies | 12 | 1 628 685 733 | 1 844 645 004 |
| **Total long-term receivables** | | **1 628 685 733** | **1 844 645 004** |
| | | | |
| **Current** | | | |
| Other current receivables | 15 | 1 353 | 1 316 |
| **Total current receivables** | | **1 353** | **1 316** |
| | | | |
| **Total receivables** | | **1 628 687 086** | **1 844 646 320** |
| | | | |
| Cash and cash equivalents | 15 | 171 466 | 100 254 |
| **Total cash and cash equivalents** | | **171 466** | **100 254** |
| | | | |
| **TOTAL VARIABLE ASSETS** | | **1 628 858 553** | **1 844 746 574** |
| **TOTAL ASSETS** | | **1 635 031 264** | **1 844 746 574** |
| | | | |
| **LIABILITIES AND SHAREHOLDER EQUITY** | | | |
| **Equity attributable to shareholders of the parent company** | | | |
| **Share capital** | 16 | 80 000 | 80 000 |
| **Retained earnings** | 16 | 61 864 209 | 42 089 578 |
| **Profit for the period** | | 89 105 129 | 19 774 631 |
| **TOTAL EQUITY** | | **151 049 338** | **61 944 209** |
| | | | |
| **LIABILITIES** | | | |
| **Long term** | | | |
| Bonds | 12 | 1 479 310 123 | 1 634 514 437 |
| Deferred tax liabilities | 10 | 786 791 | 1 056 356 |
| **Total long-term liabilities** | | **1 480 096 914** | **1 635 570 793** |
| | | | |
| **Short term** | | | |
| Bonds | 12 | 0 | 141 582 536 |
| Accounts payable | 18 | 18 825 | 0 |
| Accrued liabilities | 10, 18 | 2 717 051 | 3 401 386 |
| Interest payable | 18 | 1 149 136 | 2 247 650 |
| **Total short-term liabilities** | | **3 885 012** | **147 231 572** |
| | | | |
| **TOTAL LIABILITIES** | | **1 483 981 926** | **1 782 802 365** |
| **TOTAL LIABILITIES AND SHAREHOLDER EQUITY** | | **1 635 031 264** | **1 844 746 574** |

# Statement of changes in equity

**Equity attributable to shareholders of the parent company**

| | | | | **31.12.2024** |
|---|---|---|---|---|
| Currency EUR | Note | Share capital | Retained earnings | Total equity |
| Share capital as of the beginning of the period | 16 | 80 000 | 61 864 209 | 61 944 209 |
| Profit for the period | 16 | 0 | 89 105 129 | 89 105 129 |
| **Equity 31.12.2024** | | 80 000 | 150 969 338 | 151 049 338 |

| | | | | **31.12.2023** |
|---|---|---|---|---|
| Currency EUR | Note | Share capital | Retained earnings | Total equity |
| Share capital as of the beginning of the period | 16 | 80 000 | 42 089 578 | 42 169 578 |
| Profit for the period | 16 | 0 | 19 774 631 | 19 774 631 |
| **Equity 31.12.2023** | | 80 000 | 61 864 209 | 61 944 209 |

# Cash flow statement

| Currency EUR | Note | 1.1.2024–31.12.2024 | 1.1.2023–31.12.2023 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the period before tax | | 105 814 390 | 33 218 525 |
| | | | |
| *Adjustments to profit for the period* | | | |
| Change in receivables from other Group companies | 12 | 0 | 0 |
| Change in bonds | 12 | 0 | 0 |
| Paid taxes | | 0 | 0 |
| Other adjustments | | -105 743 177 | -33 219 628 |
| **Net cash flow from operating activities** | | **71 212** | **-1 102** |
| | | | |
| **Cash flows from investing activities** | | | |
| Change in long-term receivables | 12 | 0 | 0 |
| **Net cash flow from investing activities** | | **0** | **0** |
| | | | |
| **Cash flows from financing activities** | | | |
| Bonds, new | 12 | 0 | 0 |
| **Net cash flow from financing activities** | | **0** | **0** |
| | | | |
| **Change in cash and cash equivalents** | | **71 212** | **-1 102** |
| | | | |
| Cash and cash equivalents at the beginning of the period | | 100 254 | 101 356 |
| Cash and cash equivalents at the end of the period | | 171 466 | 100 254 |

Notes

**1. Company's basic information**

The financial statements include the information of SBB Treasury Oyj (Business ID 3147399-4). The company is domiciled in Helsinki.

The company was founded in June 2020. The company's line of business is direct and indirect investment in real estate and real estate companies and related development activities; the purchase, sale and rental of immovable property, real estate companies, housing companies and related assets; and the financing of direct and indirect real estate investments. In addition, the company can issue bonds and accept financing.

The company's financial period started on 1 January and ended on 31 December 2024. The Board of Directors approved this Annual Report on 30 April 2025. The financial statements will be presented for approval at the Annual General Meeting on 30 April 2025. According to the Finnish Limited Liability Companies Act, the Annual General Meeting has the right to approve or reject the financial statements or amend the financial statements after their release.

A copy of the financial statements is available at Porkkalankatu 3, 00180 Helsinki. The financial statements and the report of the Board of Directors are also available in PDF format on the company's website at https://www.sbbtreasury.fi.

SBB Treasury Oyj is part of a Group of companies whose ultimate parent company is Samhällsbyggnadsbolaget i Norden AB (556981-7660; domiciled in Stockholm). SBB i Norden AB (559053-5174; domiciled in Gothenburg) is the parent company of SBB Treasury Oyj. SBB i Norden AB prepares the consolidated financial statements. The financial statements and the report of the Board of Directors are available on the company's website at https://corporate.sbbnorden.se/sv/

The company has no subsidiaries. Subsidiaries refer to undertakings in which the parent company has control, directly or indirectly.

**2. Accounting policies and going concern assumption**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). International accounting standards refer to standards adopted in the EU in accordance with the procedure laid down in the Finnish Accounting Act and the regulations issued thereunder in the EU Regulation (EC 1606/2002) and the interpretations thereof.

Assets and liabilities are measured at their historical cost. Interest receivables and interest liabilities have been calculated using the effective interest rate method.

Income tax for the period is calculated at the applicable tax rate decided or reported at the balance sheet date, which is 20.0% on the balance sheet date. The reported tax and the tax payable may differ due to non-deductible expenses and tax-exempt income.

Receivables with a maturity of more than 12 months after the balance sheet date are reported as non-current assets, others as current assets. Receivables are recognised at the amount expected after individual assessment. Cash and cash equivalents include cash, bank accounts and short-term investments.

Financial liabilities are recognised at the original fair value. Transaction costs are included in the original carrying amount of financial liabilities measured at amortised cost. Subsequently, all financial liabilities are valued at the cost amortised by the effective interest method. Bonds are classified as debt or equity based on whether a contractual obligation to repay the bond in cash or otherwise exists.

The cash flow statement has been prepared according to the indirect method. Only changes and impacts with cash flow effects have been taken into account in the cash flow calculation. SBB Treasury Plc has no material financial transactions, as the company's payment obligations are fulfilled by the Group's parent company Samhällsbyggnadsbolaget i Norden AB (556981-7660) and other Group companies. All amounts are expressed in euro unless otherwise stated.

The financial statements have been prepared on a going concern basis. The continuity of SBB Treasury's operations involves significant uncertainty, as the company's ability to operate depends on the parent company's financial position. If SBB Treasury Plc does not receive sufficient payments from the parent company on the group loan receivables or there are delays in payments, the company will not be able to pay the drawn notes and related interest, which may lead to loss of the company's solvency.

One of the bondholders of EMTN programs for 2020 and 2021 has initiated legal proceedings during 2023. The Noteholder claims that its holdings in the Notes are due for payment because, in the opinion of Samhällsbyggnadsbolaget i Norden AB and SBB Treasury Plc, Samhällsbyggnadsbolaget i Norden AB and SBB Treasury Plc have breached the net interest income ratio clause of the EMTN programmes. The holdings of the Noteholder correspond to a nominal value of approximately EUR 46 million divided between both EMTN programmes. After the end of the financial year, the bondholder in question has withdrawn from the legal proceedings against SBB.

**Impairment of financial assets**

The company recognises a provision for expected credit losses for all debt instruments that are not appreciated at fair value through profit or loss. Expected credit losses (ECL) are based on the difference between contractual cash flows and all cash flows which the company expects to receive.

Expected credit losses are classified into three stages. The first stage includes financial assets exposed to credit risk whose credit risk has not increased significantly since the initial recognition. This stage includes ECLs resulting from default events of financial instruments that are possible within the next 12 months. The second stage includes financial assets exposed to credit risk whose credit risk has increased significantly since the initial recognition. The loss allowance is recognised for the total ECLs arising from all possible default events during the expected term of the financial instrument. The third stage includes loans that are considered to be impaired due to credit risk. The company recognises provisions for lifetime expected credit losses (LTECL).

The principles for calculating expected credit losses are as follows:
-The Probability of Default (PD) is an estimate of the probability that default will occur over a period of time. Default can occur only at a certain time during the period under review if the liability has not previously been written off the balance sheet and still exists.
-Exposure at Default (EAD) is an estimate of the amount of exposure at the time of a future default, taking into account expected changes in the liability after the reporting date. The changes include advance repayments of principal and payment of interest according to contract's schedule or otherwise, as well as expected withdrawals from binding arrangements and accrued interest on unpaid payments.
-Loss Given Default (LGD) is an estimate of the loss incurred when a default occurs at a given time. It is based on the difference between contractual cash flows and cash flows which the lender expects to receive, taking into account cash flows from the realisation of the collateral or other arrangements to improve the quality of the credit which are an integral part of the loan and not recognised separately. These are typically presented as a percentage of the amount of exposure at default (EAD).

For trade receivables and contract assets, the company applies the simplified method for calculating expected credit losses. As a result, the company does not monitor changes in credit risk, but recognises loss allowances based on lifetime expected credit loss at each reporting date. The company has prepared a provision matrix based on its historical credit losses and adjusted using forward-looking factors characteristic of the debtor and the financial environment. The company had no trade receivables and contract assets in 2024 or 2023.

**3. Classification between long-term and short-term receivables and liabilities**
The company presents assets and liabilities in the balance sheet as short or long-term based on the following:
An asset is short-term if the following conditions are met:
- Expected to be sold or consumed during the normal operating cycle
- Held primarily for trading purposes
- Realised within 12 months of the balance sheet date
- Cash or cash equivalent, unless the asset is not convertible or available for settling a liability within 12 months after the end of the reporting period.

All other assets are classified as long-term.

A liability is short-term when it is:
- Realised during the normal operating cycle
- Held primarily for trading purposes
- Intended to be paid within 12 months of the balance sheet date

Or
- The company does not have the absolute right to defer payment of the liability within at least 12 months of the balance sheet date
- The terms of debt contracts, according which to the debt could be settled with equity instruments, do not affect its classification.
- The company classifies all other liabilities as long-term.
- Deferred tax assets and liabilities are classified as long-term assets and liabilities.

**Determination of fair value**

The company's financial assets and liabilities are measured at amortised cost. The company has not measured any balance sheet item at fair value in the financial statements on 31 December 2024 or previously.

Fair value is the price that would be obtained from the sale of an asset or paid to transfer debt in an organised transaction between market participants on the valuation date. Determination of fair value is based on the assumption that the sale of an asset or transfer of a liability occurs either:

• On the main market of the asset or liability
Or
• If there is no main market, in the most favourable market for the asset or liability. The company must have access to the main or most favourable market on the date of valuation.

The fair value of an asset or liability is measured using assumptions that market participants would use to price the asset or liability, assuming that market participants act in an economic interest.

The fair value of non-financial assets is determined taking into account the ability of a market participant to generate economic benefits by using the asset for its highest and best use or by selling it to another market participant that would use the assets for the highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which there is sufficient information to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities whose fair value is determined or disclosed in the financial statements are classified in the fair value hierarchy as described below, based on the lowest-level input that is significant for the whole fair value determination:

Level 1 - Quoted (unadjusted) market prices in active markets for similar assets or liabilities

Level 2 - fair values are based to a significant extent on inputs other than the quoted prices included in level 1, but nevertheless on data that are observable, either directly or indirectly, for the asset or liability in question.

Level 3 - fair values are based on inputs for an asset or liability that are not based on observable market data (non-observable inputs)

**Taxes**

Income taxes and tax liabilities are valued at the amount expected to be recovered from or paid to the tax authorities. The amount is calculated using tax rates and tax laws that were issued or substantially issued at the balance sheet date in the countries in which the company operates and generates taxable income.

Income tax related to items recognised directly in equity is recognised in equity and not in the income statement. Management regularly assesses the company's tax position, taking into account tax regulations and their interpretation.

**Deferred taxes**

Deferred tax is calculated using the liability method for temporary differences between the tax bases of assets and liabilities and their carrying amounts at the balance sheet date. Deferred tax liabilities are recognised for all taxable temporary differences except:

- When a deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, does not affect the profit or taxable income or loss of the accounts
- For taxable temporary differences in interests in subsidiaries, associates and joint arrangements, where the timing of the recovery of temporary differences is manageable and it is likely that temporary differences will not be reversed in the near future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that taxable profits are likely to be available against which deductible temporary differences and unused tax credits and unused tax losses may be deducted, except:

- Where a deferred tax asset related to a deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, does not affect the profit or taxable income of the accounts

- For deductible temporary differences in interests in subsidiaries, associates and joint arrangements, deferred tax assets are recognised only to the extent that it is likely that temporary differences will reverse in the near future and taxable income is available that can be used for temporary differences

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to such an extent when it is no longer likely that sufficient taxable income will be available to use all or part of the deferred tax asset. Unrecognised deferred tax assets are reassessed at each reporting date and recorded to the extent that future taxable gains are likely to allow the recovery of a deferred tax asset.

Deferred tax assets and liabilities are measured at rates that are assumed to be valid in the year in which the asset is realised or the liability has been paid, based on tax rates (and tax laws) in force or effectively approved as of the balance sheet date.

Deferred tax related to items recognised in profit or loss is recognised in profit or loss. Deferred tax items are recognised in the transaction subject to the correlation either in comprehensive income or directly in equity. Tax benefits acquired in connection with a business combination that do not, however, meet the conditions for separate recognition on that date are recognised at a later date if new information becomes available on the facts and circumstances. The adjustment is treated either as a decrease in goodwill (as long as it does not exceed goodwill) if it was incurred during the valuation period or recognised in profit or loss.

The company can deduct deferred tax assets and liabilities from each other only if the company has a legally enforceable right to set off tax assets and liabilities based on taxable income for the period and the deferred tax assets and liabilities are related to income taxes levied by the same tax recipient.

**Currency**

The company's financial statements have been presented in euros, which is also the company's operating currency. Transactions denominated in foreign currency have been recognised at the exchange rate on the transaction date. Foreign currency receivables and liabilities in the balance sheet at the balance sheet date are measured at the exchange rate at the balance sheet date. Exchange rate differences have been recognised in the financial statements in profit or loss.

**Distribution of dividends**

The company is obligated to pay dividends when the distribution is permitted and is no longer discretionary for the company.  The payment of dividends is recognised directly in equity in the balance sheet.

**Financial instruments**

Financial instruments are recognised at amortised cost. The company has no assets or liabilities recognised at fair value through profit or loss.

**Hedging instruments**

The bonds of EUR 700 million and EUR 950 million are fixed-rate (0.75% and 1.125%, respectively). The company has no derivative contracts. Hedge accounting is not applied.

**Changes in accounting principles**

There have been no changes during the financial year.

**New and amended standards**

IFRS changes do not have a material impact on the company's financial statements.

**4. Significant estimates and assumptions**

When preparing the financial statements, the company's management must make certain estimates and assumptions that affect the reported value of assets and liabilities, income and expense items, as well as other information to be provided. The estimates are based on experiences and assumptions that management and the Board consider reasonable under the prevailing circumstances. The final results may differ from these estimates if other factors arise. The following describes estimates that are most important in preparing the company's financial reports.

The valuation of deferred taxes involves estimates. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to such an extent when it is no longer likely that sufficient taxable income will be available to use all or part of the deferred tax asset. Unrecognised deferred tax assets are reassessed at each reporting date and recorded to the extent that future taxable gains are likely to allow the recovery of a deferred tax asset.

**Provision for expected credit losses**

In all categories of financial assets, the determination of impairment losses requires estimates related to the amount and timing of future cash flows and the values of collateral when determining impairment losses and assessing significant increases in credit risk. These assessments are influenced by several factors. Changes in the factors can result in provisions of varying sizes. Information on expected credit losses related to the company's receivables is disclosed in notes 2, 4 and 13.

**Financial instruments**

The provision for expected credit losses is based on credit losses that are expected to occur. If the credit risk has not increased significantly since the credit was granted, the provision is based on 12-month expected credit losses. 12-month expected credit loss is a component of lifetime expected credit loss that represents the expected credit loss due to default events on the financial instrument that are possible within 12 months of the reporting date.

Long-term receivables originate from the parent company Samhällsbyggnadsbolaget i Norden AB. During 2024, Standard & Poor's has downgraded the credit rating of the parent company to Selective Default and in December upgraded to CCC.

The parent company's probability of default (PD) is based on publicly available company-specific 12-month probability of default data from Bloomberg, which results in a probability of default of 4.29% as of December 31, 2024. Company-specific data on the probability of default for the entire term of the loan is not available. The probability of default for the entire term of the loan has been estimated by extrapolating the probabilities of defaults of CCC-rated companies over 12 months compared to the corresponding probabilities over 5 years with a growth factor of 76.69%. In this way, the probability of default of the parent company as of December 31, 2024 is determined to be 7.58%.

To determine the loss given default (LGD), the company has estimated the weighted recoverable amount by evaluating different scenarios of the possible forced realization of the net assets of the SBB Group and by estimating the expected probability of each scenario. This calculation method also takes into account the EAD (Exposure at Default) amounts, which are expected to decrease over time as the loan is repurchased, whereby SBB's net assets are expected to increase, among other things due to falling interest rates. Therefore, with the EAD and the realizable value of the net assets, the position at the end of the year is a high estimate of the EAD and a low estimate of the realizable net assets of SBB. The estimated LGD thus becomes 64.68%, whereby the expected credit losses amount to 4.90% of the total receivable.

As the parent company Samhällsbyggnadsbolaget i Norden AB holds a total of 1,430 million in bonds issued by SBB Treasury Plc, it is not appropriate to assume that the parent company would have claims against SBB Treasury Plc in the event of insolvency. Accordingly, the amount of expected credit losses has been calculated from the net nominal value of long-term receivables, less the bonds held by the parent company, resulting in a decrease of 22.3 million in the amount of credit losses of 10.2 million compared to last year.

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Probability of default (PD)** | 7,58 % | 11,86 % |
| **Loss Given Default (LGD)** | 64,68 % | 14,62 % |
| **(PD x LGD)** | 4,90 % | 1,73 % |
| Nominal value of long-term receivables | 1 638 930 632,05 | 1 877 188 110,08 |
| Bonds held by the parent company | -1 430 017 666,32 | |
| Net nominal value of long-term receivables | 208 912 965,73 | 1 877 188 110,08 |
| | | |
| Nominal value of long-term receivables | 1 638 930 632,05 | 1 877 188 110,08 |
| Recognised credit losses | -10 244 899,05 | -32 543 105,94 |
| Book value of long-term receivables | 1 628 685 733,00 | 1 844 645 004,14 |

**5. Capital management**

The company's capital consists of EUR 80,000 in share capital and EUR 61,864,209 in retained earnings. SBB Group manages the structure of its subsidiary's capital by monitoring the net gearing ratio and adjusting the amounts of equity so that it would not have been lost through invested unrestricted equity, for example.

| **Net gearing** | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Interest-bearing liabilities | 1 479 310 123 | 1 776 096 973 |
| Cash and short-term deposits | -171 466 | -100 254 |
| Net debt | **1 479 138 657** | **1 775 996 719** |
| Equity | 151 049 338 | 61 944 209 |
| Total equity and net debt | 1 630 187 994 | 1 837 940 928 |
| **Net gearing** | **90,73 %** | **96,63 %** |

The bond is subject to covenants that SBB Group must comply with. The covenants' conditions have been met and have not been breached during the financial period.

**6. Determination of fair value**

Fair value measurement hierarchy as of 31 December 2024:

| | Measurement date | Book value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| Assets | | | | | |
| Bond receivables | 31.12.2024 | 6 172 711 | 4 294 023 | | |
| Receivables from Group companies | 31.12.2024 | 1 628 685 733 | | 1 628 685 733 | |
| Others | 31.12.2024 | 1 353 | | 1 353 | |
| Total | | 1 634 859 797 | 4 294 023 | 1 628 687 086 | |
| Liabilities | | | | | |
| Long-term liabilities at fixed and variable rates | 31.12.2024 | 1 479 310 123 | 1 127 275 000 | | |
| Total | | 1 479 310 123 | 1 127 275 000 | 0 | |

Fair value measurement hierarchy as of 31 December 2023:

| | Measurement date | Book value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| Assets | | | | | |
| Receivables from Group companies | 31.12.2023 | 1 844 645 004 | | 1 844 645 004 | |
| Others | 31.12.2023 | 1 316 | | 1 316 | |
| Total | | 1 844 646 320 | | 1 844 646 320 | |
| Liabilities | | | | | |
| Long-term liabilities at fixed and variable rates | 31.12.2023 | 1 776 096 973 | 1 109 477 646 | | |
| Total | | 1 776 096 973 | 1 109 477 646 | 0 | |

At level 1, the valuation of the instrument is based on a price quoted on an active market, which is used to measure identical financial assets or liabilities.

Al level 2, in addition, verifiable prices other than those quoted on an active market, either directly or derived from, are used as inputs for the valuation of the instrument, using valuation techniques.
At level 3, the valuation is based on non-verifiable market prices.

**7. Financial expenses**

| Interest and financial expenses | 1.1.2024 – 31.12.2024 | 1.1.2023 – 31.12.2023 |
|---|---|---|
| Interest expenses, Bonds | -17 562 154 | -35 726 442 |
| Costs related to bonds | -1 440 844 | -1 414 147 |
| Impairments of financial assets and credit losses | 0 | -30 923 412 |
| Unrealised changes in value | 0 | -1 415 273 |
| **Total** | **-19 002 998** | **-69 479 274** |

**8. Financial income**

| Interest and financial income | 1.1.2024 – 31.12.2024 | 1.1.2023 – 31.12.2023 |
|---|---|---|
| Impairments of financial assets and credit losses | 22 298 207 | 0 |
| Other financial income | 69 182 597 | 13 450 265 |
| Interest income from Group companies, Samhällsbyggnadsbolaget i Norden AB | 33 596 367 | 89 418 279 |
| **Total** | **125 077 170** | **102 868 544** |

| **9. Administrative expenses** | 1.1.2024 – 31.12.2024 | 1.1.2023 – 31.12.2023 |
|---|---|---|
| Audit | -197 677 | -106 445 |
| Legal and consultancy services | -12 897 | -20 042 |
| Other administrative expenses | -46 966 | -43 145 |
| Banking and financial transaction costs | -2 242 | -1 113 |
| **Total** | **-259 782** | **-170 745** |

**10. Income taxes**

During the financial period, the corporate tax rate in Finland was 20.0 per cent. The company is not included in the VAT register.

| Tax calculation | 1.1.2024 – 31.12.2024 | 1.1.2023 – 31.12.2023 |
|---|---|---|
| Income tax for the period | -16 978 826 | -13 397 820 |
| Adjusted taxes for previous financial periods | 0 | -381 877 |
| Deferred taxes | 269 565 | 335 802 |
| **Total taxes on the income statement** | -16 709 261 | -13 443 894 |

| Reconciliation of actual tax rate | 1.1.2024 – 31.12.2024 | 1.1.2023 – 31.12.2023 |
|---|---|---|
| Profit before tax | 105 814 390 | 33 218 525 |
| Tax to the parent company at the rate applicable (20%) | -21 162 878 | -6 643 705 |
| | | |
| *Tax effect:* | | |
| Other items | 4 453 617 | -6 800 189 |
| **Taxes on the income statement** | -16 709 261 | -13 443 894 |
| | | |
| Effective tax rate | 15,8% | 40,5% |

| Deferred tax assets and liabilities | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Deferred tax liabilities, expenses related to bonds | -786 791 | -1 056 356 |
| **Total** | **-786 791** | **-1 056 356** |

**11. Earnings per share**

Earnings per share are calculated by dividing the profit for the financial period by the number of shares.

During the financial period, the sole shareholder of the company is Samhällsbyggnadsbolaget i Norden AB. The number of shares has not changed during the financial period and stands at 1,000 pc. There has been no change in the share capital. No dividends will be paid for the financial period.

| Earnings per share | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Profit for the period | 89 105 129 | 19 774 631 |
| Number of shares | 1 000 | 1 000 |
| **Profit per share** | **89 105,13** | **19 774,63** |

**12. Financial assets and liabilities**

**Financial assets**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Long-term interest-bearing loan receivable, Samhällsbyggnadsbolaget i Norden AB | 1 628 685 733 | 1 844 645 004 |
| Bond receivables | 6 172 711 | 0 |
| **Total** | **1 634 858 444** | **1 844 645 004** |

The company has bond receivables issued by the parent company Samhällsbyggnadsbolaget i Norden AB, with a book value of EUR 6,172,711 and a market value of EUR 4,294,023 on 31 December 2024.

**Financial liabilities**

Transaction costs are included in the original carrying amount of financial liabilities measured at amortised cost. Subsequently, all financial liabilities are valued at the cost amortised by the effective interest method.

All bonds issued by SBB Treasury Oyj are issued under the full guarantee of Samhällsbyggnadsbolaget i Norden AB. The organiser was Nordea Bank Abp. The programme is listed on the Dublin Stock Exchange.

| Interest-bearing financial liabilities, long-term | Nominal value, MEUR | Interest | Date of issue | Maturity date |
|---|---|---|---|---|
| | 700 | 0,75 % | 14.12.2020 | 14.12.2028 |
| | 950 | 1,13 % | 26.5.2021 | 26.11.2029 |

On 8th February, the company redeemed the remaining EUR 143,219,000 of the bond maturing on that date.

On 26th March, the company redeemed EUR 5,219,000.00 of the EUR 700 million bond maturing on 14.12.2028 and EUR 154,512,000.00 of the EUR 950 million bond maturing on 26.11.2029.

On 10th December, SBB Group submitted a repurchase and exchange offer regarding hybrid bonds for a combined nominal amount of SEK 12,8 bn and selected bonds for a combined nominal amount of EUR 32.5 bn, including SBB Treasury Oyj bonds for a nominal amount of EUR 1 484 m. The outcome of the offer was announced on 18th December and entail, in brief, that 95 percent of the outstanding senior unsecured bonds participated in the offering, with 93 percent of the outstanding bonds being exchanged from bonds in Samhällsbyggnadsbolaget i Norden AB (publ) and SBB Treasury Oyj were replaced to bonds issued by Samhällsbyggnadsbolaget i Norden Holding AB (publ).

The terms and conditions of the bonds are set out below:

| | |
|---|---|
| Issuer | SBB Treasury Oyj |
| Guarantee | Samhällsbyggnadsbolaget i Norden AB (publ) |
| LEI | 549300HX9MRFY47AH564 (Guarantor) / 5493003HHOCW6FIMH724 (Issuer) |
| Classification | CCC+ (Standard & Poor's), CCC+ (Fitch) |
| Intermediaries | BNP Paribas, Citi, DNB, Deutsche Bank, Goldman Sachs International, Morgan Stanley, Nordea |
| Currency | EUR |
| Type | Fixed rate |
| Nominal value of debt | EUR 700 000 000 |
| Begins | 14 December 2020 (T+4) |
| Matures | 14 December 2028 |
| Coupon interest | 0,75 % |
| Interest payment dates | December 14, annually from December 14, 2020 until due date |

| | |
|---|---|
| Issuer | SBB Treasury Oyj |
| Guarantee | Samhällsbyggnadsbolaget i Norden AB (publ) |
| LEI | 549300HX9MRFY47AH564 (Guarantor) / 5493003HHOCW6FIMH724 (Issuer) |
| Classification | CCC+ (Standard & Poor's), CCC+ (Fitch) |
| Intermediaries | Citi, Danske Bank, Deutsche Bank, Goldman Sachs Bank Europe SE, J.P. Morgan, Nordea, Swedbank |
| Currency | EUR |
| Type | Fixed rate |
| Nominal value of debt | EUR 950,000,000 |
| Begins | 26 May 2021 (T+6) |
| Matures | 26 November 2029 |
| Coupon interest | 1,125 % |
| Interest payment dates | November 26 of every year starting from 26 November 2021 until the maturity date |

| **Interest-bearing financial liabilities, long-term** | **Nominal value, MEUR** | **Interest** | **Date of issue** | **Maturity date** |
|---|---|---|---|---|
| | 700 | 0,75 % | 14.12.2020 | 14.12.2028 |
| | 950 | 1,125% | 26.5.2021 | 26.11.2029 |

**Financial assets and liabilities**

| | **31.12.2024 Book value** | **31.12.2024 Fair value** |
|---|---|---|
| **Financial assets** | | |
| Long-term receivables from Group companies, interest-bearing | 1 628 685 733 | 1 628 685 733 |
| Bond receivables | 6 172 711 | 4 294 023 |
| **Total** | **1 634 858 444** | **1 632 979 756** |
| | | |
| **Financial liabilities** | | |
| Long-term interest-bearing liabilities | 1 479 310 123 | 1 127 275 000 |
| **Total** | **1 479 310 123** | **1 109 477 646** |

| | **31.12.2023 Book value** | **31.12.2023 Fair value** |
|---|---|---|
| **Financial assets** | | |
| Long-term receivables from Group companies, interest-bearing | 1 844 645 004 | 1 844 645 004 |
| **Total** | **1 844 645 004** | **1 844 645 004** |
| | | |
| **Financial liabilities** | | |
| Long-term interest-bearing liabilities | 1 634 514 437 | 970 780 000 |
| Short-term interest-bearing liabilities | 141 582 536 | 138 697 646 |
| **Total** | **1 776 096 973** | **1 109 477 646** |

**13. Risk management**

**Interest rate risk**

Receivables and liabilities are exposed to the risk that their fair values will change due to variable interest rates. The long-term loan granted to the parent company during the financial year is at a fixed rate. In addition, both receivables and liabilities are denominated in euros, and changes in currencies do not have an impact on them.

**Credit risk**

The other party's failure to meet their obligations in relation to a financial instrument or customer relationship results in a financial loss, i.e. the realisation of credit risk. Credit risk in operations is included, for example, in trade receivables, but also in deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial receivables carry the risk that the debt taker will not be able to meet their obligations, resulting in the company suffering credit losses. The company has a long-term mutual receivable from the parent company Samhällsbyggnadsbolaget i Norden AB. During the financial period, the company recognised a credit loss of EUR 1.6 million on this loan. More information about the credit loss can be found in notes 2 and 4.

**Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its payment obligations in its financing. If the company's liquidity sources prove insufficient, it may have a significant adverse effect on the company's operations, performance and financial position. There is also a risk that the cost of acquiring cash to meet the company's payment obligations will increase significantly.

SBB Treasury Oyj is also exposed to risks arising from the potential illiquidity of the entire SBB Group portfolio. The types of real estate owned or potentially acquired by SBB Group as a whole may be illiquid. In the case of a sudden sale, there may be a significant difference between the fair value and the acquisition cost of a property. An illiquid market may result in a sale price that is lower than expected or delays the sale. Any such deficiencies may have a material negative impact on the business, performance or financial position of both SBB Group and SBB Treasury. In addition, SBB Group may be subject to restrictions on its ability to sell real estate on the basis of covenants and commitments which restrict the sale of assets.

Refinancing may prove impossible, or the costs of refinancing may rise sharply. Refinancing risk is the risk that financing costs may be higher and/or refinancing possibilities may be limited or non-existent when a debt of SBB Treasury or another company belonging to SBB Group matures. SBB Group's business is partly financed by capital provided externally. The development and acquisition of real estate requires large amounts of capital, which usually comes from banks, credit institutions or other lenders. There is a risk that lenders will not grant credit to SBB Group or that credit will be provided at a significantly higher cost than planned. In addition, certain loan agreements and terms of debt instruments contain conditions, which may limit SBB Group's ability to acquire new debts.

**Financial targets and key ratios**

Treasury Oyj is subject to Samhällsbyggnadsbolaget i Norden AB's Finance Policy, key ratios are decisive in assessing the Company's financial risk-taking and position. In the Finance Policy, the Board of Directors has established limits to which the Company must adhere. These include loan-to-value ratio, capital commitment, interest coverage ratio and liquidity. Similar limits are also found in SBB's financing agreements and are commonly referred to as covenants, which are described in the following sections. At the end of the year, the Company did not meet the target for the leverage and interest coverage ratio limits set out in the finance policy. This deviation from the finance policy limits is considered temporary and the Company is in the process of implementing the measure to ensure that the ratios fall within the finance policy limits. The results of the tests of the key ratios are shown below:

| Requirement in accordance with Finance Policy | Limit | Outcome |
|---|---|---|
| Loan-to-value ration, % | <50 | 61 |
| Interest-coverage ration, multiple | 1.8 | 2.0 |

**Disclosures regarding loan terms**

The financial liabilities in Treasury Oyj includedes bond liabilities. Characteristic of bond debt is that it is a credit instrument traded on the stock exchange.

In SBB parent company and SBB Treasury Oyj, the bonds have been issued under the EMTN program that SBB established in 2019. The EMTN programme includes loan terms in the form of so-called covenants, setting limits for key ratios to which the Company must adhere. These terms are set out in the table below. The book value of bond loans under the EMTN programme amounts to EUR 1,479m (EUR 1,776m).

| Covenant | Covenant level | Periodicity 1) | Outcome 2024 |
|---|---|---|---|
| Maintenance of Consolidated Coverage Ratio | 1.5:1 | Quarterly | 2.3:1 |
| Incurrence of Financial Indebtedness | 65 % | Incurrence | 61 % |
| Incurrence of Secured Indebtedness | 45 % | Incurrence | 20 % |

1) An incurrence test is a restriction on the terms and conditions triggered by specific events, such as new debt or dividends. The test ensures that the Company meets financial requirements at the time of a transaction. If the requirements are not met, the measure is not permitted. This protects lenders and investors from increased financial risk.

**Maturity table**

| | | | | | | As of 31 December 2024 |
|---|---|---|---|---|---|---|
| | On request | < 3 months | 3-12 months | 1-5 years | > 5 years | Total |
| Bonds | 0 | 0 | 0 | 1 650 000 000 | 0 | 1 650 000 000 |
| Interest payments | 0 | 0 | 14 356 766 | 51 067 032 | 0 | 65 423 797 |
| | 0 | 0 | 14 356 766 | 1 701 067 032 | 0 | 1 715 423 797 |

| | | | | | | As of 31 December 2023 |
|---|---|---|---|---|---|---|
| | On request | < 3 months | 3-12 months | 1-5 years | > 5 years | Total |
| Bonds | 0 | 141 586 000 | 0 | 700 000 000 | 950 000 000 | 1 791 586 000 |
| Interest payments | 0 | 1 599 198 | 16 203 125 | 64 431 771 | 9 796 875 | 92 030 969 |
| | 0 | 143 185 198 | 16 203 125 | 764 431 771 | 959 796 875 | 1 883 616 969 |

**14. Changes in liabilities due to financial activities**

| | 1.1.2024 | Changes in cash flow | Currency changes | Others | **Per 31.12.2024** |
|---|---|---|---|---|---|
| Bonds | 1 776 096 973 | -296 786 850 | 0 | 0 | 1 479 310 123 |
| Short-term interest liabilities | 2 247 650 | 0 | 0 | -1 098 514 | 1 149 136 |
| Total | 1 778 344 623 | -296 786 850 | 0 | -1 098 514 | 1 480 459 259 |

| | 1.1.2023 | Changes in cash flow | Currency changes | Others | **Per 31.12.2023** |
|---|---|---|---|---|---|
| Bonds | 2 190 539 377 | -414 442 404 | 0 | 0 | 1 776 096 973 |
| Short-term interest liabilities | 3 192 121 | 0 | 0 | -944 471 | 2 247 650 |
| Total | 2 193 731 498 | -414 442 404 | 0 | -944 471 | 1 778 344 623 |

Cash transfers related to the bond took place through the company's parent account, therefore the liability in question is not shown in the cash flow statement.

**15. Cash and cash equivalents and other receivables**

SBB Treasury Oyj's cash and cash equivalents consist of bank account deposits. The company has no cash.

**Cash at bank**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Bank account Handelsbanken | 99 152 | 100 254 |
| Bank account DNB Bank ASA | 72 314 | 0 |
| **Total** | **171 466** | **100 254** |

**Other receivables**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Cision Sverige AB, amortised expense | 1 353 | 1 316 |
| **Total** | **1 353** | **1 316** |

**16. Equity**

**Share capital**

The company's share capital is EUR 80,000.00 (registered on 15 July 2020) and the number of shares is 1,000. The shares have no nominal value, and all shares in the company have equal rights. During the financial period, there has been no change in the share capital. No funds have been set up for the company.

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Share capital at the beginning of the period | 80 000 | 80 000 |
| **Share capital on 31 December** | **80 000** | **80 000** |
| Profit/loss for previous financial periods | 61 864 209 | 42 089 578 |
| Profit/loss for the period | 89 105 129 | 19 774 631 |
| Total equity | 151 049 338 | 61 944 209 |

The company has not paid any dividends during the financial period. No conversion or other currency differences have arisen during the financial period.

**17. Proposal on dividend distribution and use of retained earnings**

**Calculation of distributable funds as at 31 December 2024**

| Distributable unrestricted equity | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Profit/loss for previous financial periods | 61 864 209 | 42 089 578 |
| Profit for the period | 89 105 129 | 19 774 631 |
| Total distributable unrestricted equity | 150 969 338 | 61 864 209 |

The Board of Directors proposes that the profit for the financial period be transferred to the profit account and that no dividend be paid.

**18. Interest and other liabilities**

The interest on the EUR 700 million (nominal value) bond is amortised monthly using the effective interest rate method but paid only once a year. The coupon interest rate on the loan is 0.75%.

The interest on the EUR 950 million (nominal value) bond is amortised monthly using the effective interest rate method but paid only once a year. The coupon interest rate on the loan is 1.125%.

Arrangement costs are amortised by the effective interest rate method over the life of the loan.

**Interest and other short-term liabilities**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Amortised interest expenses | 1 149 136 | 2 247 650 |
| Total | **1 149 136** | **2 247 650** |

**Accounts payable**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Ernst & Young Oy, invoice FI919600065429 | 18 825 | 0 |
| Total account payable | **18 825** | **0** |

**Accrued liabilities**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Audit expenses, EY | 95 000 | 17 000 |
| Bank charges, DNB Bank ASA | 695 | 0 |
| Income taxes for the period | 2 621 356 | 3 384 386 |
| Total accrued liabilities | **2 717 051** | **3 401 386** |

**19. Related party transactions**
SBB Treasury Oyj's related parties include the company's executives, the company's parent company Samhällsbyggnadsbolaget i Norden AB (556981-7660; domiciled in Stockholm), which owns 100% of the company's shares, and all other entities belonging to the SBB Samhällsbyggnadsbolaget i Norden AB Group.

**Transactions with related party companies**

At the end of 2024, long-term receivables from the parent company and related interest receivables amounted to EUR 1,628,685,733.00. The interest rate on mutual outstanding loans and liabilities within SBB Group is a fixed 2%. At the end of the financial period, the amount of the provision for credit losses related to the loan to the parent company was EUR 10.2 million. During the financial period, approximately EUR 22.2 millionof the credit loss provision was reversed through profit or loss. More information about the credit loss can be found in notes 2 and 4.

The company has had a long-term loan to SBB Finland Oy, a company in the same group, consisting of purchase invoices and taxes paid from SBB Finland's account. For period from 1st January to 30th September the interest rate was 8.28% and for period from 1st October to 31st December the interest rate was 8.345%. In accordance with the netting agreement signed on 31.12.2024, SBB Treasury Plc's debt to SBB Finland Oy has been offset by deducting SBB Finland Oy's debt to Samhällsbyggnadsbolaget i Norden AB and Samhällsbyggnadsbolaget i Norden AB's debt to SBB Treasury Oyj by a corresponding amount.

Bonds issued by SBB Treasury Plc with a nominal value of EUR 1,437 million are held by the parent company Samhällsbyggnadsbolaget i Norden AB.

**Interest income from Group companies**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Samhällsbyggnadsbolaget i Norden AB | 33 596 185 | 89 393 504 |
| **Total** | **33 596 185** | **89 393 504** |

**Receivables from Group companies**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Long-term, Samhällsbyggnadsbolaget i Norden AB | 1 628 685 733 | 1 844 645 004 |
| **Total** | **1 628 685 733** | **1 844 645 004** |

**Interest expenses to Group companies**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| SBB Finland Oy | -714 768 | -543 556 |
| **Total** | **-714 768** | **-543 556** |

**20. Standard changes**
The new and revised standards, which will enter into force on 1 January 2025 or later, are not expected to have an impact on SBB Treasury Oyj's financial statements.

**21. Events after the balance sheet date**

The Euro Medium Term Note (EMTN) bondholder, who initiated formal legal proceedings against SBB, has withdrawn from the legal proceedings against SBB after the end of the financial year.

There have been no significant changes in the company's financial position or related parties since the end of the financial year.

3147399-4

Signatures of the financial statements:

Helsinki, April 30, 2025

Leiv Synnes
Member of the Board of Directors

Auditor's note

A report on the audit performed has been issued on the date indicated by the electronic signature.

Helsinki,

Ernst & Young Oy
Audit firm

Rytilahti Mikko
Authorised Public Accountant (KHT)

Ernst & Young Oy
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# AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of SBB Treasury Oyj

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of SBB Treasury Oyj (business identity code 3147399-4) for the year ended 31 December, 2024. The financial statements comprise the balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion the financial statements give a true and fair view of the company's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with the additional report submitted to the Board of Directors.

### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the company are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. We have not provided any non-audit services to the company in 2024.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Intercompany receivables**<br>*We refer to the notes 2, 4, 12 and 13.*<br><br>At the balance sheet date, the value of intercompany receivables amounted to 1 628,7 m€ representing 99% of the company's assets. Valuation of intercompany receivables was key audit matter as the determination of credit risk includes management judgement.<br><br>Valuation of intercompany receivables was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2). | Our audit procedures, addressing the significant risk of material misstatement related to the valuation of intercompany receivables, included among others:<br><br>• We assessed the risk of counterparty default resulting in a financial loss.<br>• We assessed the appropriateness of the receivables' book value at balance sheet date.<br>• We assessed the adequacy of these disclosures. |

### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Reporting Requirements

### Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 29.6.2020, and our appointment represents a total period of uninterrupted engagement of five (5) years.

### Other information

The Board of Directors is responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 30.4.2025

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Rytilahti
Authorized Public Accountant