Translation from Finnish into English

Hemsö Treasury Oyj

Business ID 3166158-1

Domicile Helsinki

FINANCIAL STATEMENTS AND ANNUAL REPORT

1 January - 31 December 2023



Hemsö Treasury Oyj
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REPORT OF THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS
1 January 2023 – 31 December 2023

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The company's Board of Directors adopted the financial statements for publication on 25 March 2024. The Board of Directors has the right to make changes to the financial statements and republish them.

The financial statements must be stored for at least ten (10) years from the end of the financial year (Accounting Act, Section 2:10).



ANNUAL REPORT 1 January - 31 December 2023

Board of Directors' report

The profit for the financial year was EUR 0, of which EUR 811,357 was interest income on intra-group loans and EUR 802,591 interest expenses. Administrative expenses amounted to EUR 25,265 and the company received EUR 16,499 in group contributions. Hemsö Treasury Oyj was founded on 2 October 2020, and the financial year now ended was the company's third.

Comparability with the previous year

This was the company's third financial year. The previous financial year was from 1 January 2022 to 31 December 2022.

Events during the financial year

In January 2021, Hemsö Treasury Oyj issued a EUR 500 million senior unsecured bond. The term of the bond is seven years and the fixed coupon is 0.00 percent. The bond is listed at Euronext Dublin. During the financial year 2023, the company had expenses related to the bond and an internal loan, as well as administrative expenses and a group contribution.

Material events after the financial year

The company has no material events to report after the financial year.

Related party transactions

In 2021, the company issued a bond with a total nominal value of EUR 500 million. The related financial transactions were conducted using the parent company's bank account. As a result, the company had a long-term receivable and related interest receivables from the parent company at the end of 2021.

According to the Hemsö Group's internal loan agreement, the debtor (parent company Hemsö Fastighets AB (publ)) must, at the request of the creditor (Hemsö Treasury Oyj), repay the loan in full, together with the accumulated loan fees, seven years after the issuance of the bond. However, the debtor may repay the loan early in full or in part, including any accumulated loan fees, without any sanctions.

The company's intra-group loan receivables involve a credit loss risk. The company has no other activities except a loan receivable from the parent company Hemsö Fastighets AB. Hemsö Fastighets AB is dependent on its lease contracts and on payments it receives from tenants, among other things. The company's parent company's result and cash flow may be negatively affected if the tenants do not make their payments or otherwise fail to meet their obligations, or the leases expire earlier than expected for some reason, which could force Hemsö Treasury Oyj to recognise receivables from the parent company as bad debts and not be able to pay off the bond as agreed.

The Hemsö Group specialises in properties for public use, and its tenants include both public and private service providers. Public sector organisations represent more than 60% of the tenants. The operations are characterised by long-term rental agreements and predictable rent levels. The majority of tenants have a credit rating of AAA (S&P).

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Receivables and liabilities are subject to the risk of changes in fair value for reasons such as fluctuating interest rates. The long-term loan given to the parent company is fixed and unsecured. Loan expenses associated with the bond are fixed and guaranteed by Hemsö Fastighets AB. In addition, both receivables and liabilities are denominated in euros and are not affected by currency fluctuations. No impact on profit or loss is expected in 2024, since the borrowing costs for both liabilities and receivables are fixed. The duration of the bond is 7 years.

Hemsö Group is 85 per cent owned by the Third Swedish National Pension Fund and 15 per cent owned by AB Sagax.

To reduce financial risk and manage short-term liabilities, the Hemsö Group has committed credit facilities from the Third Swedish National Pension Fund, Nordic banks and the EIB.

The parent company of Hemsö Treasury Oyj is Hemsö Fastighets AB (publ) (556779-8169), domiciled in Stockholm, which owns 100% of the company's shares.

Board of Directors of the company
Ordinary member:
Nils Styf
Deputy member:
Claes Källén

The company auditor is KPMG Oy Ab.
Principal auditor:
Marcus Tötterman

Shares

The company's share capital is EUR 80,000 and the number of shares is 100. The share capital is divided into 100 shares, each with a nominal value of EUR 800.

Board's proposal on the disposal of retained earnings
The Board of Directors proposes that the profit for the financial year be transferred to the profit and loss account and that no dividend be distributed.



STATEMENT OF COMPREHENSIVE INCOME IFRS

Currency EUR	Note	01.01.2023 31.12.2023	01.01.2022 31.12.2022
Financial income and expenses			
Interest income	*8,19*	811 357	810 174
Interest expenses	*7*	-802 591	-806 113
Total financial income and expenses		8 767	4 061
Administrative expenses	*9*	-25 265	-34 332
Profit/loss before taxes		-16 499	-30 271
Group contribution	*19*	16 499	34 945
PROFIT OR LOSS FOR THE FINANCIAL YEAR		0	4 674
Other items of comprehensive income		0	0
COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		0	4 674
Breakdown of profit or loss for the financial year			
To parent company shareholders	*11*	0	4 674
To minority shareholders		0	0
Total		0	4 674
Average number of shares adjusted for share issue	*11*	100	100
Earnings per share calculated on the basis of the profit/loss attributable to parent company shareholders basic and diluted, EUR	*11*	0	47



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BALANCE SHEET IFRS

Currency EUR	*Note*	31.12.2023	31.12.2022
ASSETS			
Long-term receivables			
Receivables from Group companies	*12*	494 355 000	494 355 000
Total long-term receivables		494 355 000	494 355 000
Short-term receivables			
Receivables from Group companies	*12*	2 461 659	1 663 795
Prepayments and accrued income	*15*	868 545	1 082 746
Total short-term receivables		3 330 204	2 746 542
Total receivables		497 685 204	497 101 542
TOTAL ASSETS		497 685 204	497 101 542
EQUITY AND LIABILITIES			
Shareholders' equity			
Equity attributable to parent company shareholders			
Share capital	*16*	80 000	80 000
Retained earnings	*17*	0	-4 674
Profit for the financial year	*16*	0	4 674
Total shareholders' equity		80 000	80 000
Liabilities			
Long-term			
Bonds	*12*	497 596 400	497 008 011
Total long-term liabilities		497 596 400	497 008 011
Short-term			
Accounts payable	*18*	0	31
Accruals and deferred income	*18*	8 804	13 500
Total short-term liabilities		8 804	13 531
Total liabilities		497 605 204	497 021 542
TOTAL EQUITY AND LIABILITIES		497 685 204	497 101 542

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Statement of changes in equity

Equity attributable to parent company shareholders

Currency EUR	Note	1 Jan. - 31 Dec. 2023	1 Jan. - 31 Dec. 2022
Share capital 1 Jan.	16	80 000	80 000
Share issue		0	0
Retained earnings	17	0	0
Profit or loss for the financial	16	0	4 674
Retained earnings total 31 Dec.		0	4 674
Total shareholders' equity		**80 000**	**84 674**



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Cash flow statement

Currency EUR	Note	1 Jan.- 31 Dec. 2023	1 Jan.- 31 Dec. 2023
Cash flows from operating activities			
Profit or loss for the financial year	16	0	4 674
Change in working capital	12,18	-16 499	-39 619
Net cash flow from operating activities		**-16 499**	**-34 945**
Cash flows from financing activities			
Group contribution	19	16 499	34 945
Net cash flow from financing activities		**16 499**	**34 945**
Change in cash and cash equivalents		**0**	**0**
Cash and cash equivalents at the beginning of the financial year		0	0
Cash and cash equivalents at the end of the financial year		0	0



NOTES TO THE FINANCIAL STATEMENTS 31 December 2023

1. BASIC COMPANY INFORMATION

The financial statements include information for Hemsö Treasury Oyj (business ID 3166158-1). The Helsinki.

The company was founded in October 2020. The company's line of business is, both directly and indirectly, and through wholly or partly owned companies, to acquire, invest in, develop, sell and lease real property, housing companies and related assets. The company may participate in the financing of direct and indirect property investments. The company may also participate in the financing activities of the Group companies by borrowing and lending, and by offering guarantees and collateral for the Group companies' investments. In addition, the company may issue bonds and accept financing.

The company's financial year is from 1 January to 31 December. The Board of Directors approved these financial statements on 25 March 2024. The financial statements will be presented for adoption at the Annual General Meeting 25 March 2024. A copy of the financial statements is available at Korkeavuorenkatu 30 A, 00130 Helsinki.

The company is part of a group whose parent company is Hemsö Fastighets AB (publ) (556779-8169; domiciled in Stockholm). A copy of the consolidated financial statements is available at the company's head office, Linnégatan 2, Box 24281, 104 51 Stockholm.

The company has no subsidiaries. Subsidiaries refer to companies over which the parent company exercises direct or indirect control.

The figures in the financial statements are presented in euros. The figures in the financial statements have been rounded, which is why the sum of the individual figures may differ from the total sum presented.

2. ACCOUNTING POLICIES

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

Depending on the item, assets and liabilities are measured either at their original acquisition cost or at fair value. Interest receivables and interest liabilities have been calculated using the effective interest method. Effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset/liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. Financial income and expenses are recorded for the relevant period.

Income tax for the financial year is calculated based on the applicable tax rate in effect or effectively adopted on the balance sheet date; in this case 20.0%. The reported tax and the tax payable may differ due to non-deductible expenses and tax-exempt income, or if the company has unused losses.

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 to be paid after individual assessment. The company's cash and cash equivalents are held in a cash pool and presented as receivables or sums owed to the parent company.

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Impairment of financial assets. The company enters a provision for expected credit losses on items included in financial assets that are not measured at fair value through profit or loss. Expected credit losses (ECL) are based on the difference between contractual cash flows and all cash flows that the company expects to receive.

Expected credit losses are classified in three stages. In stage 1, the credit risk to which the financial assets in this stage are exposed has not increased significantly since initial recognition. This includes expected credit losses arising from default events related to financial instruments that are possible within the next 12 months. In stage 2, the credit risk to which the financial assets in this stage are exposed has increased significantly since initial recognition. The loss allowance is recognised for the expected credit losses arising from all possible defaults during the expected term of the financial instrument. Loans in stage 3 are considered impaired due to credit risk. The company recognises provisions for lifetime expected credit losses (LTECL).

The accounting principles applied to expected credit losses and the related main elements are as follows: - Probability of Default (PD) is an estimate of the probability that default will occur over a certain period. Default can only occur at a certain time during the period under assessment, if the liability has not previously been derecognised and still exists.- Exposure at Default (EAD) is the estimated value of a liability at the time of future default, taking into account changes in the value of the liability expected after the reporting date. Changes include early repayments of principal and scheduled interest payment as per agreement or otherwise, as well as expected drawdowns on binding agreements and accrued interest on defaulted payments.- Loss Given Default (LGD) is an estimate of the losses incurred if default occurs at a given point in time. It is based on the difference between the contractual cash flows and the cash flows that the lender expects to receive, taking into account the cash flows from the realisation of the collateral or other arrangements that improve the quality of the credit and that constitute an integral part of the loan and are not recorded separately. These are typically presented as a percentage of the exposure at default (EAD).

For trade receivables and contractual items, the company applies a simplified method in the calculation of expected credit losses. Consequently, the company does not monitor changes in credit risk; instead, it recognises loss allowances based on lifetime expected credit losses on each reporting date.The company has drawn up a provision matrix based on its historical credit losses, adjusted for forward-looking factors specific to the debtor and the economic environment. The company has had no trade receivables or contractual items in 2023 or in previous years.

Financial liabilities are measured at accumulated cost. Expenses directly attributable to borrowing adjust the cost of the loan and accumulate in line with the effective interest method. Expenses related to bonds are capitalised in the balance sheet and depreciated on a straight-line basis over the term of the agreement. Bonds are classified as liabilities or equity depending on whether they involve a contractual obligation to repay the contract in cash or otherwise.



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Cash flow statement has been prepared in accordance with the indirect method. All amounts are in euros unless otherwise noted. The financial statements have been prepared using the going concern basis of accounting.

3. CLASSIFICATION OF CURRENT AND NON-CURRENT ASSETS AND LIABILITIES

Assets and liabilities are classified in the balance sheet as current or non-current on the following basis:
An asset is classified as current if it:
- is expected to be sold or consumed during a normal operating cycle
- is held primarily for trading purposes
- is realised within 12 months from the balance sheet date
- is a financial asset, unless due to restrictions it is not available for the settlement of a liability for at least 12 months from the balance sheet date

All other assets are classified as non-current.



A liability is classified as current if it:
- is realised during a normal operating cycle
- is held primarily for trading purposes
- is intended to be paid within 12 months from the balance sheet date

Or
- The company has no absolute right to defer payment of liability within at least 12 months from the balance sheet date

The terms of debt agreements that the counterparty believes could be equity instruments do not affect its classification.
The company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current 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. Fair value is the price that would be obtained for the sale of the asset or paid for the transfer of the liability between market participants in a normal transaction on the measurement date. The determination of fair value is based on the assumption that the sale of an asset or the transfer of a liability will take place either:

• On the primary market for the asset or liability
Or
• In the absence of a primary market, in the most favourable markets for the asset or liability. The company must have access to appropriate markets on the measurement date.

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

The method used to determine the fair value of non-financial assets takes into account the ability of a market participant to generate an economic benefit by using the asset for its highest and best use, or by selling it to another market participant that would use the asset for its highest and best use.

The company uses valuation techniques which are appropriate in the circumstances and provide sufficient information to determine the fair value by maximising the use of significant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Valuation techniques where the most significant input data for fair value is non-level 1 input data and is observable directly or indirectly from the markets
- Level 3 - Valuation techniques where input data relevant to fair value determination is not observable

The levels of the fair value hierarchy are defined as follows:

- Level 1 - Quoted prices in a functioning market
- Level 2 - Indirectly derived from the market price
- Level 3 - Non-verifiable market data used in valuation

Taxes

Income taxes and tax liabilities are measured at the amount expected to be received from or paid to the tax authorities. Tax rates and tax laws enacted and effectively adopted by the balance sheet date are used to calculate the amount in the countries where the company operates and generates taxable income.

Income tax related to equity items is recognised in equity and not in the income statement. Management regularly assesses the positions taken with regard to tax returns against the specific situations where the applicable tax provisions are interpreted, and revises provisions, if necessary.

Currency

The company presents its financial statements in euros, which is also its functional currency. Foreign currency transactions are recorded at the exchange rate on the date of the transaction. Foreign currency denominated receivables and liabilities in the balance sheet are valued at the exchange rate on the balance sheet date. Exchange rate differences have been recognised in the financial statements through profit or loss.

Hedging instruments

The bond has a fixed interest rate (0.00%). The company has no derivative contracts. Hedge accounting is not applied.



4. SIGNIFICANT ESTIMATES AND ASSUMPTIONS

In preparing the financial reports, the Board of Directors is required to make certain estimates and assumptions that affect the reported value of assets and liabilities, income and expenses, and other disclosures. Estimates are based on experience and assumptions that the company management and the Board of Directors deem reasonable in the circumstances. In the event of changes in circumstances, the actual outcome may differ from the estimates. Estimates of critical importance for the preparation of the company's financial statements are described below.

The Hemsö Group calculates the expected credit losses of receivables using rating-based modelling. Provisioning models are based on historical credit loss multipliers and forward-looking factors. The data from previous financial years is analysed to prepare an estimate of future credit loss multipliers. On each reporting day, the data is updated and future estimates are prepared.

Assessing the correlation between historical default rates, projected economic conditions and expected credit losses is very important. Credit loss estimates are sensitive to changes in circumstances and economic forecasts. The company's historical credit loss risk experience and economic forecasts are no guarantee of customers' actual solvency in the future.

5. CAPITAL MANAGEMENT

The company's capital consists of a share capital of EUR 80,000. There were no retained earnings on 31 December 2023. The Hemsö Group manages the capital structure of its subsidiary by monitoring the net debt-equity ratio (gearing) and by determining the amount of equity through invested unrestricted equity or similar. The company has necessary annual administrative expenses, which means that the net gearing ratio will remain close to 100% during the loan period.

The company has issued a EUR 500 million bond that will mature in 2028. The bond has a fixed interest rate of 0.00%. The loan was paid into the account of the parent company Hemsö Fastighets AB (publ) and is presented as a long-term receivable in Hemsö Treasury Oyj's balance sheet.

Net debt-equity ratio

Currency EUR	**31.12.2023**
Interest-bearing liabilities	497 596 400
Net debt	497 596 400

Shareholders' equity	80 000
Total equity and net debt	497 676 400
Net debt-equity ratio %	99,98

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The bond involves covenants that are binding on the Hemsö Group. Covenants are related to the negative pledge clause and the debt to equity ratio. No breaches of covenant occurred during the financial year.

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6. DETERMINATION OF FAIR VALUE

Fair value hierarchy on 31 December, 2023:

Currency EUR	Date of assessment	Total	Level 1	Level 2	Level 3
Assets					
Receivables from Group companies	31.12.2023	496 816 659		496 816 659	
Other	31.12.2023	868 545		868 545	
Total		497 685 204		497 685 204	
Liabilities					
Fixed-rate long-term liabilities	31.12.2023	497 596 400		497 596 400	
Other	31.12.2023	8 804		8 804	
Total		497 605 204		497 605 204	

At Level 1, the valuation of the instrument is based on quoted price in active markets, which is used for identical financial assets and liabilities.

At Level 2, input used in the valuation of the instrument includes verifiable prices other than those quoted in an active market, either directly or derived from them using valuation techniques.

At level 3, valuation is based on prices other than verifiable market prices.



7. FINANCIAL EXPENSES

Currency EUR	1.1.2023 31.12.2023	1.1.2022 31.12.2022
Interest and other financial expenses		
Interest expenses, bonds	-588 389	-591 911
Interest expenses, bond issue costs	-214 202	-214 202
Total interest and other financial expenses	-802 591	-806 113

8. FINANCIAL INCOME

Currency EUR	1.1.2023 31.12.2023	1.1.2022 31.12.2022
Other interest and financial income		
Interest income from Group companies		
Hemsö Fastighets AB (publ)	811 357	810 174
Total interest income from Group companies	811 357	810 174
Total financial income	811 357	810 174

9. ADMINISTRATIVE EXPENSES

Currrency EUR	1.1.2023 31.12.2023	1.1.2022 31.12.2022
Administrative expenses		
Audit fees	-23 080	-19 995
Banking and cash transaction expenses	-573	-189
Other office and administrative expenses	-1 612	-14 148
Total administrative expenses	-25 265	-34 332

10. INCOME TAXES

The company has not recorded any deferred tax liabilities or receivables during the financial year. During the financial year, the corporate tax rate in Finland was 20.0 percent. The company is not registered for VAT.

Currency EUR	1.1.2023 31.12.2023	1.1.2022 31.12.2022
Reconciliation of the effective tax rate		
Profit before taxes	0	4 674
Tax at the applicable rate (20%)	0	935
Tax impact:	0	0
Other changes:	0	-935
Reported tax	0	0
Adjustment	0	0
Effective tax rate	0 %	-20 %

11. EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit or loss for the financial year by the number of shares.

During the financial year, the company's sole shareholder was Hemsö Fastighets AB (publ). The number of shares has remained unchanged during the financial year at 100. There have been no changes in the share capital. No dividend will be paid for the financial year.

Currency EUR	31.12.2023	31.12.2022
Earnings per share		
Profit or loss for the financial year	0	-4 674
Number of shares	100	100
Earnings per share	0	-47

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12. FINANCIAL ASSETS AND LIABILITIES

Currency EUR	31.12.2023
Financial assets	
Long-term interest-bearing loan, Hemsö Fastighets AB (publ)	494 355 000
Long-term interest receivable, Hemsö Fastighets AB (publ)	2 377 354
Other receivables, Hemsö Fastighets AB (publ)	67 806
Group contribution, Hemsö Yhteiskuntakiinteistöt Oy	16 499
Other interest and financial expenses	0
Total	496 816 659

Financial liabilities

For financial liabilities, amortised cost is used. Transaction costs are included in the original carrying amount of financial liabilities measured at amortised cost. Subsequently, all financial liabilities are measured at amortised cost using the effective interest method.

In January 2021, the company set up an EUR 4,000 million Euro Medium Term Note programme that will allow the company to issue bonds. All bonds issued by Hemsö Treasury Oyj are fully guaranteed by Hemsö Fastighets AB. The arranger was Citigroup. The programme is listed on the Euronext Dublin.

The following banks act as dealers:
BNP Paribas
Citigroup Global Markets Europe AG
Deutsche Bank Aktiengesellschaft
Skandinaviska Enskilda Banken AB (publ)

In January 2021, the company issued an EUR 500 million bond, the terms of which are set out below:

Issuer	Hemsö Treasury Oyj
Guarantor	Hemsö Fastighets Ab (publ)
LEI	549300HX9MRFY47AH564 (Guarantor) / 5493003HHOCW6FIMH724 (Issuer)
Classification	A-/A, Stable Outlook by S&P/Fitch
Dealers	BNP Paribas, Citigroup, Deutsche Bank, SEB
Currency	EUR
Type	Fixed interest rate
Nominal value of debt	EUR 500,000,000
Start date	19 January 2021 (T + 5)
Maturity	19 January 2028
Coupon rate	0,00 %
Interest payment dates	19 January annually, from 19 December 2022 until the maturity date

Long-term interest-bearing financial liabilities	Interest	Maturity date	2023
Balance sheet value 31 December 2023	0,00 %	19.1.2028	497 596 400

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13. RISK MANAGEMENT

Interest rate risk

Receivables and liabilities are exposed to the risk that their fair values will change due to fluctuating interest rates. Both the bond drawn down during the financial year and the long-term loan given to the parent company have a fixed interest rate. In addition, both receivables and liabilities are denominated in euros and are not affected by currency fluctuations. No impact on profit or loss is expected, since the interest rates for both liabilities and receivables are fixed. The duration of the bond is 7 years.

Credit risk

Failure by the other party to meet obligations related to a financial instrument or customer relationship results in a financial loss, i.e. the realisation of credit risk. In operating activities, trade receivables involve a credit risk, as do deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial receivables involve a risk of the borrower not being able to meet their obligations, as a result of which the company would suffer credit losses. The company has a mutual long-term receivable from the parent company Hemsö Fastighets AB (publ). No credit losses on this loan have been recorded during the financial year.

In accordance with the nature of the company's operations, the company has no other receivables from which expected credit losses should be calculated.

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Liquidity risk

Liquidity risk involves a company's inability to meet its financial payment obligations. If the company's sources of liquidity prove insufficient, it could have a material adverse impact on the company's operations, financial performance and financial position. There is also a risk of a significant increase in the cost of raising cash to meet the company's payment obligations. Hemsö Treasury Oyj is also exposed to risks arising from the potential illiquidity of the entire Hemsö Group portfolio. Property types owned or potentially acquired in the future by the entire Hemsö Group may be illiquid. In case of a sudden sale, there may be a significant difference between the fair value of the property and its acquisition price. An illiquid market may result in a lower than expected selling price, or delay sales. Any such factors could have a material adverse impact on the business, financial performance or financial position of both the Hemsö Group and Hemsö Treasury. In addition, restrictions may be imposed on the Hemsö Group's ability to sell properties under covenants and commitments that restrict the sale of assets. Refinancing may prove impossible or involve a significant cost increase. Refinancing risk is the risk of financing costs being higher and / or refinancing opportunities being limited or non-existent upon the maturity of a debt of Hemsö Treasury or another Hemsö Group company. The Hemsö Group's business is partly financed by external capital. Buying and developing properties requires large amounts of capital, which is usually provided by banks, credit institutions or other lenders. There is a risk that lenders will not offer credit to the Hemsö Group or that credit will be offered at significantly higher costs than planned. In addition, certain loan agreements and the terms of the debt instruments contain terms that may limit the Hemsö Group's eligibility for new loans.

The company's cash flow related to short-term liabilities is very predictable, and Hemsö Group regularly monitors the Group's liquidity through cash flow and liquidity reporting.

Maturities

Liabilities	on demand	< 3 months	3-12 months	1-5 years	> 5 years	Total
Long-term interest-bearing liabilities				497 596 400		497 596 400
Other short-term liabilities		8 804				8 804
		8 804		497 596 400		497 605 204

Receivables	on demand	< 3 months	3-12 months	1-5 years	> 5 years	Total
Receivables from Group companies	16 499			496 800 160		496 816 659
Prepayments and accrued income		53 404	161 385	653 756		868 545
	16 499	53 404	161 385	497 453 916	0	497 685 204



14. CHANGES IN DEBTS DUE TO FINANCING ACTIVITIES

Currency EUR	1.1.2023	Changes in cash flow	Currency fluctuations	Other	31.12.2023
Bonds	497 008 011			588 389	497 596 400
Total					497 596 400

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15. CASH AND CASH EQUIVALENTS AND SHORT-TERM DEPOSITS

The company has no cash and cash equivalents or bank receivables.

Short-term receivables include fixed costs arising from the bond issue, which are amortised on a day basis until the repayment of the bond.

Currency EUR	31.12.2023	31.12.2022
Short-term prepayments and accrued income		
Bonds	868 545	1 082 746
Total	868 545	1 082 746

16. SHAREHOLDERS' EQUITY

Share capital

The company's share capital is EUR 80,000 (registered on 3 November 2020) and the number of shares is 100. The share capital is divided into 100 shares, each with a nominal value of EUR 800.

	31.12.2023	31.12.2022
Share capital		
Share capital at the beginning of the financial year	80 000	80 000
Share capital on 31 December	80 000	80 000
years	0	-4 674
Profit / loss for the financial year	0	4 674
Total shareholders' equity	80 000	80 000

The company has not paid any dividends during the financial year. There were no translation or other currency related differences during the financial year.

17. PROPOSAL FOR THE DISTRIBUTION OF DIVIDEND AND DISPOSAL OF RETAINED EARNINGS

	31.12.2023
Breakdown of distributable funds	
Profit or loss for previous financial years	0
Profit or loss for the financial year	0
Total distributable unrestricted equity	0

The Board of Directors proposes that the profit for the financial year be transferred to the profit and loss account and that no dividend be distributed.

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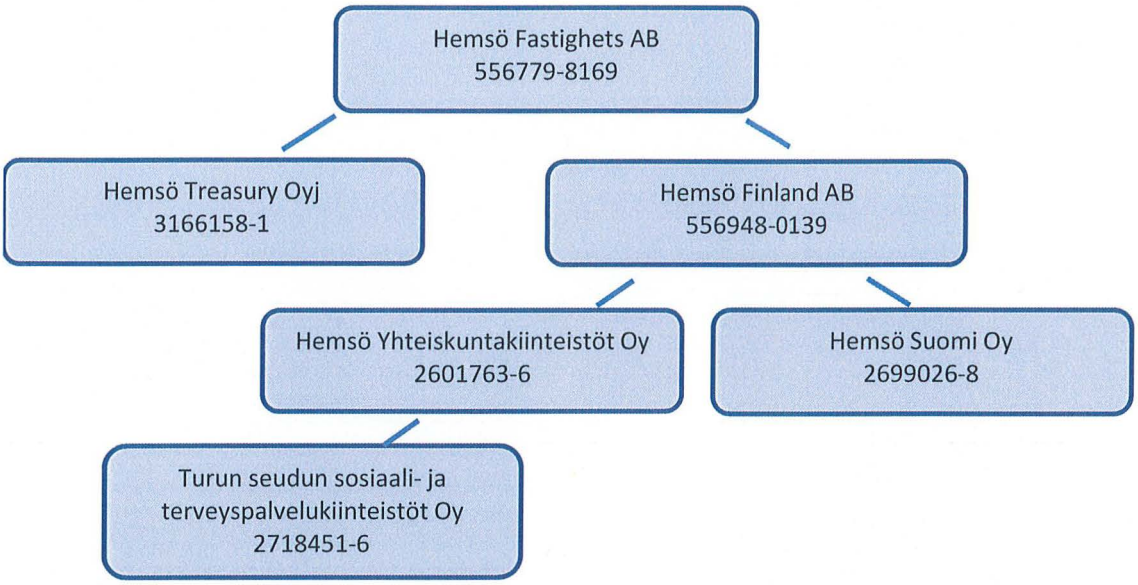
18. INTEREST AND OTHER LIABILITIES

Other accruals and deferred income included in the company's financial statements include amortised audit expenses.

Currency EUR	31.12.2023
Interest and other short-term liabilities	
Other accruals and deferred income	8 804
Accounts payable	0
Total	8 804

19. RELATED PARTY TRANSACTIONS

Hemsö Treasury Oyj's related parties include the company's parent company Hemsö Fastighets AB (publ) (556779-8169; domiciled in Stockholm) which owns 100% of the company's shares, and its subsidiaries. Other Group companies are Hemsö Finland AB (556948-0139), Hemsö Yhteiskuntakiinteistöt Oy (2601763-6) and Hemsö Suomi Oy (2699026-8) and its subsidiaries.



In 2021, the company issued a bond with a total nominal value of EUR 500 million. The related financial transactions were conducted using the parent company's cash pool account. As a result, the company had a long-term receivable and related interest receivables from the parent company at the end of 2021. The company has received a Group contribution of EUR 16,498.92 from a Group company, Hemsö Yhteiskuntakiinteistöt Oy. Related parties also include the members of the Company's Board of Directors. The members of the Board of Directors have neither directly nor indirectly conducted any transactions with Hemsö Group companies.

Interest income from Group companies

Currency EUR	31.12.2023	31.12.2022
Hemsö Fastighets Ab (publ)	811 357	810 174
Total	811 357	810 174

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Receivables from Group companies

Currency EUR	31.12.2023
Long-term, Hemsö Fastighets AB (publ)	494 355 000
Short-term, Hemsö Fastighets AB (publ)	2 445 160
Short-term, Hemsö Yhteiskuntakiinteistöt Oy	16 499
Total	496 816 659

20. AMENDMENTS TO STANDARDS

Amendments to standards that will enter into force in future financial years are not estimated to have significant effects on the company's financial statements.

21. EVENTS AFTER THE BALANCE SHEET DATE

The company has no material events to report since the end of the financial year.



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SIGNATURES

Helsinki, 25 March 2024

Nils Styf
Ordinary member of the Board of Directors

AUDITOR'S NOTE

A report has been adopted today on the audit carried out.

Helsinki, 25 March 2024

KPMG Oy Ab
Audit firm

Marcus Tötterman
Authorised Public Accountant

I confirm the above to be a full and true translation in English of the original Finnish document, an electronic version of which has been duly presented to me.

Turku, 27 March 2024

Leni Vapaavuori

Authorised translator (Act 1231/2007)

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AUKTORISERAD TRANSLATOR