



SBB Treasury Oyj

Business ID

3147399-4

Domicile

Helsinki

FINANCIAL STATEMENT

Reporting period

01.01.2021 - 31.12.2021

To be kept until 31 December 2031

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The Company's Board of Directors approved the financial statements for release on 25 April 2022.
The Board of Directors has the right to amend and re-release the financial statements.

Annual report of the Board of Directors

Profit for the financial year stood at EUR 15.242.466,70, of which EUR 35.281.926,11 came from interest income on intra-group loans and EUR 11.565.242,24 from interest expenses.

Transactions during the fiscal year

In February 2021, SBB Treasury Oyj issued a social senior unsecured bond of EUR 600 million. The bond has a maturity of two years and has a floating rate of 3 months EURIBOR. The bond is listed on Euronext Dublin.

In May 2021, the company issued a new bond of EUR 950 million as part of the programme. The bond matures in 2029. The interest rate of the bond is a fixed 1.125%.

Material events after the reporting period

In February 2022, the company issued an unsecured bond of EUR 700 million. The bond matures in two years and has a floating interest rate (3 months EURIBOR + 0.55%). Deutsche Bank acted as the bookrunner. In addition, the company has paid off the bond of EUR 600 million.

Related party transactions

In 2021, the company issued bonds with a nominal value of EUR 600 million and EUR 950 million, after which the funds received were transferred to the parent company. At the end of 2021, the company had accrued long term receivables from its parent company and related interest receivable amounting to EUR 2.250.462.033,77. The interest rate on mutual outstanding loans and liabilities within SBB Group is fixed at 2%.

According to the internal loan agreement of SBB Group, the debtor (parent company Samhällsbyggnadsbolaget i Norden AB) must, at the request of the creditor (SBB Treasury Oyj), repay the loan in full together with the accrued interest. However, the debtor may, at its own discretion, decide to repay the loan in full together with the accrued interest.

The company's intra-group loan receivables are subject to credit loss risk. The company has no activities other than outstanding loans from the parent company Samhällsbyggnadsbolaget i Norden AB. Samhällsbyggnadsbolaget i Norden AB is dependent on its leases and payments received from its tenants, among other income. The financial performance and cash flow of the parent company may be negatively impacted if tenants are past due on rent or otherwise fail to meet their obligations, or the leases end earlier than expected for some reason, as the result of which SBB Treasury Oyj could be forced to recognise receivables from the parent company as credit losses and be unable to pay off the bond as agreed.

Receivables and liabilities are subject to the risk that their fair value changes due to floating interest rates. The long-term loan granted to the parent company during the financial year has a fixed interest rate. In addition, both receivables and liabilities are denominated in euro and carry no foreign exchange risk. Some of the bonds have variable interest rates, which poses a risk due to the impact of changes in market interest rates on future interest rates. The company's interest expenses would increase by EUR 6.1 million in 2022 if market interest rates increased by 1 percentage point.

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

Board of Directors of the company

Chair:

Batljan Ilija

Members:

Lekander Oscar Sven

Strid Sofia Eva-Lotta

The auditor is Ernst & Young Oy.

Principal auditor:

Rytilahti Mikko Jarmo Eelis

The company's share capital is EUR 80,000.00 and the number of shares is 1,000. The share capital is divided into 1,000 shares with a nominal value of EUR 80.

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

Comprehensive income statement

Currency EUR	Note	1.1.2021-31.12.2021	29.6.2020-31.12.2020
Financial income and expenses			
Interest income	8, 19	35 281 926	680 552
Interest expenses	7	-11 565 242	-247 917
Other financial expenses	7	-2 535 959	-61 571
Impairments of financial assets and credit losses	4, 7	-1 621 500	0
Total financial income and expenses		19 559 225	371 064
Administrative expenses	9	-109 378	-1 513
Profit before tax		19 449 847	369 552
Taxes	10	-4 207 380	0
Profit for the period		15 242 467	369 552
Total comprehensive income for the period		15 242 467	369 552
Breakdown of profit for the period			
To shareholders of the parent company	11	15 242 467	369 552
Total		15 242 467	369 552
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	15 242,47	369,55

Balance sheet

Currency EUR	Note	31.12.2021	31.12.2020
ASSETS			
VARIABLE ASSETS			
Receivables			
Long-term			
Receivables from Group companies	12	2 250 462 034	690 004 000
Total long-term receivables		2 250 462 034	690 004 000
Current			
Receivables from Group companies	12	0	680 552
Other current receivables	15	0	2 472
Total current receivables		0	683 024
Total receivables		2 250 462 034	690 687 024
Cash and cash equivalents	15	94 687	99 438
Total cash and cash equivalents		94 687	99 438
TOTAL VARIABLE ASSETS		2 250 556 720	690 786 462
TOTAL ASSETS		2 250 556 720	690 786 462
LIABILITIES AND SHAREHOLDER EQUITY			
Equity attributable to shareholders of the parent company			
Share capital	16	80 000	80 000
Retained earnings	16	15 612 018	369 552
TOTAL EQUITY		15 692 018	449 552
LIABILITIES			
Long term			
Bonds	12	2 228 521 685	690 065 571
Liabilities to Group companies	19	708 621	20 000
Deferred tax liabilities	10	1 266 434	0
Total long-term liabilities		2 230 496 740	690 085 571
Short term			
Liabilities to Group companies	19	0	3 422
Accrued liabilities	10, 18	2 971 946	0
Interest payable	18	1 396 016	247 917
Total short-term liabilities		4 367 962	251 339
TOTAL LIABILITIES		2 234 864 702	690 336 910
TOTAL LIABILITIES AND SHAREHOLDER EQUITY		2 250 556 720	690 786 462

Statement of changes in equity

Equity attributable to shareholders of the parent company

				31.12.2021
Currency EUR	Note	Share capital	Retained earnings	Total equity
Share capital as of the beginning of the period	16	80 000	369 552	449 552
Profit for the period	16	0	15 242 467	15 242 467
Equity as of 31 December 2021		80 000	15 612 018	15 692 018

				31.12.2020
Currency EUR	Note	Share capital	Retained earnings	Total equity
Share issue on 29 June 2020	16	80 000		80 000
Profit for the period	16		369 552	369 552
Equity as of 31 December 2020		80 000	369 552	449 552

Cash flow statement

Currency EUR	Note	1.1.2021-31.12.2021	29.6.2020 - 31.12.2020
Cash flows from operating activities			
Profit for the period before tax		19 449 847	369 552
<i>Adjustments to profit for the period</i>			
Increase in receivables from other Group companies	12	-19 979 057	0
Other adjustments		518 459	-370 114
Net cash flow from operating activities		-10 751	-562
Cash flows from investing activities			
Change in long-term receivables	12	-1 539 113 226	0
Net cash flow from investing activities		-1 539 113 226	0
Cash flows from financing activities			
Share issue	16	0	80 000
Bonds, new	12	1 539 119 226	0
Other loans	19	0	20 000
Net cash flow from financing activities		1 539 119 226	100 000
Change in cash and cash equivalents		-4 751	99 438
Cash and cash equivalents at the beginning of the period		99 438	0
Cash and cash equivalents at the end of the period		94 687	99 438
	<i>Check</i>	<i>0</i>	<i>0</i>

Notes

1. Basic information about the company

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

The company was established in June 2020. The company's business areas are direct and indirect investment in real estate and real estate companies and related development activities, purchase, sale and lease of real estate, real estate companies, housing companies and related assets, and financing of direct and indirect real estate investments. In addition, the company may issue bonds and receive financing.

The company's financial year ended 31 December 2021 had a duration of 1.1. - 31.12. The Board of Directors approved this Annual Report on April 25, 2022. The financial statements will be presented for approval at the Annual General Meeting on April 30, 2022. A copy of the financial statements is available at Mannerheiminaukio 1A, 00101 Helsinki.

SBB Treasury Oyj is part of a group whose ultimate parent company is Samhallsbyggnadsbolaget i Norden AB (556981-7660; domiciled in Stockholm). SBB i Norden AB (559053-5174; domiciled in Göteborg) is the parent company of SBB Treasury Corporation.

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

The financial year 2020 was the company's first financial year and exceptionally shorter, so for this reason they are not directly comparable with the financial year 2021.

2. Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). International Financial Reporting Standards refer to the standards and interpretations adopted for application 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).

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

Income tax for the financial year is calculated according to the applicable tax rate decided or announced on the balance sheet date, which is 20.0% on the balance sheet date. The tax reported and the tax payable may differ from each other due to non-deductible expenses and tax-free income.

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

Financial liabilities are initially recognized at fair value. Transaction costs are included in the initial carrying amount of financial liabilities measured at amortized cost. Subsequently, all financial liabilities are measured at amortized cost using the effective interest method. Bonds are classified as a liability or equity based on whether there is a contractual obligation to repay them in cash or otherwise.

The 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 on a going concern basis.

Impairment of financial assets

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive.

Expected credit losses are classified into three stages. The first stage includes financial assets that are exposed to credit risk and whose credit risk has not increased significantly since initial recognition. This portion includes expected credit losses due to defaults on financial instruments that are possible within 12 months. The second stage includes financial assets that are exposed to credit risk and whose credit risk has increased significantly since initial recognition. The loss deduction is recognized for expected credit losses over the life of the financial instrument over the expected life of the financial instrument. The third stage includes loans that are considered to be impaired due to credit risk. The company records provisions in life expectancy credit losses (LTECL).

The calculation principles and main elements of expected credit losses are as follows:

- Probability of Default (PD) is an estimate of the probability that an insolvency will occur over a period of time. Insolvency can only occur during a certain period during the period under assessment if the liability has not previously been derecognised and still exists.
- The amount of the liability at the time of insolvency (EAD) is an estimate of the amount of liability at the time of future insolvency, taking into account the expected changes in the liability after the reporting date. Changes include prepayments of principal and payment of interest in accordance with the schedule of the agreement or otherwise, as well as expected withdrawals from binding arrangements and accrued interest on unpaid payments.
- The Loss Given Default (LGD) is an estimate of the loss that occurs when an insolvency occurs at a particular point in time. It is based on the difference between the contractual cash flows and the cash flows the lender expects to receive, taking into account the cash flows from realizing the collateral or other credit enhancement arrangements that are an integral part of the loan and are not separately recognized. These are typically expressed as a percentage of the amount of liability at the time of insolvency (EAD).

For trade receivables and contract assets, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The company did not have trade receivables and contract assets in the year 2021 or 2020.

3. Classification into non-current and current receivables and liabilities

The company presents receivables and liabilities in the balance sheet as current or non-current on the following basis:

Receivable is current if the following conditions are met:

- Expected to be sold or consumed during the normal operating cycle
- Held primarily for trading purposes
- Realized within 12 months of the balance sheet date
- Cash or deposit, unless the asset is not convertible or available to settle the liability for at least 12 months after the end of the reporting period.

All other receivables are classified as non-current.

Liability is current when:

- is realized during the normal operating period
- It is held primarily for the purpose of trading
- It is expected to be paid within 12 months of the balance sheet date

Or

- The company has no absolute right to defer payment of liability for at least 12 months from the balance sheet date
- The terms of a debt agreement that the debt could be settled in 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.

The company's financial assets and liabilities are measured at amortized cost. The company has not measured any balance sheet item at fair value in the financial statements on 31 December 2021 or 31 December 2020.

Fair value is the price that would be received to sell a liability in an orderly transaction between market participants at 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:

- The main market for an asset or liability

Or

- In the absence of a primary market, the most favorable market for the asset or liability. The company must have access to the main or most advantageous market on the valuation date. The fair value of an asset or liability is determined using the assumptions that market participants would use in pricing the asset or liability, assuming that the market participants are acting in their financial interest.

The determination of 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 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, maximizing the use of significant observable inputs and minimizing the use of undetectable inputs.

All assets and liabilities whose fair value is determined or presented 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 purpose of determining the total fair value:

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

Level 2 - fair values are largely based on inputs other than quoted prices included in Level 1, but are disclosed for that asset or liability, either directly or indirectly.

Level 3 - fair values, in turn, are based on inputs for the asset or liability that are not based on observable market data (other than observable inputs)

Income taxes and tax liabilities are measured at the amount expected to be collected or paid to the tax authorities. Tax rates and tax laws enacted or substantively enacted 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 items recognized directly in equity is recognized in equity and not in the income statement. Management regularly evaluates the company's tax position, taking into account tax regulations and interpretations.

Deferred taxes

Deferred tax is provided using the liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the balance sheet date. Deferred tax liabilities are recognized 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 other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss

- For taxable temporary differences associated with subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences is controllable and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the transfer of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized and unused tax credits and unused tax losses can be utilized, except:

- When 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 that at the time of the transaction affects neither accounting profit nor taxable income

- Deferred tax assets related to deductible temporary differences associated with subsidiaries, associates and joint ventures are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and that taxable profit is available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax related to items recognized in profit or loss is recognized in profit or loss. Deferred tax items are recognized in the correlated transaction either in comprehensive income or directly in equity. Tax benefits acquired in a business combination that do not qualify for separate recognition at that date are subsequently recognized if new facts and circumstances become available. An adjustment is treated as either a reduction in goodwill (as long as it does not exceed goodwill) if it arose during the measurement period or is recognized in profit or loss.

The company deducts deferred tax assets and liabilities if, and only if, the company has a legally enforceable right to set off tax assets and liabilities based on taxable income for the period against each other and the deferred tax assets and liabilities relate to income taxes levied by the same taxpayer.

Currency

The company's financial statements are presented in euros, which is also the company's functional currency. Transactions denominated in foreign currencies are recorded at the exchange rate on the date of the transaction. Receivables and liabilities denominated in foreign currencies in the balance sheet at the balance sheet date have been valued at the exchange rate on the balance sheet date. Exchange rate differences have been recognized in the financial statements through profit or loss.

Distribution of dividends

The company is obligated to pay dividends when the distribution is permitted and is no longer at the company's discretion. The payment of dividends is recognized directly in equity in the balance sheet.

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

Derivative instruments

The 700 MEUR and 950 MEUR bonds have fixed interest rates (0.75% and 1.125%). The 600 MEUR bond is a convertible 3-month Euribor. The company has no derivative contracts. Hedge accounting does not apply.

Changes in accounting policies

There have been no changes during the financial year.

New and amended standards

The amendments to IFRS do not have a material effect on the company's financial statements.

In preparing these financial statements, management is required to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses and other disclosures. Estimates are based on experience and assumptions that management and the Board deem reasonable in the circumstances. Actual results may differ from these estimates if other factors arise. The estimates that are most important in the preparation of the Company's financial statements are described below.

Estimates are involved in the measurement of deferred taxes. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized.

Provision for expected credit losses

Determining impairment losses requires judgment in all categories of financial assets, particularly with respect to the amount and timing of future cash flows and the values of collateral, when determining impairment losses and assessing a significant increase in credit risk. These estimates are affected by many factors, changes to which may result in different provisions. Information on expected credit losses related to the company's receivables is presented in Note 12, Financial assets and liabilities.

Financial instruments

The provision for expected credit losses is based on credit losses that are expected to arise during the life of the asset. If the credit risk has not increased significantly since the credit was granted, the provision is based on 12-month expected credit losses. The 12-month expected credit loss is the portion of the life expectancy credit loss that represents the expected credit loss due to the insolvency of a financial instrument that occurs within 12 months of the reporting date.

The company has estimated that credit risk has not increased significantly during 2021 or 2020. The long-term receivables come from Samhällsbyggnadsbolaget i Norden AB, which has a credit rating of BBB- (Standard & Poor's).

The following table provides information on the credit risk associated with the Company's receivables using 12-month expected credit losses. The calculation is based on IFRS 9, which may not represent actual insolvency in the future. The company does not expect long-term receivables to include real credit losses in the future.

	31.12.2021
Probability of default (PD)	0,16 %
Loss given default (LGD)	45 %
Nominal value of non-current receivables	2.252.083.533,77€
Credit losses recorded	1.621.500,00 €
Book value of non-current receivables	2.250.462.033,77€

5. Management of capital structure

The company's capital consists of EUR 80,000 in share capital and EUR 15,612,018.21 in retained earnings. The SBB Group manages the capital structure of its subsidiary by monitoring the gearing ratio and adjusting the amount of equity so that it is not lost, inter alia, through invested unrestricted equity.

In February 2021, the company has issued a 600MEUR bond that matures in February 2023. The interest rate on the debt is a variable 3-month Euribor rate. In May 2021, the company has issued a 750MEUR bond, which was issued for an additional 200MEUR in November. The interest rate on the debt is fixed at 1.125%. The loan matures in November 2029.

The loans were paid into the company's account and then transferred to the parent company's bank account. The loan receivable is shown as a long-term receivable in SBB Treasury Corporation's balance sheet. The interest rate is fixed at 2%.

Gearing ratio	31.12.2021	31.12.2020
Interest - bearing liabilities	2 236 475 355	690 065 571
Cash and current deposits	-94 687	-99 438
Net debt	2 236 380 668	689 966 133
Equity	15 692 018	449 552
Total equity and net debt	2 252 072 686	690 415 685
Gearing ratio	99,30 %	99,93 %

The bond is subject to covenants that the SBB Group must comply with. The terms of the covenants have been met and have not been violated during the financial year.

6. Determination of fair value

Hierarchy of fair value measurement as of December 31, 2021:

	Valuation date	Total	Level 1	Level 2	Level 3
Assets					
Receivables from group companies	31.12.2021	2 250 462 034		2 250 462 034	
Total		2 250 462 034		2 250 462 034	
Liabilities					
Fixed - rate non-current liabilities	31.12.2021	2 236 475 355	2 236 475 355	0	
Liabilities to group companies	31.12.2021	708 621	0	708 621	
Total		2 237 183 976	2 236 475 355	708 621	

Hierarchy of fair value measurement as of December 31, 2020:

	Valuation date	Total	Level 1	Level 2	Level 3
Assets					
Receivables from group companies	31.12.2020	690 684 552		690 684 552	
Other	31.12.2020	2 472		2 472	
Total		690 687 024		690 687 024	
Liabilities					
Fixed - rate non-current liabilities	31.12.2020	690 065 571	690 065 571		
Liabilities to group companies	31.12.2020	23 422		23 422	
Total		690 088 993	690 065 571	23 422	

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

In Level 2, the valuation of the instrument also uses verifiable prices other than quoted in an active market, either directly or derived from them, using valuation techniques.

At level 3, valuation is based on non-verifiable market prices.

7. Financial expenses

	1.1.2021	29.6.2020
	-31.12.2021	-31.12.2020
Interest and financial expenses		
Interest expenses, Bonds	-11 565 242	-247 917
Expenses related to bonds	-2 535 959	-61 571
Impairment of financial assets and credit losses	-1 621 500	0
Total	-15 722 701	-309 488

8. Financial income

	1.1.2021	29.6.2020
	-31.12.2021	-31.12.2020
Interest income from group companies		
Samhällsbyggnadsbolaget i Norden AB	35 281 926	680 552
Total	35 281 926	680 552

9. Administrative expenses

	1.1.2021	29.6.2020
	-31.12.2021	-31.12.2020
Audit	-62 000	0
Legal and consulting services	-176	-950
Other administrative expenses	-36 412	0
Banking and money transfer expenses	-10 790	-562
Total	-109 378	-1 513

10. Taxes

During the financial year, the corporate tax rate in Finland was 20.0 percent. The company is not included in the VAT register.

	1.1.2021	1.1.2020
	-31.12.2021	-31.12.2020
Tax calculation		
Income tax for the financial period	-2 940 946	0
Deferred taxes	-1 266 434	0
Total taxes in the income statement	-4 207 380	0

	1.1.2021	1.1.2020
	-31.12.2021	-31.12.2020
Reconciliation of the effective tax rate		
Profit before taxes	19 449 847	369 552
Tax according to the tax rate applicable to the parent company (20%)	-3 889 969	-73 910

Tax Effect:

Other items	-317 411	73 910
Taxes in the income statement	-4 207 380	0
<i>Check</i>		<i>0</i>
Effective tax rate	21,6%	0,0%

	31.12.2021	31.12.2020
Deferred tax liabilities		
Deferred tax liabilities, financial instruments	1 266 434	0
Total	1 266 434	0

11. Earnings per share

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

During the financial year, the company's sole shareholder is Samhällsbyggnadsbolaget i Norden AB. The number of shares has not changed during the financial year and is 1,000. There have been no changes in the share capital. No dividends will be paid for the financial year.

Earnings per share	31.12.2021	31.12.2020
Profit for the period	15 242 467	369 552
Number of shares	1 000	1 000
Earnings per share	15 242,47	369,55

12. Financial assets and liabilities**Financial assets**

	31.12.2021	31.12.2020
Non-current interest-bearing loan receivable, Samhällsbyggnadsbolaget i Norden AB	2 250 462 034	690 004 000
Short-term interest receivable, Samhällsbyggnadsbolaget i Norden AB	0	680 552
Total	2 250 462 034	690 684 552

Financial liabilities

Transaction costs are included in the initial carrying amount of financial liabilities measured at amortized cost. Subsequently, all financial liabilities are measured at amortized cost using the effective interest method.

In May 2021, the company's 4000 MEUR Euro Medium Term Note program limit was raised to 8000 MEUR. All bonds issued by SBB Treasury Oyj are issued under the full guarantee of Samhällsbyggnadsbolaget i Norden AB. The organizer was Nordea Bank Abp. The program is listed on the Dublin Stock Exchange.

During the financial year, the company issued two new bonds, the terms of which are set out below:

Issuer	SBB Treasury Oyj
Guarantor	Samhällsbyggnadsbolaget i Norden AB (publ)
LEI	549300HX9MRFY47AH564 (Guarantor) / 5493003HHOCW6FIMH724 (Issuer)
Rating	BBB- (Standard & Poor's), BBB- (Fitch)
Brokers	Deutsche Bank Aktiengesellschaft
Currency	EUR
Type	Variable rate
Nominal value of debt	EUR 600 000 000
Commence	1 February 2021 (T + 5)
Mature	1 February 2023
Reference rate	3 months Euribor
Interest payment dates	Quarterly, payable on 1 February, 1 May, 1 August and 1 November of each year until maturity

Issuer	SBB Treasury Oyj
Guarantor	Samhällsbyggnadsbolaget i Norden AB (publ)
LEI	549300HX9MRFY47AH564 (Guarantor) / 5493003HHOCW6FIMH724 (Issuer)
Rating	BBB- (Standard & Poor's), BBB- (Fitch)
Brokers	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
Commence	26 May 2021 (T+6)
Mature	26 November 2029
Coupon rate	1.125%
Interest payment dates	November 26 annually from November 26, 2021 until the due date

Interest - bearing financial liabilities, non-current	Nominal value, MEUR	Interest	Due date	31.12.2021
	700	0,75 %	14.12.2028	693 839 174
	600	3 months Euribor	1.2.2023	600 329 602
	950	1.125%	26.11.2029	942 306 579

In December 2020, the company issued an unsecured bond of EUR 700 million, the terms of which are set out below:

Issuer	SBB Treasury Oyj
Guarantor	Samhällsbyggnadsbolaget i Norden AB (publ)
LEI	549300HX9MRFY47AH564 (Guarantor) / 5493003HHOCW6FIMH724 (Issuer)
Rating	BBB- (Standard & Poor's), BBB- (Fitch)
Brokers	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
Commence	14 December 2020 (T + 4)
Mature	14 December 2028
Coupon rate	0,75 %
Interest payment dates	December 14 annually from December 14, 2021 until the due date

Interest - bearing financial liabilities, non-current	Interest	Due date	2020
Balance sheet value 31.12.2020	0,75 %	14.12.2028	690 065 571

Financial assets and liabilities

Financial assets and liabilities in the company's balance sheet correspond to fair value:

	31.12.2021 Book value	31.12.2021 Fair value
Financial assets		
Non-current receivables from group companies, interest-bearing	2 250 462 034	2 250 462 034
Total	2 250 462 034	2 250 462 034

Financial liabilities

Non-current interest - bearing liabilities	2 228 521 685	2 228 521 685
Liabilities to group companies	708 621	708 621
Total	2 229 230 306	2 229 230 306

	31.12.2020 Book value	31.12.2020 Fair value
Financial assets		
Non-current receivables from group companies, interest-bearing	690 004 000	690 004 000
Current interest receivables from group companies	680 552	680 552
Total	690 684 552	690 684 552

Financial liabilities

Non-current interest - bearing liabilities	690 065 571	690 065 571
Current interest liabilities	247 917	247 917
Liabilities to group companies	23 422	23 422
Total	690 336 910	690 336 910

13. Risk management**Interest rate risk**

Receivables and liabilities are subject to the risk that their fair value changes due to floating interest rates. The long-term loan granted to the parent company during the financial year has a fixed interest rate. In addition, both receivables and liabilities are denominated in euro and carry no foreign exchange risk. Some of the bonds have variable interest rates, which poses a risk due to the impact of changes in market interest rates on future interest rates. The company's interest expenses would increase by EUR 6.1 million in 2022 if market interest rates increased by 1 percentage point.

Credit risk

Failure to comply with the obligations of the other party related to a financial instrument or customer relationship results in a financial loss, ie the realization of credit risk. Credit risk in operations includes trade receivables, but also deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial receivables involve the risk that the borrower will not be able to meet its obligations, as a result of which the company would suffer credit losses. The company has a mutual long-term receivable from the parent company Samhällsbyggnadsbolaget i Norden AB. During the financial year, the company recorded a credit loss of EUR 1.6 million on this loan. Further information on the credit loss can be found in Notes 2 and 4.

Liquidity risk

Liquidity risk is the risk that a company will not be able to meet its payment obligations in its financing. If the company's sources of liquidity prove insufficient, it could have a material adverse effect on the company's operations, results of operations and financial condition. There is also a risk that the cost of raising cash to meet the company's payment obligations will increase significantly. SBB Treasury Oyj is also exposed to risks due to possible illiquidity of the entire SBB Group portfolio. Property types owned or potentially acquired in the future by the entire SBB Group may be illiquid. In the case of a sudden sale, there may be a significant difference between the fair value of the property and the acquisition price. An illiquid market may result in a lower than expected selling price or delay sales. Any such deficiencies could have a material adverse effect on the business, results of operations or financial condition of both the SBB Group and SBB Treasury. In addition, the SBB Group may be subject to restrictions on its ability to sell real estate on the basis of covenants and commitments that restrict the sale of assets. Refinancing may prove impossible or be associated with sharply increased costs. Refinancing risk is the risk that the cost of financing may be higher and / or that refinancing opportunities may be limited or non-existent when the debt of SBB Treasury or another company in the SBB Group matures. The SBB Group's business is partly financed by externally provided capital. The development and acquisition of real estate requires large amounts of capital, usually from banks, credit institutions or other lenders. There is a risk that creditors will not grant credit to the SBB Group or that credit will be provided at significantly higher costs than planned. In addition, certain loan agreements and the terms of the debt instruments contain terms that may limit the SBB Group's ability to raise new debt.

The agreement sets out the following covenants that the SBB Group must comply with:

- solvency ratio must not exceed 65%
- the credit ratio must not exceed 45%
- the debt coverage ratio must be at least 1.5x

Maturity table

	On demand	< 3 month	3-12 months	1-5 years	> 5 year	Per 31.12.2020
						Total
Liabilities to group companies	23 422	0	0	0	0	23 422
Interest payments	0	247 917	5 322 917	21 306 250	705 815 571	732 692 654
	23 422	247 917	5 322 917	21 306 250	705 815 571	732 716 076

	On demand	< 3 month	3-12 months	1-5 years	> 5 year	Per 31.12.2021
						Total
Liabilities to group companies	708 621	0	0	0	0	708 621
Interest payments	0	0	16 803 688	665 065 823	1 678 056 691	2 359 926 201
	708 621	0	16 803 688	665 065 823	1 678 056 691	2 360 634 822

14. Changes in liabilities due to financial operations

	1.1.2021	Changes in cash flow	Currency changes	Other	Per 31.12.2021
Bonds	690 065 571	1 538 456 114	0	0	2 228 521 685
Current interest liabilities	247 917	0	0	1 148 099	1 396 015
Total	690 313 488	1 538 456 114	0	1 148 099	2 229 917 700

	29.6.2020	Changes in cash flow	Currency changes	Other	Per 31.12.2020
Bonds	0	0	0	690 065 571	690 065 571
Current interest liabilities	0	0	0	247 917	247 917
Total	0	0	0	690 313 488	690 313 488

The transfers related to the bond took place through the company's parent account, so this debt is not shown in the cash flow statement.

15. Cash and other receivables

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

Bank receivables

	31.12.2021	31.12.2020
Bank account Handelsbanken	94 687	99 438
Total	94 687	99 438

Other receivables

	31.12.2021	31.12.2020
Capitalization of restructuring costs, current	0	2 472
Total	0	2 472

16. Equity**Share capital**

The company's share capital is € 80,000.00 (registered on July 15, 2020) and the number of shares is 1,000. The share capital is divided into 1,000 shares with a nominal value of EUR 80. There has been no change in the share capital during the financial year. No funds have been established for the company.

	31.12.2021	31.12.2020
Share capital at the beginning of the financial year	80 000	80 000
Share capital 31.12.	80 000	80 000
Retained earnings	369 552	0
Profit for the period	15 242 467	369 552
Total equity	15 692 018	449 552

The company has not paid any dividends during the financial year. No translation or other currency differences arose during the financial year.

17. Presentation on the distribution of dividends and the use of profits**Calculation of distributable funds 31.12.2021**

	31.12.2021	31.12.2020
Distributable unrestricted equity		
Result for previous financial years	369 552	0
Result for the period	15 242 467	369 552
Total distributable unrestricted equity	15 612 018	369 552

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.

18. Interest and other liabilities

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

EUR 600M (nominal value) the interest on the bond is accrued using the effective interest method but is paid quarterly. The coupon rate of the loan is + 3 months Euribor. The bond was repaid in February 2022.

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

Arrangement costs are accrued over the term of the loan using the effective interest method.

Interest and other current liabilities

	31.12.2021	31.12.2020
Accrued interest expenses	1 396 016	247 917
Total	1 396 016	247 917

At the end of the financial year, the company had no trade payables.

Accrued expenses

	31.12.2021	31.12.2020
Audit costs	31 000	0
Income taxes for the financial year	2 940 946	0
Total accrued expenses	2 971 946	0

19. Related party transactions

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

Transactions with related parties

At the end of 2021, the long-term receivable from its parent company and the related interest receivable were EUR 2,250,462,034. The interest rate on mutual loan receivables and liabilities in the entire SBB Group is fixed at 2%. During the financial year, a credit loss of EUR 1,621,500 was recorded. Further information on the credit loss can be found in Notes 2 and 4.

Interest income from group companies

	31.12.2021	31.12.2020
Samhällsbyggnadsbolaget i Norden AB	35 281 926	680 552
Total	35 281 926	680 552

Receivables from group companies

	31.12.2021	31.12.2020
Pitkäaikaiset, Samhällsbyggnadsbolaget i Norden AB	2 250 462 034	690 004 000
Lyhytaikaiset, Samhällsbyggnadsbolaget i Norden AB	0	680 552
Total	2 250 462 034	690 684 552

Liabilities to group companies

	31.12.2021	31.12.2020
Non-current, Samhällsbyggnadsbolaget i Norden AB	0	20 000
Current, Samhällsbyggnadsbolaget i Norden AB	0	3 422
Current, Tampere Holdco Oy	641 138	0
Current, SBB Finland Oy	67 484	0
Total	708 621	23 422

20. Amendments to standards

The amendments to the standards that came into force at the beginning of 2021 will not have a material effect on SBB Treasury Oyj's financial statements.

21. Events after the financial period

In February 2022, the company issued an unsecured bond of EUR 700 million. The loan has a maturity of two years. The loan has a variable interest rate (3-month EURIBOR + 0.55%). The intermediary was Deutsche Bank.

During 2021, Covid-19 was one of the biggest factors affecting the global economy. Vaccinations only started gradually at the end of 2020 and the situation is still unpredictable. In addition, mutations have been identified that greatly affect the duration of the pandemic. The pandemic has had a limited impact on SBB Treasury Oyj's financial statements on December 31, 2021.

Covid 19 has had only a minor impact on the cash flows of the entire SBB Group, as the cash flows come primarily from tenants who are tax-subsidized by the government or from rented housing. It is likely that demand and interest in public service properties in the Nordic countries will continue to be extensive in the future.

During February 2022, the bond of EUR 600 million (LEI 5493003HHOCW6FIMH724) was repaid in full.

According to SBB Treasury Oyj, the war in Ukraine will not directly affect the company's operations or financial situation, although it will bring uncertainty to the financial markets.

Signatures on the financial statements:

Helsinki, 25.4.2022

Batljan Ilija
Chairman of the Board

Sofia Eva-Lotta Strid
Member of the board

Oscar Sven Lekander
Member of the board

Financial statement entry

A report on the audit has been issued today.

Helsinki, __.__.2022

Ernst & Young Oy

Mikko Rytilahti
Authorised Public Accountant, KHT

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, 2021. The financial statements comprise the balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies.

In our opinion

- The financial statements give a true and fair view of the company's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) 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 Financial Statements* section of our report.

We are independent of the parent company and of the group companies 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 parent company and group companies 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 2021.

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
<p>Intercompany receivables <i>We refer to the notes 2, 4, 12 and 13.</i></p> <p>At the balance sheet date, the value of intercompany receivables amounted to 2 250 m€ representing 100% of the company's assets. Valuation of intercompany receivables was key audit matter as the determination of credit risk includes management judgement.</p>	<p>To account for the risk of material misstatement related to the valuation of intercompany receivables we have performed among others the following audit procedures:</p> <ul style="list-style-type: none"> • We assessed the risk of counterparty default resulting in a financial loss. • We assessed the appropriateness of the receivables' book value at balance sheet date. • We assessed the adequacy of these disclosures.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and comply with statutory requirements. The Board of Directors is 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 is 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 parent company's or the group'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' and the Managing Director's 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 parent company's or the group'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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 two (2) 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 accordance 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 accordance 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 26.4.2022

Ernst & Young Oy
Authorized Public Accountant Firm

MIKKO RYTILAHTI

Mikko Rytlahti
Authorized Public Accountant